Adapting to Strategic Uncertainty:

The Development of Self-Reliance Within the ANZUS Alliance in Australian Defence Policy Between 1959 and 1989

Word Count: 99,998 Words

Sasha Vukoja

A thesis submitted for the degree of Doctor of Philosophy at the Australian National University.

August 2021.

Declaration

I declare that this thesis is my own work unless otherwise acknowledged in the text.

Sasha Vukoja

August 2021

Table of Contents

Abstract 4
Abbreviations 5
Dedication 6
Acknowledgements 7
Preface 8
Introduction 12
Chapter One: The Origins of Self-Reliance in Australian Defence Policy (1901-1957) 34
Chapter Two: The Menzies-Holt Government, Southeast Asia and Self-Reliance (1957-1967) 64
Chapter Three: The Gorton-McMahon Govt, Regional Engagement and Self-Reliance (1967-1972) 98
Chapter Four: The Whitlam Government and the Development of Greater Self-Reliance (1972-1975) . 122
Chapter Five: The Early Fraser Years and Self-Reliance in Defence Policy (1975-1980) 142
Chapter Six: The Late Fraser Years and the Crisis in Australian Defence Policy (1980-1983) 163
Chapter Seven: The Early Hawke Years, Self-Reliance and ANZUS (1983-1985) 189
Chapter Eight: The Late Hawke Years, and the Codification of Self-Reliance (1985-1989) 217
Conclusion 243
Appendix A: ANZUS Treaty 252
Appendix B: Selected Records on the Dutch New Guinea Crisis (1958-1959) 256
Appendix C: Selected Records on Alliance Obligations During Konfrontasi (1963-1965) 293
Appendix D: Selected Records on Britain's Withdrawal from East of Suez (1966-1971) 321
Appendix E: Selected Records on the Guam Doctrine (1967-1970) 340
Appendix F: Selected Records on the Defence of Australia (1974-1975) 365
Appendix G: Selected Records on Self-Reliance under the Fraser Government (1976-1983) 386
Appendix H: Defence Expenditure During the Fraser Government (1976-1983) 401
Appendix I: Selected Records on the Formalisation of Self-Relliance (1983-1989) 406
Appendix J: Australian Governments and Defence Policy (1901-1989) 441
Bibliography 449

Abstract

The thesis examines the origins and evolution of the concept of self-reliance as a fundamental principle of Australian defence policy between 1959 and 1989. Since Federation, there has been an ongoing debate as to whether Australian defence policy should be based on greater defence self-reliance for contingencies that may arise in Australia's immediate region or integration with allied coalitions for contingencies in more distant theatres. The thesis draws on archival records and interviews with key figures from the period to answer the following research question: *what did self-reliance mean in Australian defence policy between 1959 and 1989?* The thesis argues that self-reliance means that Australia must be able to conduct independent military operations in defence of its core strategic interests in its immediate region against credible threats and without recourse to the combat forces of allies. This broad definition of self-reliance has remained constant but is comprised of four variables which have inevitably evolved over time: Australia's core strategic interests, the geographic scope of Australian defence policy, and perceptions of traditional allies and credible threats. The inherent flexibility of self-reliance enabled successive governments to adapt to changes in Australia's strategic environment. The thesis concludes that as Australia appears to be going into an increasingly uncertain strategic environment, lessons from the development of self-reliance in the past may be particularly relevant for contemporary defence policymakers.

Abbreviations

AAEC	Australian Atomic Energy Commission
AATTV	Australian Army Training Team Vietnam
ADF	Australian Defence Force
AIF	Australian Imperial Force
ALP	Australian Labor Party
AMDA	Anglo-Malayan Defence Agreement
ANMEF	Australian Naval and Military Expedition Force
ANZAC	Australia and New Zealand Army Corps
ANZUS	Australia, New Zealand and United States Security Treaty
ASEAN	Association of Southeast Asian Nations
CAS	Chief of the Air Staff
CDF	Chief of the Defence Force
CDFS	Chief of the Defence Force Staff
CGS	Chief of the General Staff
CMF	Citizen Military Forces
CNS	Chief of Naval Staff
CIA	Central Intelligence Agency
CID	Committee for Imperial Defence
EU	European Union
FPDA	Five Power Defence Arrangements
FYDP	Five Year Defence Program
G7	Group of Seven
HMAS	Her Majesty's Australian Ship
HMS	Her Majesty's Ship
IAEA	International Atomic Energy Agency
JIO	Joint Intelligence Organisation
ONA	Office of National Assessments
OSCE	Organisation for Security Cooperation in Europe
NATO	North Atlantic Treaty Organisation
NIC	National Intelligence Committee
NZDF	New Zealand Defence Force
PCA	Permanent Court of Arbitration
PKI	Communist Party of Indonesia
PNG	Papua New Guinea
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
SDI	Strategic Defense Initiative
SDSC	Strategic and Defence Studies Centre
SEATO	Southeast Asian Treaty Organisation
UK	United Kingdom
UN	United Nations
UNSC	United Nations Security Council
US	United States
USN	United States Navy
USSR	Union of Soviet Socialist Republics

Dedication

This thesis is dedicated to the memory of Vice Admiral Ian MacDougall and Colonel J.O Langtry, who generously supported this work but did not see the final draft.

Acknowledgements

I thank my doctoral supervisors, Prof. John Blaxland, Prof. David Horner and Prof. Hugh White for their guidance and support in writing this thesis. They provided valuable advice, and I appreciate their assistance in identifying a suitable topic for research and for developing my findings into a substantial body of literature throughout the course of my candidature.

I also thank those who generously gave their time to be interviewed for my research. In particular, I thank the Governor of Western Australia, Kim Beazley, for his insights as Minister for Defence in the Hawke Government. Special thanks also go to Prof. Paul Dibb and Prof. Richard Brabin-Smith, for their views as former deputy secretaries in the Department of Defence. I am also grateful for the support of Ross Cottrill and Ross Babbage, both of whom shared their experiences as senior public servants at a critical time in Australian defence history.

From the military side, I thank Vice Admiral Ian MacDougall, Air Marshal Ray Funnell and Major-General Bill Crews. Their observations greatly assisted in understanding the development of policy from a uniformed perspective in the three Services, and aided my analysis of technical and capability issues that were vital to policy development at the time.

I also thank Prof. Robert O'Neill and Prof. Brendan Sargeant, former (1971-1982) and current (2019-) heads of the ANU Strategic and Defence Studies Centre. The SDSC has played a key role in the conceptual development of self-reliance in Australian defence policy, and both provided valuable insights as former practitioners, both military and civilian, and later as esteemed academics.

I am particularly grateful for the assistance provided by Heather Henderson and Derek Woolner. They provided first-hand insights from the Menzies Era, and the Whitlam Government, respectively, and gave me an unparalleled education in Australian political history for which I am deeply appreciative.

The staff of the National Archives of Australia, the Australian War Memorial, and the National Library of Australia have also been an invaluable resource. I particularly value their assistance in accessing the Shedden Collection, the Tange Collection and the Beazley Collection, and in locating interview material undertaken by other historians that has considerably aided my research.

Lastly and most significantly, I thank my wife, Clare Vukoja, for her love and support during my candidature. Undertaking doctoral research while working is not an easy task, and I could not have done it without her.

Preface

In an interview with Prof. Neville Meaney in 1989, the former Secretary of the Department of Defence, Sir Arthur Tange reflected that 'Knowledge of history is vital for developing ideas as to how to best protect one's interests in the rest of the world, but it has to be the right history, given Australia's limited size, role in the world and influence.'[1] During his tenure for much of the Cold War, Australian defence policy underwent considerable change as successive governments sought to adapt to increased strategic uncertainty in the Asia-Pacific through greater self-reliance in official policy in response to changing dynamics in the balance of geopolitical power with respect to potential threats and traditional allies. Australia's region is, once again, undergoing considerable strategic change. This thesis seeks to learn from comparable experiences in the past to put forward an intellectual framework to assist in conceptualising policy approaches for what portends to be an increasingly complex strategic environment.

The process of researching this thesis has been a journey of intellectual discovery that has brought new insights into a key period of Australian diplomatic and military history, and which challenges traditional understandings of how and why defence policy was made at the time. In researching the development of self-reliance within the ANZUS alliance, I began my research with *Defence White Paper 1987*, written under the stewardship of Defence Minister, Kim Beazley, and principally authored by Ministerial Consultant, Paul Dibb as that document is widely recognised as having solidified self-reliance as an intellectual cornerstone of Australian defence planning. I soon realised, however, that the concept had much older origins, which took me to *Defence White Paper 1976*, under Arthur Tange, and his respective Defence Ministers, Lance Barnard, Bill Morrison and Jim Killen. Researching the origins of that document took me back to the late 1960s under John Gorton, with Britain's withdrawal from Asia, and the Guam Doctrine. Yet, further research traced the origins of modern self-reliance to the period between 1958 and 1963, in which the concept was first considered, and developed at an embryonic level, by the Menzies Government as a potential policy response to the West New Guinea Crisis. It is known that self-reliance was first mentioned in the *Strategic Basis* paper of 1959 but the broader context that drove those deliberations is not well understood. My research shows that self-reliance, within the ANZUS Alliance, was much older and thoroughly developed than was understood in the academic discourse; the concept did not begin in the post-Vietnam period but had been in development for much earlier than realised and in response to an episode in diplomatic history that had not been thoroughly examined.

What this demonstrates is that the development of self-reliance was part of a broader strategy in Australian defence policy to adapt to heightened uncertainty. There has always been an ongoing debate about the conceptual basis of Australian defence policy between those who have favoured expeditionary operations in more distant theatres and those who have sought for Australia to step up in its region. Self-reliance in a regional context is not, and has never been, a relatively new idea. Rather,

[1] *Arthur Tange Interviewed by Neville Meaney,* 19 July 1989, National Library of Australia, TRC-2482.

it has existed in some form for many decades, and has been adopted with varying degrees of intellectual clarity and political enthusiasm depending on the circumstances of the time. In making this clear, the thesis puts the conceptual development of self-reliance into its broader context.

The other key theme that emerges as a result of my historical analysis is that the concept of greater self-reliance during this period was driven much more significantly by geopolitical imperatives and less by political factors than is often realised. It is generally thought that the idea was promoted for domestic political reasons or a sense of growing nationalism by successive governments. Yet, my research indicates that from the late 1950s to the mid-1970s, the idea of greater self-reliance in strategic policy was largely driven by growing perceptions of regional threat on the one hand, and increasing expectations by our traditional allies, on the other, that Australia would take greater responsibility for its defence. These factors, in turn, shaped the core objectives and geographic scope of Australian defence policy, and the investment decisions that gave greater substance to strategy. The impact of these factors can be seen in the primary source materials included in the Annexes to this thesis, which include selected Cabinet minutes, diplomatic cables, briefing papers, personal correspondence and records of conversations on key issues that shaped the development of Australian defence policy during these crucial years in the Cold War. Many of these have only recently been declassified and have not been seen in decades, making a significant contribution to the academic discourse. While domestic political and economic considerations are invariably relevant, these did not become pronounced until the later years examined in this study, particularly in the post-Vietnam era.

In the course of my research, many of the same names surfaced repeatedly, and I realised that this thesis was, in effect, the story of a group of influential public servants and military officers who joined in the 1940s and 1950s, and who rose to leadership positions in the 1970s and 1980s. Many of these officials grappled with the concept early in their careers but struggled to further develop it in the face of institutional reluctance yet contributed significantly to its implementation once they had reached the senior levels of the military and the bureaucracy. In addition to Tange, others included Bill Pritchett, Robert Furlonger, Peter Henderson, Keith Waller, Mick Shann, and Richard Woolcott, who were employed by the Department of Foreign Affairs, and some of whom later joined the Defence establishment. On the military side, Anthony Synnott, Peter Gration, Victor Smith and Neville McNamara were particularly influential. The increasingly prominent role of the Prime Minister's Department is another key theme, with the emergence of key bureaucrats, namely Allen Brown, John Bunting, Peter Bailey, Lennox Hewitt and Geoffrey Yeend. Australian defence policy during this period was invariably shaped by their priorities, and personalities, and this thesis is a historical reflection of the work that they did, and the challenges that they faced.

Writing this thesis, too, has come with a range of challenges. I researched and wrote the thesis while working with the Department of Defence on contemporary policy issues that draw on my academic research. Midway through my research program, my work was affected by the COVID-19 pandemic, which significantly impacted on my ability to access archival records and travel to undertake

interviews with key figures from the period. Nevertheless, I managed to balance these disruptions with other commitments to provide a unique and, until recently, unseen analysis of Australian defence policy over the decades. I hope the thesis will provide new insights for, and inform, how we understand our place in the region and our defence policy options at a time of increasing strategic uncertainty.

Introduction

In his most recent book, the former Deputy Secretary for Strategic Policy and Intelligence in the Department of Defence, Hugh White, argues that Australia needs a more self-reliant defence policy in response to increasing geopolitical uncertainty in the Asia-Pacific.[2] White concludes that Australia needs to further invest in its military capabilities in order to defend its core interests in the Asia-Pacific at a time when China is in the ascendancy while the United States is less influential in the region and is primarily focused on domestic political concerns. His book was one of an increasing number of publications by prominent Australian strategists and former military officers in recent years which have called for greater self-reliance in Australian defence planning.[3] Once dormant, the concept of self-reliance has returned to public debate. The academic discourse, however, has often discussed the merits of self-reliance as a conceptual basis for Australian defence policy, and as a response to increasing geopolitical uncertainty in the region, without critically analysing its history and definition.

From the first Defence White Paper in 1976 to the most recent Strategic Update in 2020, Australian defence policy has been set out in public documents premised on the fundamental principle that Australia must be self-reliant in defence. The concept of self-reliance in defence policy has largely meant that Australia should be supportive of broader alliances but not be dependent upon them for defence or sustained military commitments in its immediate region.[4] Rather, it should be prepared to undertake independent military operations to protect its core strategic interests. To that end, these documents have outlined funding and capability acquisition plans in support of self-reliance that have been implemented to varying degrees, depending on the provision of adequate funding, perceptions of threat, domestic political considerations and government priorities. Each of these has received broad, in principle, support from the parliamentary opposition of the day. Although central to Australian defence policy, the concept of self-reliance had become less prominent in recent years in favour of greater integration for expeditionary operations.

The thesis examines how and why self-reliance was developed at the highest levels to discern lessons for the development of contemporary Australian defence policy at a time of heightened uncertainty in the Asia-Pacific. In examining that issue, the thesis will provide an analytical narrative of the historical development and implementation of self-reliance at the political level. To that end, it seeks to answer the following research question: *what did self-reliance mean in Australian defence policy between 1959 and 1989?* Australia's strategic environment changed significantly during this period, and the thesis examines how perceptions of threat, Australia's core strategic interests, the geographical boundaries of defence policy, and changes to the regional balance of power in the Asia-

[2] Hugh White, *How to Defend Australia* (Black Inc, Melbourne: 2019).
[3] David Wroe, 'In Maiden Speech Jim Molan Warns of China War Risk, Calls for Defence Boost.' *Sydney Morning Herald*, 14 February 2018. See also: Jamie Walker, 'US Forces Too Weak to Defend Australia Says Jim Molan', *The Australian*, 4 January 2018 and Peter Jennings, 'With Trump at Large, Australia Needs a Plan B for Defence.' *The Australian*, 21 July 2018. See also: Paul Dibb, 'Planning to Defend Australia in an Era of Profound Strategic Change.' *The Strategist*, 15 October 2019.
[4] Stephan Fruehling, 'Australian Defence Policy and the Concept of Self-Reliance', *Australian Journal of International Affairs* 68 (2014): 533. See also: Hugh White, 'DWP 2016 and Self-Reliance', *The Strategist*, 8 March 2016.

Pacific, with respect to allies and potential adversaries, affected the meaning of self-reliance under successive governments.

The thesis aims to draw together its empirical findings to examine the contemporary implications of the development and implementation of self-reliance during this period. Successive Australian governments turned towards self-reliance because of uncertainty as to threats in the Asia-Pacific and the extent to which it could rely on traditional allies for defence, as well as domestic political considerations and fluctuations in the domestic economy. As noted below, however, there are parallels between Australia's current strategic environment and economic circumstances and the challenges it faced in the late 1970s and early 1980s. In this context, there may also be significant lessons to be learned from the past for the development of contemporary Australian defence policy.

The thesis focuses on the period between 1959 and 1989 because those dates were milestones in the development of self-reliance in Australian defence policy. In 1959, the Department of Defence produced a document for consideration by the Menzies Cabinet titled the *Strategic Basis of Australian Defence Policy* that stated for the first time that Australia 'might have to rely completely on her own defensive and economic capacity for an indeterminate period.'[5] This observation was noted, with robust debate and some dissent, and it arguably marked the conceptual beginning of self-reliance as a fundamental principle of Australian defence policy. By 1989, the Hawke Government had started to implement a Defence White Paper primarily authored by Paul Dibb that emphasised self-reliance in the clearest terms to date,[6] and which forms the basis for contemporary Australian military planning.

Significance and Contribution

This thesis seeks to make a significant contribution to scholarship in three ways. First, it challenges traditional assumptions in the academic discourse and provides a new perspective on the development of Australian defence policy. Many academics, public figures and military officers, including Dan Fortune,[7] Robert Hill,[8] and Peter Layton,[9] appear to have assumed that self-reliance has had a fixed meaning as defined in *Defence White Paper 1987*. Moreover, their work has argued that self-reliance was an isolationist concept that unnecessarily distanced Australia from its allies, and focused it on lower level contingencies primarily for economic reasons. In challenging this view, the thesis aims to unravel the complexities of self-reliance and present an alternative viewpoint concerning current debates on Australian defence policy. In doing so, it aims to enhance our understanding of the

[5] Department of Defence, *The Strategic Basis of Australian Defence Policy 1959* (Canberra: Australian Government Publishing Service, 1959) in Stephan Fruehling, *A History of Australian Strategic Policy Since 1945* (Canberra: Australian Government Publishing Service, 2009).
[6] Graeme Cheeseman, 'From Forward Defence to Self-Reliance: Changes and Continuities in Australian Defence Policy 1965-90', *Australian Journal of Political Science* 26 (1991): 429.
[7] Dan Fortune, 'Self-Reliance: An Outdated and Unaffordable Concept for the ADF.' *Australian Defence Force Journal* 193 (2014).
[8] Robert Ayson, 'Australia's Defence Policy: Medium Power, Even Bigger Ambitions? 22 *Korean Journal of Defence Analysis* (2010): 183-196.
[9] Peter Layton, 'Australia's Quixotic Quest for Defence Self-Reliance: Time to Move On?' *The Strategist*, 16 July 2013.

policymaking process between the Department of Defence, the Australian Defence Force and Australia's political leaders.

Second, the thesis provides important pointers for consideration by contemporary strategists and defence policymakers on how to adapt to adverse changes in Australia's primary area of strategic interest. It illustrates for policymakers how Australia has adapted to major shifts in the regional balance of power. While initially featured in 1959, self-reliance was substantively developed in response to adverse changes in Australia's strategic environment during the 1970s. Traditional allies had reduced their presence in the Asia-Pacific due to domestic economic pressures and political difficulties, with Britain's withdrawal from 'East of the Suez' under Harold Wilson in 1968, and Richard Nixon's enunciation of the Guam Doctrine in 1969. American allies in the region were thus expected to assume greater responsibility for their defence while Britain maintained only a token presence under the Five Power Defence Arrangements and America's long-term strategic interests in Southeast Asia after the Vietnam War were not clear. Meanwhile, the Soviet Union became more assertive, invading Afghanistan and militarily supporting allied states in the Third World, particularly during the Cambodian-Vietnamese War. It also developed an expeditionary naval capability that deployed into Southeast Asia from Cam Rahn Bay in Vietnam, the largest Soviet maritime facility outside the USSR.

As a result, Australia entered into a period of strategic uncertainty. It thus sought to maximise its security by emphasising the concept of self-reliance. This approach involved supporting traditional alliances, with a view to keeping allied powers engaged in the Asia-Pacific while maximising access to cutting edge US capabilities and intelligence. Nevertheless, Australia sought to develop its capacity to defend itself and operate independently in its region in the event of contingencies that required a substantial and sustained military response in which its allies might not be able to provide direct assistance. Australia formally codified this interpretation of self-reliance in *Defence White Paper 1976* after years of conceptual development by successive governments but struggled to implement it.

Australia's strategic environment is, once again, faced with similar uncertainty, as noted by scholars and commentators such as Greg Raymond,[10] John Blaxland,[11] Michael Wesley,[12] Brendan Nicholson,[13] Hugh White,[14] Paul Dibb,[15] Graeme Dobell,[16] Richard Brabin-Smith,[17] Alan Dupont and

[10] Greg Raymond, Hitoshi Nasu, See Seng Tan, and Rob McLaughlin, 'Prospects for the Rules-Based Global Order', *The Centre of Gravity Series*, June 2017 (Canberra: Strategic and Defence Studies Centre).
[11] John Blaxland, 'Strategic Balancing Act: Australia's Approach to Managing China, the USA and Regional Security Priorities', *Security Challenges* 13 (2017): 22.
[12] Michael Wesley, 'Reimagining Australia's Place in a New World Order.' *The Australian*, 16 February 2018.
[13] Brendan Nicholson, 'Time to Heed the Warning Signs.' *The Australian*, 22 May 2021.
[14] Hugh White, 'Without America: Australia in the New Asia.' *Quarterly Essay*, No. 68, 2017.
[15] Paul Dibb, 'Implications for Australia of the Crisis in the West and the Threat from China and Russia', *The Centre of Gravity Series*, June 2017 (Canberra: Strategic and Defence Studies Centre).
[16] Graeme Dobell, 'ASPI's Decades: Troubling Times and Changing Strategy', *The Strategist*, 31 May 2021.
[17] Paul Dibb and Richard Brabin-Smith, 'Australia's Management of Strategic Risk in the New Era.' (Canberra: Australian Strategic Policy Institute, 15 November 2017). See also: Paul Dibb and Richard Brabin-Smith, *Deterrence Through Denial: A Strategy for an Era of Reduced Warning Time* (Canberra: Australian Strategic Policy Institute, 22 May 2021, Richard Brabin-Smith, 'The Return of Sovereignty to Australia's Defence Strategy', *East Asia Forum*, 11 August 2021.

James Curran.[18] These academics note that the regional balance of power is shifting to an extent not seen in decades. Allan Gyngell argues that 'the order we have known for the past seventy years is over',[19] and Dibb has stated that 'America's belief in the system and willingness to invest in it with an effective network of alliances are now in doubt.'[20] In the aftermath of the War in Afghanistan, Curran argues that there 'is a need for more Australian self-reliance than we have known before.' Dupont similarly notes 'paying our alliance dues with token contributions won't work anymore. If we want a security guarantee, we have to pay a higher premium.'[21] Growing uncertainty in Australia's strategic environment, and the consequent need for greater self-reliance has been recognised at the highest levels of the Australian Government, including by the then Minister for Defence, Linda Reynolds,[22] the Chief of the Defence Force, General Angus Campbell,[23] and the Vice Chief of the Defence Force, Vice Admiral David Johnston.[24] There is little disagreement that the powers that have traditionally fulfilled the role of Australia's allies had turned their attention to domestic, rather than global, concerns.

In this context, the Australian Government has signalled an intention to further develop its military capabilities within the framework of the ANZUS alliance. *Defence Strategic Update 2020*, and the preceding White Paper effectively placed a greater emphasis on self-reliance in their planned acquisition of strike and defensive maritime capabilities and a larger defence industry, underpinned by domestic technological innovation, while supporting traditional allies through enhanced interoperability.[25] This can be seen in the addition of the *Integrated Investment Plan* and *Industry Policy Statement* to give further substance to industrial self-reliance in policy. Given the changes that have occurred in Australia's strategic environment in recent years, there is a need for greater self-reliance in Australian military planning.

The challenges that faced Australian policymakers in the 1970s, and which fostered greater self-reliance in defence policy, have largely faded from the public consciousness. However, there are potential lessons to be learned on adapting to adverse changes to Australia's strategic environment and its domestic economic circumstances. Indeed, prominent strategists, including former Deputy Secretaries for Strategic Policy and Intelligence, Paul Dibb,[26] and Hugh White,[27] Peter Jennings,[28] and former Chief of the Defence Force, Admiral Chris Barrie, have called on Australian planners to bolster

[18] Paul Kelly, 'Game Changer for the American Alliance.' *The Australian*, 21 August 2021. See also: Alan Dupont, 'Brace for War in Our Time.' *The Australian*, 3 December 2021.
[19] Allan Gyngell, 'Gallipoli Memorial Lecture: Fear of Abandonment – Australia's Response to Changing Global Orders', 29 June 2018.
[20] Paul Dibb, 'New Security Reality Demands New Australian Policy', *The Strategist*, 23 July 2018.
[21] Paul Kelly, 'Game Changer for the American Alliance.' *The Australian*, 21 August 2021.
[22] Linda Reynolds, 'Australia in an Age of Strategic Competition.' *The Strategist*. 13 June 2019.
[23] Angus Campbell, Speech at Australian Strategic Policy Institute Conference 'War in 2025.' 13 June 2019.
[24] David Johnston, Speech at the Australian Strategic Policy Institute Conference 'War in 2025.' 14 June 2019.
[25] Department of Defence, *Defence Strategic Update 2020* (Canberra: Australian Government Publishing Service, 2020).
[26] Paul Dibb, 'Implications for Australia of the Crisis in the West and the Threat from China and Russia.' See also Paul Dibb 'A Strong Defence Force Makes Sound Sense in Now Uncertain Times', *The Australian*, 6 February 2017.
[27] Hugh White, 'Principle of Self-Reliance More Important Now Than It Has Ever Been', *The Sydney Morning Herald*, 24 November 2015.
[28] Peter Jennings, 'Defence Spending and ADF Readiness Need to Match the Risk of Conflict.' *The Strategist*, 17 May 2021.

defence preparedness through increased self-reliance and mobilisation planning.[29] Others, such as Mark Thomson, Peter Dean,[30] Michael Shoebridge,[31] and Kim Beazley,[32] have emphasised the need to strengthen the ADF's ability to undertake and sustain prolonged operations in the event of regional conflict.[33] Paul Keating has argued that 'self-reliance and self-help should be the keynote of our foreign policy' so as to limit Chinese hegemony and keep the United States invested in the Asia-Pacific while others such as Hugh White,[34] Peter Leahy,[35] and Anthony Milner,[36] have argued for a closer relationship with Indonesia, and a lesser emphasis on operations in the Middle East.[37]

Moreover, strategists such as Peter Jennings and Jim Molan who previously questioned self-reliance,[38] now argue that Australia should invest in a more self-reliant defence policy in light of Australia's deteriorating strategic environment and uncertainty about the reliability of allies.[39] This thesis aims to contribute to the academic discourse by illustrating, on a conceptual level, how Australia grappled with similar challenges in the past to develop a robust and affordable defence policy grounded in self-reliance, but supportive of traditional allies, that transitioned Defence from the Cold War to the Twenty First Century.

Furthermore, the thesis aims to fill a gap in the literature by providing an analytical narrative of the historical development of Australian defence policy from the early 1960s to the late 1980s at the Cabinet level. There is a significant body of publications on Australian strategic policy in the 'Forward Defence' era from 1950 to 1972, by Robert O'Neill and Peter Edwards. Similarly, there is a growing body of literature on post-Cold War operations from 1989 to the present, largely overseen by David Horner. Yet, there are relatively few texts on historical developments in the interim. This thesis aims to fill this gap and contribute to the SDSC's research program by linking these two bodies of literature.

Self-Reliance in Theoretical Context

In order to understand what self-reliance means in Australian defence policy, it is helpful to examine how that concept has been understood in other countries. Self-reliance is not a uniquely Australian idea, and has been applied differently by other states in light of their distinctive political,

[29] Jamie Walker, 'Australia is Sleepwalking to War, Admiral Chris Barrie Warns', *The Australian*, 22 May 2017.
[30] Peter Dean, 'A New Strategic Song? ANZUS, the 2020 Australian Defence Update, and Redefining Self-Reliance.' *War on the Rocks*, 12 August 2020.
[31] Michael Shoebridge, 'From Vaccines to Missiles: The Imperative For Australian Production.' *The Strategist*, 20 December 2021.
[32] Brendan Nicholson, 'Warning Time is Running Out: Beazley.' *The Strategist*, 24 December 2021. See also: Kim Beazley, 'Reflections on the Defence of Australia.' *The Strategist*, 12 July 2017.
[33] Mark Thomson, 'The Cost of Defence: ASPI Budget Brief 2017-2018' (Canberra: Australian Strategic Policy Institute, 2017).
[34] Paul Keating, 'We Need to Determine a Foreign Policy of Our Own', *Australian Foreign Affairs* 1 (2017): 7-30. See also Hugh White, 'Australia and Indonesia: Can We Be Friends? *Australian Foreign Affairs* 3 (2018): 7-31.
[35] Peter Leahy, 'Australia Must Look Beyond the US and Make Some New Strategic Friends', *Australian Financial Review*, 31 July 2018.
[36] Anthony Milner, 'Australia's Plan B: Time For Some Tough Realism', *The Strategist*, 2 August 2018.
[37] Peter Leahy, 'Former Army Chief Says It's Time to Leave Iraq and Afghanistan.' *Australian Financial Review*, 1 August 2019.
[38] Peter Jennings, 'The 2016 Defence White Paper and the ANZUS Alliance' 12 *Security Challenges* 1 (2016): 53-63.
[39] Peter Jennings, 'With Trump At Large, Australia Needs a Plan B for Defence', *The Australian*, 21 July 2018. See also: Jamie Walker, 'US Forces Too Weak to Defend Australia Says Jim Molan', *The Australian*, 4 January 2018.

strategic and economic circumstances. This section briefly examines how self-reliance has been articulated in the strategic policies of two countries in the Five Eyes Community, New Zealand and Canada, as well as France and Israel. These countries have been chosen because they are broadly comparable on several levels including economic and demographic size to Australia but tend to be driven by different strategic priorities.

New Zealand provides an important case study because of its deep ties with Australia, as well as its geographical proximity. Its most recent Defence White Paper, published in 2016, states that the New Zealand Defence Force 'must be sufficiently self-reliant so that it can conduct operations in and around New Zealand, its maritime zone and the South Pacific.'[40] It envisages that the NZDF will take a leading role in operations in its region but will also remain interoperable with allies 'well beyond its territorial waters.'[41] New Zealand was suspended from the ANZUS Treaty in the 1980s due to disputes about its obligations with the United States and has since sought to maintain a regional focus. Yet, this has not prevented them from contributing to missions abroad with the United Nations. In its defence policy, self-reliance has meant focusing primarily on leading regional assistance missions in the South Pacific, and maritime operations in the Southern Ocean. In the absence of serious threats in its immediate region, New Zealand has not needed to invest substantially in its own direct defence nor has it needed to rely heavily on more powerful allies. Canada offers a point of similarities and contrast.

Canada also has a longstanding relationship with Australia but has taken a significantly different approach to self-reliance. Unlike New Zealand, self-reliance is not explicitly articulated in its declared defence policy. However, its Defence White Paper published in 2017 implies that Canada will take a leading, and mostly independent, role in the Arctic, and in this respect would be self-reliant in a particular area of expertise and in a region of vital strategic interest.[42] It aims to contribute to its alliance commitments to both NATO and the United States, particularly through the North American Aerospace Command. Canada has an implied policy of self-reliance centred upon the Arctic which aims to preserve its strategic interests by preventing potential adversaries from establishing a presence, and in doing so contributes to its alliance obligations. France offers a worthwhile point of comparison.

French military strategy articulates self-reliance in terms of sovereignty and strategic independence. Its Defence White Paper, published in 2017, sees France as a major power with a leading role in an increasingly uncertain world. In that context, it emphasises an independent nuclear deterrent as the ultimate guarantor of French sovereignty and argues that France must have the capability to respond to contingencies affecting its interests in the Middle East, Africa and the Asia-Pacific.[43] It also favours cooperation within the European Union as a means of fostering European cohesion at a time of uncertainty in the aftermath of Brexit, and Russia's increasingly hostile attitude towards NATO. As a

[40] Ministry of Defence, *Defence White Paper 2016*, (Ministry of Defence: Wellington, 2016), Paragraph 5.44.
[41] Ministry of Defence, *Defence White Paper 2016*, (Ministry of Defence: Wellington, 2016), Paragraph 5.45.
[42] Department of National Defence, *Strong, Secure, Engaged: Canada's Defence Policy*, (Department of National Defence, Ottawa: 2017), 79.
[43] Ministry of the Armed Forces, *Defence and National Security Strategic Review*, (Ministry of Armed Forces, Paris: 2017), 6.

major power and regional leader, France holds that it must maintain a baseline of strategic capabilities to protect its sovereignty and its interests beyond its shores in a more assertive way than other states.

By contrast, Israel's approach to self-reliance is heavily shaped by its perceptions of threat in the Middle East. Its military doctrine, published in 2015, implies that the Israeli Defence Forces must be self-reliant because it is faced with existential threats and cannot rely on other powers for assistance in times of crisis.[44] Indeed, Israeli doctrine explicitly identifies Iran as an existential threat, and Palestinian and Lebanese groups as strategic risks. It further notes that it cannot rely on other states for its defence.[45] Israel has implemented this view of self-reliance through a policy of universal conscription, a large standing military, investment in an advanced defence industry and a policy of nuclear ambiguity. Self-reliance in the Israeli context means deterring significant regional threats through the development of a large military capable of defeating hostile powers on the battlefield.

These case studies show that self-reliance has been implemented by other countries in different ways that reflect their strategic and economic circumstances. In a broad sense, self-reliance is taken to mean that a state should not be dependent on other powers to guard core strategic interests. Its implementation, however, depends on a state's interpretation of its key interests, and the resources available to implement a policy of self-reliance. Smaller powers such as New Zealand and Canada have taken self-reliance to mean assuming a leading role in their immediate regions, and over specific issues, notably in the South Pacific and the Arctic, respectively. Others, such as France, have viewed it as asserting a degree of strategic independence and leadership commensurate with their economic size and diplomatic footprint. States such as Israel have understood self-reliance as the need to develop a strong deterrent against existential threats without dependence on others. In short, self-reliance means the ability to undertake independent operations in defence of key strategic interests but is always shaped by perceptions of threat, relations with allies, and economic factors. In order to situate Australian self-reliance in a global context, it is necessary to examine the academic literature.

Literature Review

There are few publications that comprehensively analyse how the Fraser and Hawke Governments attempted to implement self-reliance after it became official policy in 1976. Graeme Cheeseman has written the most detailed work on self-reliance during the 1970s and 1980s. His seminal book, *The Search for Self-Reliance: Australian Defence Since Vietnam*, however, was published in 1992 and largely relied on publicly available documents including government reports, speeches, newspaper articles, opinion pieces and transcripts of parliamentary debates.[46] It stands out from other sources in its examination of the economic drivers of self-reliance and provides a useful chronology of developments

[44] Ministry of Defence, *Deterring Terror: How Israel Confronts the Next Generation of Threats* (Ministry of Defence, Jerusalem: 2015), translated by the Harvard Kennedy School Belfer Centre for Science and International Affairs, 7.
[45] Ibid.
[46] Graeme Cheeseman, *The Search for Self-Reliance: Australian Defence Since Vietnam* (Melbourne: Longman Cheshire, 1992). Cheeseman has authored other texts that have touched upon the development of self-reliance from other perspectives. See also: Graeme Cheeseman, 'Changing the Guard: Defence Reform in Australia 1973-93', *Defense Analysis* 10 (1994).

in the public domain from 1970 to 1991. However, it does not detail how defence policy was formed or implemented by successive governments at the highest levels.

History as Policy: Framing the Debate on the Future of Australia's Defence Policy, edited by Ron Huisken and Meredith Thatcher, provides a retrospective analysis of self-reliance as a fundamental pillar of Australian defence policy.[47] This book was authored by a series of contributors who were influential in the development of self-reliance in the 1970s and 1980s, including Paul Dibb, Robert O'Neill and Hugh White. It examines why self-reliance was developed on a conceptual level, and how Australian defence policy later began to diverge from that idea from 2001 with Australian involvement in conflicts in Afghanistan and Iraq. The book provides a useful and authoritative retrospective account of self-reliance and clarifies common misconceptions about the policy, including the argument that it was isolationist. It is largely theoretical in focus and is short on historical detail but remains useful in deconstructing what the term means, and how its usage has evolved over time.

The Defence of Australia: Fundamental New Aspects, edited by Robert O'Neill, gives an insight into the rationale for greater self-reliance in Australian defence policy in the mid-1970s.[48] Published at the same time as the first Defence White Paper, this monograph illustrates how Australia's strategic environment changed as Australia reduced its military commitments in Southeast Asia. It also examines trends in defence economics and capability development among Australian allies and potential adversaries in the Cold War, and how the concept of self-reliance sought to maximise Australia's strategic advantages at minimal cost during a significant recession. It thus provides a valuable foundation for discussions of self-reliance in the context of *Defence White Paper 1976*.

More recently, *Geography, Power, Strategy and Defence Policy*, edited by Desmond Ball and Sheryn Lee, examines the development of self-reliance in the 1980s in the context of Paul Dibb's role in shaping Australian defence policy.[49] The book illustrates the difficulties that Defence faced in implementing self-reliance in the late 1970s, and the reforms to policy and force structure that addressed these issues after 1983. It explains the importance of geography and the ANZUS alliance to Dibb's approach to self-reliance during that period in more detail than most other texts. The book also provides an account of how subsequent Deputy Secretaries for Strategic Policy and Intelligence, including Allan Hawke and Peter Jennings viewed these reforms and built upon them in subsequent years.

Other texts examine the conceptual basis of self-reliance and the broad context in which it was developed. Ross Babbage's *A Coast Too Long* was written from the perspective of a recently retired senior defence official and articulates why, in a broad sense, Australian defence policy shifted

[47] Ron Huisken and Meredith Thatcher, *History as Policy: Framing the Debate on the Future of Australia's Defence Policy* (Canberra: Australian National University Press, 2007).
[48] Robert O'Neill, *The Defence of Australia: Fundamental New Aspects – Proceedings of a Conference Organised by the Strategic and Defence Studies Centre, the Australian National University* (Canberra: Australian National University Press, 1976).
[49] Desmond Ball and Sheryn Lee, *Geography, Power, Strategy and Defence Policy: Essays in Honour of Paul Dibb* (Canberra: Australian National University Press, 2016).

significantly towards self-reliance in the 1970s.[50] It builds upon his earlier book, *Rethinking Australian Defence*, published in 1980, which examined how Australia could adapt to a changing strategic environment.[51] *Defend the North* by Des Ball, J.O Langtry and J.D Stevenson also examines the implications self-reliance for geography and infrastructure in Northern Australia.[52] Similarly, *Australian Defence Policy for the 1980s*,[53] by Robert O'Neill and David Horner, was published during the Fraser Government's term in office and includes chapters by the Minister for Defence James Killen and Opposition Defence Spokesman, Gordon Scholes. These are contemporaneous publications, not works of history and all are restrained by a lack of access to archival sources at the time.

Similarly, *Australia and the World: Prologue and Prospects*, edited by Desmond Ball, analyses the challenges that Defence faced at the end of the Cold War.[54] The book examines self-reliance and the ANZUS alliance from both Australian and American perspectives, focusing on developments in the 1980s, with contributions from both American Assistant Secretary of Defense for International Security Affairs Richard Armitage, and Australian Defence Minister, Kim Beazley. Unlike other texts, it also analyses in detail, from a conceptual standpoint, the impact of economic factors in shaping Australia's approach to self-reliance and ANZUS. As with O'Neill and Horner's book, it provides a unique insight into the perspectives of senior policymakers on the development of Australian defence policy.

Other senior defence officials have also recently published texts outlining the conceptual development of self-reliance. The primary author of *Defence White Paper 1987*, Paul Dibb, gives a brief insight into why Australia needed to become more self-reliant during the late 1970s in *Essays on Australian Defence*.[55] Similarly, Richard Brabin-Smith illustrates how self-reliance was substantively implemented by the Hawke Government in its alignment of defence policy with force structure and funding from his perspective as head of the Department's Force Development and Analysis Division, in *Australia's Defence: Towards a New Era?*[56] These books are invaluable in that they provide a detailed first-hand account of high-level policy development at the time.

Many of these policymakers have recently written about the need for greater self-reliance in Australian defence policy in response to an increasingly complex security outlook. In *Australia's Management of Strategic Risk in the New Era*,[57] Paul Dibb and Richard Brabin-Smith argue that Australia must reorientate its defence policy towards its immediate region and invest more heavily in

[50] Ross Babbage, *A Coast Too Long* (Sydney: Allen & Unwin, 1990).
[51] Ross Babbage, *Rethinking Australian Defence* (St Lucia: University of Queensland Press, 1980).
[52] Desmond Ball, J.O Langtry, and J.D Stevenson, *Defend the North* (Sydney: Allen & Unwin, 1985).
[53] Robert O'Neill and David Horner, *Australian Defence Policy for the 1980s* (St Lucia: University of Queensland Press, 1982).
[54] Desmond Ball, *Australia and the World: Prologue and Prospects* (Canberra: Australian National University Press, 1990).
[55] Paul Dibb, *Essays on Australian Defence*, Canberra Papers on Strategy and Defence No. 161 (Canberra: Strategic and Defence Studies Centre, 2005).
[56] Peter Dean, Stephan Fruehling and Brendan Taylor, *Australia's Defence: Towards A New Era?* (Carlton: Melbourne University Press, 2014). See also: Richard Brabin-Smith, 'The Heartland of Australia's Defence Policies.' Working Paper No. 396 (ANU Strategic and Defence Studies Centre, Canberra: 2005).
[57] Paul Dibb and Richard Brabin-Smith. 'Australia's Management of Strategic Risk in the New Era.' (Canberra: Australian Strategic Policy Institute, 15 November 2017).

its military capabilities to undertake operations on a more self-reliant basis. Similarly, in *How to Defend Australia*,[58] Hugh White adds to these arguments by putting forward the basis for a new force structure and funding proposals for the self-reliant defence of Australia. These texts provide an assessment of the contemporary relevance of self-reliance within ANZUS. Both refer to past developments, but they are relatively brief in their historical analysis of Australian defence policy.

Bob Breen's *Struggling for Self-Reliance* examines how the concept of power projection was central to Australian interpretations of self-reliance in the late 1980s and early 1990s.[59] Breen's work contributes to the academic discourse by showing how the ADF remained able to operate in Southeast Asia after the publication of the Dibb Review and *Defence White Paper 1987* with reference to Australian contingency planning in Fiji in 1987 and Papua New Guinea in both 1994 and 1997. It provides crucial insights into how self-reliance impacted upon Australia's ability to shape its region and deploy abroad. The book also shows the extent to which the reforms of that period prepared Defence for emerging regional challenges in the lead up to the intervention in East Timor in 1999.

Official histories of the 'Forward Defence' era provide an insight into how early governments in the post-war period developed Australian defence policy. *Australia in the Korean War, 1950-1953* by Robert O'Neill illustrates how and why Australia based its policy on participation in larger allied coalitions in distant theatres in the initial stages of the Cold War.[60] By contrast, *Crises and Commitments*,[61] and *A Nation at War* by Peter Edwards,[62] *To Long Tan* by Ian McNeill,[63] and *Emergency and Confrontation* by Peter Dennis and Jeffrey Grey,[64] show how later governments sought to implement defence policy between 1964 and 1975 at a time when Australia was preoccupied with conflicts in Southeast Asia. These publications rely extensively on primary source materials and provide important and authoritative context for discussions of self-reliance.

A growing body of literature examines Australia's strategic relationships with Britain and America during the interwar and post-war periods. *JA Lyons: Appeasement and Rearmament in Australia 1932-39* by David Bird,[65] and *Stanley Melbourne Bruce: Australian Internationalist* by David Lee,[66] provide a valuable overview of the two decades preceding the Second World War. Similarly,

[58] Hugh White, *How to Defend Australia* (Black Inc, Melbourne: 2019). See also: Hugh White, 'Australia Must Plan to Defence Itself Alone.' *The Strategist*, 13 January 2020.
[59] Bob Breen, *Struggling for Self-Reliance: Four Case Studies of Australian Regional Force Projection in the Late 1980s and 1990s* (Canberra: Australian National University Press, 2008).
[60] Robert O'Neill, *Australia in the Korean War: 1950-1953* (Canberra: Australian Government Publishing Service, 1981).
[61] Peter Edwards, *Crises and Commitments: The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts 1948-1965* (Sydney: Allen & Unwin, 1992).
[62] Peter Edwards, *A Nation at War: Australian Politics, Society and Diplomacy during the Vietnam War 1965-1975* (Sydney: Allen & Unwin, 1997).
[63] Ian McNeill, *To Long Tan: The Australian Army and the Vietnam War, 1950-1966* (Sydney: Allen & Unwin, 1993).
[64] Peter Dennis and Jeffrey Grey, *Emergency and Confrontation: Australian Military Operations in Malaya and Borneo 1950-1966* (Sydney: Allen & Unwin, 1996).
[65] David Bird, *JA Lyons: The Tame Tasmanian – Appeasement and Rearmament in Australia, 1932-39* (Melbourne: Australian Scholarly Publishing, 2008).
[66] David Lee, *Stanley Melbourne Bruce: Australian Internationalist* (London: Continuum, 2010).

Australia Looks to America by James Prior,[67] *and Search for Security: The Political Economy of Australia's Postwar Foreign and Defence Policy* by David Lee examine in considerable detail the efforts of R.G Casey to shape American strategic thinking in 1940-41, and Chifley's subsequent realignment with Britain.[68] Similarly, *Cold War and Decolonisation: Australia's Policy Towards Britain's End of Empire in Southeast Asia* by Andrea Benvenuti,[69] and *Losing the Blanket: Australia and the End of Britain's Empire* by David Goldsworthy consider developments in the late 1950s and 1960s.[70] These texts provide insightful analysis of the period 1930-1965 but have a greater focus on economic rather than strategic issues and do not analyse in detail the broader implications of Britain's withdrawal on subsequent Australian defence policy.

More recent texts have started to analyse the development of Australian defence policy in retrospect with reference to declassified archival records. Stephan Fruehling's influential edited text, *A History of Strategic Policy Since 1945*,[71] and associated journal articles on self-reliance,[72] provide a comprehensive account of Australian defence policy from the Second World War to the mid-1970s through an examination of strategic guidance. His analysis of developments from 1976 to 1987, however, is significantly less detailed. Shannon Tow's *Independent Ally: Australia in an Age of Power Transition*,[73] partially fills this gap with analysis of recently declassified archival records, but is principally a text in international relations. It focuses largely on Australian foreign policy engagement in the Asia-Pacific, particularly Sino-Australian relations, rather than policy in a defence context.

In recent years, Kim Beazley has published articles that illustrate, from his experience, how self-reliance was implemented in the 1980s, and why such a policy is relevant to contemporary strategic planning. In an article published in 2009, he elaborated on similarities and differences between Australia's strategic environment and the domestic political situation at the time of publication and the situation in 1987.[74] Furthermore, he noted in another article that the emphasis on defence industry in *Defence White Paper 2016* resembles the Dibb Paper and marks a departure from foreign capability acquisition that had dominated strategic thinking since the 1990s.[75] More recently, Beazley explained

[67] James Prior, *Australia Looks to America: Richard Casey's Campaign in the United States, 1940-1942* (Melbourne: Australian Scholarly Publishing, 2017).
[68] David Lee, *Search for Security: The Political Economy of Australia's Postwar Foreign and Defence Policy* (Sydney: Allen & Unwin, 1995).
[69] Andrea Benvenuti, *Cold War and Decolonisation: Australian Policy Towards Britain's End of Empire in Southeast Asia* (Singapore: NUS Press, 2017).
[70] David Goldsworthy, *Losing the Blanket: Australia and the End of Britain's Empire* (Carlton: Melbourne University Press, 2002).
[71] Stephan Fruehling, *A History of Australian Strategic Policy Since 1945* (Canberra: Australian Government Publishing Service, 2009).
[72] Stephan Fruehling, 'Australian Defence Policy and the Concept of Self-Reliance', *Australian Journal of International Affairs* 68(5) (2014): 531-547. See also: Stephan Fruehling, 'The Fuzzy Limits of Self-Reliance: US Extended Deterrence and Australian Strategic Policy' *Australian Journal of International Affairs* 67(1) (2013): 18-34.
[73] Shannon Tow, *Independent Ally: Australia in an Age of Power Transition* (Carlton: Melbourne University Press, 2017).
[74] Kim Beazley, 'White Paper Then and Now: Returning to Self-Reliance as a Labor Leit-Motif', *Security Challenges* 5(2009).
[75] Kim Beazley, 'Defence White Paper 2016: A Throwback to a Harder Era.' *The Strategist*, 2 March 2016.

how self-reliance and alliance commitments were not mutually exclusive.[76] Beazley's publications are thus important in drawing out the contemporary implications of the development of self-reliance in Australian defence policy.

There is a growing body of literature on developments in the Australian military during the late 1970s and early 1980s. John Blaxland's *The Australian Army From Whitlam to Howard*,[77] and David Connery's *The Battles Before: Case Studies of Australian Army Leadership After the Vietnam War*,[78] analyse how the Army adapted to a significantly different strategic environment in the aftermath of the Vietnam War. These publications, however, mostly focus on a single service perspective to the exclusion of other branches of the defence organisation.[79] David Horner's *Making the Australian Defence Force*,[80] and *The Department of Defence* by Eric Andrews,[81] provide an overview of tri-service and civilian issues but are brief in their analysis given the broad scope of their work.

The publications of Jeffrey Grey and Peter Edwards provide additional historical background for an analysis of self-reliance. *A Military History of Australia* provides a concise overview of Australian military operations and strategy from 1788 to 2008, and gives a good summary of trends in personnel figures and expenditure over time.[82] Its analysis of historical developments in the 1970s and 1980s is, however, comparatively limited, an issue addressed by Joan Beaumont,[83] and Derek Woolner.[84] By contrast, *Prime Ministers and Diplomats* shows how Australian parliamentarians shaped foreign and defence policy in consultation with the civil service and military leaders between 1901 and 1949,[85] and A.T Ross provides an overview of industrial developments.[86] These books provide authoritative accounts of developments prior to the Cold War and the era of 'Forward Defence' and thus complement more recent analyses.

Other texts touch on issues of self-reliance in the broader context of ANZUS. *Dependent Ally* by Coral Bell is the most prominent text on the strategic relationship between the Australia and the United States.[87] It argues that Australia has been a smaller partner reliant on major powers throughout its history, as evidenced in participation within coalitions in distant conflicts. Bell further argues that

[76] Kim Beazley, 'The Alliance – Dependence Grows As Our Options Narrow.' *The Strategist*, 1 May 2018.
[77] John Blaxland, *The Australian Army From Whitlam to Howard* (Port Melbourne: Cambridge University Press, 2014).
[78] David Connery, *The Battles Before: Case Studies of Australian Army Leadership After the Vietnam War* (Newport: Big Sky Publishing, 2016).
[79] The official service histories provide a useful overview of developments prior to 1976. See also: David Stevens, *The Royal Australian Navy* (Oxford University Press: Melbourne, 2001), Jeffery Grey, *The Australian Army* (Oxford University Press: Melbourne, 2001), and Alan Stephens, *The Royal Australian Air Force* (Oxford University Press: Melbourne, 2001).
[80] David Horner, *Making the Australian Defence Force* (Melbourne: Oxford University Press, 2001).
[81] Eric Andrews, *The Department of Defence* (Melbourne: Oxford University Press, 2001).
[82] Jeffrey Grey, *A Military History of Australia* (Cambridge: Cambridge University Press, 1988).
[83] Joan Beaumont, *Australian Defence: Sources and Statistics* (Melbourne: Oxford University Press, 2001).
[84] Derek Woolner, 'Funding Australia's Defence.' Working Paper No. 77 (Canberra: ANU Strategic and Defence Studies Centre, 1983). See also: Derek Woolner, 'Pressures on Defence Policy: The Defence Budget Crisis.' (Canberra: Parliamentary Library, 2000).
[85] Peter Edwards, *Prime Ministers and Diplomats: The Making of Australian Foreign Policy 1901-1949* (Melbourne: Oxford University Press, 1983).
[86] A.T Ross, *Armed and Ready: The Industrial Development of the Defence of Australia 1900-1945* (Sydney: Turton and Armstrong, 1994).
[87] Coral Bell, *Dependent Ally: A Study in Australian Foreign Policy* (Sydney: Allen & Unwin, 1993).

Australia's role in the alliance has depended on how Australian leaders characterised the 'national interest.' In articulating that argument, her work implies that Australia was not as self-reliant as commonly assumed during the 1970s and 1980s. The book is also dated, having been published in 1993, and is theoretical in content, relying upon public statements, including speeches and parliamentary reports, rather than archival sources.

More recently, Allan Gyngell has written on Australia's strategic relationship with major allies. In his book, *Fear of Abandonment*,[88] Gyngell argues that Australia's engagement with larger powers has been motivated by a fear of being abandoned as a largely European outpost in the Asia-Pacific. He further notes that there are two traditions in Australian foreign policy: the progressive tradition that emphasises collective security and international institutions, and the conservative tradition that has relied upon power and bilateral military alliances. While Gyngell's book makes a useful addition to the academic discourse, for the most part, it does not examine how policy was made at higher levels beyond what is already known from secondary sources.

Australia's American Alliance and *After American Primacy*, both edited by Peter Dean, Stephan Fruehling and Brendan Taylor, touch on self-reliance in their overview of ANZUS.[89] These books illustrate the role of ANZUS in Australian defence policy, and its relationship to self-reliance. Both examine the alliance's political context, including how it changed in response to developments in Australia's strategic environment and the government of day. However, they are broad in scope and largely thematic, rather than chronological, in structure. They, therefore, do not provide a detailed, historical account of how the ANZUS alliance, or self-reliance, were developed from the late 1950s to the 1980s.

The works of T.B Millar provide a good overview of the broad political and strategic context in which Australian defence policy developed. *Australia's Foreign Policy* illustrates how domestic issues, including demography, cultural values and geography, shaped Australia's foreign engagement until the late 1960s.[90] He expanded on these themes in *Australia in Peace and War,* which contrasts the approaches taken by progressive and conservative governments until the early 1990s, with a particular focus on the Menzies and Whitlam Governments. This work examines the dichotomy between the conservative and liberal approaches to foreign affairs and defence against the backdrop of Australia's transition from cultural homogeneity to multicultural diversity.[91] While these texts made a significant contribution to our understanding of the intersection between politics and defence policy, both are dated.

A number of other texts give an insight into the factors that drove the development of self-reliance in Australian defence policy during the 1970s and the 1980s. *Australia's External Relations in*

[88] Allan Gyngell, *Fear of Abandonment: Australia in the World Since 1942* (La Trobe University Press: Melbourne, 2017).
[89] Peter Dean, Stephan Fruehling and Brendan Taylor, *Australia's American Alliance: Towards a New Era?* (Carlton: Melbourne University Publishing, 2016). Peter Dean, Stephan Fruehling and Brendan Taylor, *After American Primacy* (Carlton: Melbourne University Publishing, 2019).
[90] Thomas Bruce Millar, *Australia's Foreign Policy* (Sydney: Halstead Press, 1968).
[91] Thomas Bruce Millar, *Australia in Peace and War* (Canberra: Australian National University Press, 1991).

the 1980s, edited by Paul Dibb, examined how economic factors, including inflation and changing budgetary priorities, shaped Australian defence policy.[92] This book is particularly useful as it provides insights into the considerations that influenced the Dibb Report and subsequent White Paper. *Australia in a Changing World* by Fedor Mediansky complements Dibb's work by examining the bureaucratic and organisational context in which Australia's foreign and defence policies were developed. [93] It stands out in its analysis of emerging issues, such as Australia's shift towards multilateralism that had not been substantively covered in earlier publications. Dibb's more recent publications examine the need for greater self-reliance in Australian defence policy,[94] and options for its possible implementation.

The works of Gareth Evans, Allan Gyngell and Michael Wesley illustrate how political and bureaucratic factors influenced the development of Australia's foreign and defence policies. *Australia's Foreign Relations* shows how Australia began to move from reliance on major powers to a more active and independent posture in the Asia-Pacific by the late 1980s.[95] By contrast, *Making Australian Foreign Policy* shows how public servants and parliamentarians worked to shape government policy in the 1990s.[96] These books are useful in that they illustrate how the implementation of a more autonomous defence policy allowed Australia to engage with the region in a different way to the past and so adapt to the emerging challenges of the post-Cold War era.

Autobiographies and memoirs from senior ministers and policymakers are an invaluable source for determining how successive governments developed Australian defence policy. Robert Menzies' *Afternoon Light*,[97] and *The Measure of the Years*,[98] and biographies by senior public servants and cabinet ministers, such as John Bunting,[99] give an insight into policymaking in the early stages of the Cold War. Menzies' correspondence to Heather Henderson,[100] and the biography by A.W Martin provide useful insights into his personal views.[101] Similarly, the autobiographies of Garfield Barwick,[102] and Paul Hasluck,[103] Alan Watt,[104] and Howard Beale,[105] detail Australia's position on emerging

[92] Paul Dibb, *Australia's External Relations in the 1980s: The Interaction of Economic, Political and Strategic Factors* (Sydney: Southwood Press, 1983). See also: Paul Dibb, 'ANZUS at 70: Defending Australia', *The Strategist*, 31 August 2021.
[93] Fedor Mediansky, *Australia in a Changing World: New Foreign Policy Directions* (Sydney: Maxwell Macmillian Publishing, 1992).
[94] Paul Dibb, 'Planning to Defend Australia in an Era of Profound Strategic Disruption.' *The Strategist*, 15 October 2019. See also: Paul Dibb, Revisiting the North in the Defence of Australia.' *The Strategist*, 27 June 2019. Paul Dibb, 'Should Australia Develop Its Own Nuclear deterrent? *The Strategist*, 4 October 2018.
[95] Gareth Evans and Bruce Grant, *Australia's Foreign Relations: In the World of the 1990s* (Carlton: Melbourne University Press, 1991).
[96] Allan Gyngell and Michael Wesley, *Making Australian Foreign Policy* (Cambridge: Cambridge University Press, 2003).
[97] Robert Menzies, *Afternoon Light: Some Memories of Men and Events* (Melbourne: Cassell Australia, 1967).
[98] Robert Menzies, *The Measure of the Years* (London: Cassell, 1972).
[99] Paul Hasluck, *Sir Robert Menzies* (Carlton: Melbourne University Press, 1980). See also John Bunting, *R.G Menzies: A Portrait* (Sydney: Allen & Unwin, 1988).
[100] Heather Henderson, *Letters to My Daughter* (Sydney: Murdoch Books, 2011).
[101] A.W Martin, *Robert Menzies: A Life* (Carlton: Melbourne University Press, 1999).
[102] Garfield Barwick, *A Radical Tory: Reflections and Recollections* (Sydney: Federation Press, 1996).
[103] Paul Hasluck, *Mucking About: An Autobiography* (Carlton: Melbourne University Press, 1977).
[104] Alan Watt, *Australian Diplomat: Memoirs of Sir Alan Watt* (Sydney: Angus and Robertson, 1972).
[105] Howard Beale, *This Inch of Time: Memoirs of Politics and Diplomacy* (Carlton: Melbourne University Press, 1977).

regional issues and ANZUS during the 1960s. Ian Hancock's biography of John Gorton shows,[106] through access to his personal papers, how Gorton attempted to develop a more regionally-focused defence policy. By contrast, the autobiographies of Malcolm Fraser and James Killen illustrate how times had changed by the late 1970s.[107] *Lazarus Rising*,[108] by John Howard, also provides an insider's view of the economic challenges that affected defence planning during the Fraser Government from his perspective as the then Treasurer.

On the other side of the political spectrum, first-hand accounts show the evolution of defence policy in the ALP. Gough Whitlam's account of his government provides an insight into the more independent foreign policy path it pursued.[109] By contrast, Bill Hayden's autobiography shows how it grappled with a move toward the centre on significant policy issues as part of a major shift in its platform during the late 1970s.[110] *Beazley*,[111] by Peter FitzSimons, illustrates with reference to interviews how the ALP sought to develop a solid record on defence policy under Kim Beazley. Gareth Evans gives a similarly detailed analysis of developments in foreign and defence policy during the 1980s in *Inside the Hawke-Keating Government: A Cabinet Diary*,[112] while John Button illustrates its economic context in his autobiography as Minister for Industry and Commerce.[113]

Recent books on senior public servants from the era provide a useful insight into high-level policy development at the time. *The Seven Dwarfs and the Age of the Mandarins* by Samuel Furphy illustrates how departmental heads shaped government policy from the 1940s to the 1970s.[114] *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy* by David Horner, provides a more detailed assessment of the bureaucracy during the 1940s and 1950s,[115] and Peter Edwards' *Arthur Tange: Last of the Mandarins*, and *Malcolm Fraser and Australian Foreign Policy* by Alan Renouf,[116] show how defence policy developed under successive governments during the 1970s and 1980s.[117] These are supplemented by the memoirs and biographies of senior ADF figures, such as former Chief of the Defence Force Staff, Air Chief Marshal Neville McNamara,[118] General John

[106] Ian Hancock, *John Gorton: He Did It His Way* (Sydney: Hodder, 2002).
[107] Malcolm Fraser, *Malcolm Fraser: The Political Memoirs* (Carlton: Melbourne University Publishing, 2010). Fraser later book, *Dangerous Allies*, provides further insights into how retrospective views on ANZUS. See also: Malcolm Fraser, *Dangerous Allies* (Carlton: Melbourne University Publishing, 2014).
[108] John Howard, *Lazarus Rising: A Personal and Political Autobiography* (Sydney: HarperCollins, 2010).
[109] Gough Whitlam, *The Whitlam Government: 1972-1975* (Viking: Ringwood, 1985).
[110] Bill Hayden, *Hayden: An Autobiography* (Sydney: Angus & Robertson, 1996).
[111] Peter FitzSimmons, *Beazley: A Biography* (Sydney: HarperCollins, 1998).
[112] Gareth Evans, *Inside the Hawke-Keating Government: A Cabinet Diary* (Carlton: Melbourne University Press, 2014).
[113] John Button, *As It Happened* (Carlton: Melbourne University Press, 1998).
[114] Samuel Furphy, *The Seven Dwarfs and the Age of the Mandarins: Australian Government Administration in the Post-War Reconstruction Era* (Canberra: Australian National University Press, 2015).
[115] David Horner, *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy* (Sydney: Allen & Unwin, 2000).
[116] Alan Renouf, *Malcolm Fraser and Australian Foreign Policy* (Sydney: Southwood Press, 1986).
[117] Peter Edwards, *Arthur Tange: Last of the Mandarins* (Sydney: Allen & Unwin, 2006).
[118] Neville McNamara, *The Quiet Man: The Autobiography of Air Chief Marshal Sir Neville McNamara* (Canberra: Air Power Development Centre, 2005).

Wilton,[119] Admiral Victor Smith,[120], and General Phillip Bennett,[121] whose work gives an insight into policy development from a military perspective.

The memoirs of Sir Arthur Tange provide a particularly crucial insight into the development of self-reliance in the 1970s from his perspective as a former Secretary of Defence. In *Defence Policymaking: A Close Up View 1950-1980*,[122] Tange outlines how self-reliance came into the forefront of official policy in *Defence Review 1972*, and further elaborates on its later development after the first Defence White Paper in 1976. His account is invaluable in its description of how public servants, military personnel and parliamentarians viewed the concept. Importantly, Tange's memoirs, like those of Peter Henderson,[123] also highlight the difficulties faced by the Fraser Government in implementing self-reliance and provides useful context for information unearthed in the archival records.

The autobiography of former Chief of the Air Staff, David Evans, is an invaluable first-hand account of defence policymaking at the time from a military viewpoint. In *Down to Earth*, Evans details the perceived impact of the Tange reforms on the balance of power in Defence between civilians and their uniformed counterparts.[124] In addition, Evans also outlines the different interpretations of Australia's strategic priorities held by each of the three services in the post-Vietnam era, with the Army emphasising expeditionary operations and the Navy and Air Force seeing Australia's relatively isolated geographical position as a key strategic advantage. Evans' autobiography provides insights into the key debates of the early 1980s that provided the impetus for later reforms. To understand what the literature tells us about self-reliance, it is necessary to consider the idea within a broad conceptual framework.

Methodology and Conceptual Framework

The thesis is grounded in the historical method and takes a qualitative and deductive approach in analysing what self-reliance meant in Australian defence policy. It traces the evolution of self-reliance in Australian defence policy, principally through primary source documentation, from 1959 to 1989. In doing so, it identifies the causative drivers of self-reliance, and the barriers faced by Australian governments with reference to textual sources. It compares primary sources from each successive government during this period to determine what self-reliance meant and the extent to which its definition changed over time. Secondary sources, particularly official histories, are also used to establish a contextual framework and fill gaps in the historical narrative.

The thesis establishes a conceptual framework to explain what self-reliance meant under successive governments. It defines self-reliance in terms of four variables: Australia's core strategic interests, the geographical scope of Australian defence policy, and perceptions of the reliability of allies

[119] David Horner, *Strategic Command: General Sir John Wilton and Australia's Asian Wars* (Melbourne: Oxford University Press, 2005).
[120] Victor Smith, *A Few Memories of Sir Victor Smith* (Canberra: Australian Naval Institute Press, 1992).
[121] Robert Lowery, *The Last Knight: A Biography of General Sir Phillip Bennett* (Newport: Big Sky Publishing, 2011).
[122] Arthur Tange, *Defence Policymaking 1950-1980: A Close Up View* (Canberra: Australian National University Press, 2008).
[123] Peter Henderson, *Privilege and Pleasure* (Melbourne: Meuthen Haynes, 1986).
[124] David Evans, *Down to Earth: The Autobiography of Air Marshal David Evans* (Canberra: Air Power Development Centre, 2011).

and credible threats. For the purposes of this study, Australia's core interests include political and economic considerations, such as the level of defence expenditure and the political platform of the government. There are other factors such as industrial and logistical considerations, but these are outside the scope of the thesis given its focus on geopolitical issues. Operational concepts are another factor considered for inclusion as a variable because of their role in turning broader policy objectives into practical outcomes. However, this was discounted because there were few, if any, meaningful operational concepts designed to implement self-reliance until the late 1970s. The diagram below indicates how these variables link together to give meaning to self-reliance in Australian defence policy.

Figure 1: Factors Affecting the Meaning of Self-Reliance in Australian Defence Policy



The thesis charts the development of these variables throughout subsequent chapters to highlight what self-reliance meant at different times under successive governments. This framework identifies the factors that drove the development of self-reliance. In doing so, it highlights issues that were common across successive governments, and those which were particularly influential in the development and implementation of self-reliance. An identification of key themes across successive governments will assist in the development of a broad definition of the concept. While self-reliance was shaped by these variables, its exact definition changed over time in response to Australia's geopolitical circumstances. This conceptual framework shows that self-reliance was a much more complex idea than is often understood in the academic discourse and broader public debate.

Importantly, this framework highlights the role of the bureaucracy and military establishment in shaping the meaning of self-reliance. Defence and External Affairs often gave advice on their understanding of Australia's key interests at critical junctures. At times, this was incorporated into Cabinet decisions, but was occasionally rejected in deliberations on strategic guidance and the deployment of Australian forces abroad. The thesis will examine how such advice shaped the

development of self-reliance from the 1950s to the 1980s, and thus provide insights into the policymaking process between the government, bureaucracy and military establishment. It is expected that this conceptual framework will provide a deeper understanding of what self-reliance meant, and its contemporary relevance, than is currently available in the academic discourse.

Chapter Structure

The thesis is structured into eight chronological chapters of approximately 9,000 words. The first chapter provides a historical overview of the debate between dependence on allies and greater self-reliance as the cornerstone of Australian defence policy. In doing so, it establishes contextual background for a deeper analysis of self-reliance in subsequent chapters. Chapters Two to Eight examine how successive governments sought, struggled and eventually succeeded in implementing greater self-reliance within ANZUS. The conclusion analyses these experiences to draw crucial lessons for contemporary defence policymaking. To elaborate, the chapters flow in succession as follows.

Chapter One examines the historical development of the conceptual dichotomy between the notion of self-reliance and dependence on allies from 1901 to 1957. This chapter outlines in broad terms why successive governments alternated between these strategic philosophies. It examines how these governments laid the foundations for self-reliance in the development of sovereign military capabilities and a local defence industry and a more active posture on the diplomatic stage. Moreover, it details why successive governments fostered self-reliance within the context of its alliance commitments, and how it was shaped by global strategic deployments in the two world wars, and Australia's regional commitments in the early stages of the Cold War, namely on operations in Korea and Malaya.

The Second Chapter analyses the conceptual beginnings of self-reliance under the Menzies-Holt Government between 1957 and 1967. It examines how the Menzies Government grappled with the possibility of greater autonomy in Australia's immediate region when first officially proposed for Cabinet consideration in the *Strategic Basis* paper of 1959. This chapter assesses the impact of the communist insurgency in Malaya, rising tensions with Indonesia over Dutch New Guinea, uncertainty about the applicability of the ANZUS Treaty, American ambivalence regarding its obligations to Australia during the Malaysia-Indonesia confrontation and concerns about Britain's declining engagement in Southeast Asia, as case studies for the development of self-reliance. It then notes that the Menzies Government laid the foundations for self-reliance in its force structure decisions, but ultimately moved towards firmly supporting traditional alliance structures in a Cold War context in its deployment of Australian forces to Vietnam.

Chapter Three discusses the first substantive move to implement self-reliance during the Gorton-McMahon government from 1967 to 1972. The chapter examines how mounting losses in Vietnam after the Tet Offensive, and a reduction in allies' strategic presence in the Asia-Pacific affected Australian conceptions of self-reliance. It argues that Britain's withdrawal from 'East of Suez', and Nixon's 'Guam Doctrine' were fundamental drivers of a shift towards greater self-reliance. The Gorton

Government responded to these shocks with further engagement with regional partners on a more independent basis through the Five Power Defence Arrangements. In light of these changes in Australia's circumstances, the McMahon Government took the first steps in articulating self-reliance in the public discourse in the *1972 Defence Review.*

The Fourth Chapter analyses the development of self-reliance as an unambiguous, and publicly-declared principle by the Whitlam Government between 1972 and 1975. It examines how the concept of self-reliance was intertwined with a broader reshaping of Australian foreign policy, with a significant move away from traditional allies and towards unprecedented engagement with the Communist Bloc, as well as the professionalisation of the military, and broader structural reforms to Defence as embodied in the 1973 Tange Report. The chapter notes that the Whitlam Government began to codify self-reliance in a Defence White Paper that was published in 1976, but that its reforms also substantially increased the cost of defence, thus laying the foundations of budgetary difficulties for subsequent governments.

Chapter Five examines how the Fraser Government grappled with self-reliance between 1975 and 1980 as envisaged in *Defence White Paper 1976*. The chapter notes that the Fraser Government struggled to implement the White Paper as funding promised was returned to consolidated revenue or reallocated to meet the increasing cost of healthcare and social security or to anti-inflationary programs designed to mitigate mounting economic difficulties during increasingly severe recessions. While the defence budget was cut, the cost of maintaining an expeditionary force posture nevertheless grew considerably. As a result, force structure decisions agreed by the Fraser Cabinet during the development of the White Paper needed to align the military with a policy of self-reliance were not made, and inter-service rivalries began to emerge as the three services began to argue over what little funding remained.

The Sixth Chapter then discusses the descent of Australian strategic policy into crisis during the later years of the Fraser Government between 1980 and 1983. This chapter analyses how attempts to implement self-reliance ground to a halt due to an inability to align force structure with strategic policy, as demonstrated in deliberations on the future of HMAS *Melbourne*. It notes that Australia's strategic environment changed considerably, with the end of détente following the Soviet invasion of Afghanistan, Soviet support for allies in Cambodia and Vietnam, and the establishment of a blue water Soviet navy that became increasingly active in Australia's region. At the same time, Australia's allies became more assertive in responding to the USSR under the Thatcher and Regan Administrations. As a result, Australian strategic policy, once again, moved away from a focus on self-reliance concerning its immediate region to tailored, niche contributions for distant theatres in support of larger allies.

Chapter Seven analyses how the Hawke Government began to resolve these issues. The chapter examines how the ALP sought to reorientate its policy platform towards the political centre, particularly in regard to economics and national security to distance itself from the approach taken during by the Whitlam Government. In that context, it affirmed the ANZUS Treaty, and sought closer ties with the United States after New Zealand's suspension from the alliance. Moreover, the Hawke Government stabilised the defence budget by instituting economic reforms that brought inflation under control. It

further reorganised Australia's military leadership. However, it struggled to fully realign defence policy under Gordon Scholes, necessitating a Cabinet reshuffle that brought Kim Beazley to the Defence portfolio, and with him a raft of new reforms.

Chapter Eight examines the Hawke Government's implementation of self-reliance between 1985 and 1987. The chapter analyses how Beazley built upon the organisational and economic reforms of the Government's first years to redevelop the ADF's force structure. It examines how Paul Dibb's work helped to realign force structure to maximise Australia's geographic advantages. It emphasised the importance of the Air-Sea Gap and thus endorsed the acquisition of new capabilities including the Collins Class submarine and the Jindalee Over-the-Horizon Radar Network. These capabilities were designed to enable Defence to operate in a self-reliant manner in its region while remaining highly interoperable with allied forces. The Hawke Government cemented this interpretation of self-reliance in *Defence White Paper 1987*. This white paper put forward a conceptual path to greater self-reliance in Australia's region, and has since formed the basis for Australian military planning.

Conclusion

The thesis concludes that self-reliance was a malleable concept whose meaning changed over time. Self-reliance was developed in response to strategic uncertainty in the Asia-Pacific, with the emergence of other major powers when Australia's traditional allies were less influential. Although the precise meaning of self-reliance changed, there was a degree of commonality across successive governments from which a broad conceptual definition can be established. On a broad level, self-reliance meant that Australia must have the ability to undertake independent military operations in defence of its core strategic interests in its own region against credible threats without recourse to the combat forces of traditional allies.

While self-reliance had a broad definition, its exact meaning changed in response to the geopolitical circumstances faced by each successive government. Under the Menzies Government, it meant developing a force structure that would enable Australia to defend Papua New Guinea and fight a limited war against Indonesia in Malaysia. In the early 1970s, self-reliance under the Gorton Government meant the defence of the Australian mainland through a continental defence strategy to the exclusion of traditional allies. Under the McMahon Government, it was a means by which to keep the United States invested in Southeast Asia, and under the Whitlam Government, it was used to foster closer ties with Australia's neighbours while downgrading Australia's relationship with Britain. During the Fraser Government, self-reliance was a way of adapting to the American withdrawal from Southeast Asia. By the 1980s, Australian defence policy was in disarray, and the Hawke Government defined self-reliance in terms of the defence of Australia to establish a credible defence policy after the difficulties of the Whitlam Government.

Self-reliance had a broad meaning but its precise definition changed with perceptions of threat and the reliability of traditional allies, the geographical scope of Australian defence policy and the identification of core strategic interests. Australian governments have moved towards greater

integration with traditional allies when faced with major strategic threats or economic pressures. By contrast, they have sought greater self-reliance when ambivalent about the reliability of traditional alliance commitments or during times of higher defence expenditure. On a superficial level, there was an identifiable partisan divide, with centre-left governments favouring a more internationalist foreign policy and centre-right governments preferring greater integration with traditional allies. Yet, the thesis demonstrates that the reality was much more complex and that the development of self-reliance was driven by economic and strategic factors. The development of self-reliance cannot be explained solely with reference to partisan political considerations, although these were, at times, important. Rather, it is explained as a response to significant changes to Australia's security outlook.

Australia's strategic environment has changed significantly, and greater self-reliance is now more important now than it has ever been. The period of American hegemony that has characterised the Asia-Pacific since the end of the Cold War appears to be now coming to an end. Traditional allies are now in relative decline while other major powers are now increasingly assertive in ways that are not in Australia's strategic interests. In this context, Australia should work towards being more self-reliant within alliance frameworks to protect its core interests in an increasingly uncertain security environment. Recent developments highlight that Australia has much to gain from engagement with allies but cannot solely depend upon them to protect its strategic interests in a rapidly changing region.

Chapter One:

The Origins of Self-Reliance in Australian Defence Policy

(1901-1957)

Introduction

Since Federation, there have been two competing views on the conceptual basis of Australian defence policy: that Australia should look to its own defence and be self-reliant, and that it should seek security through greater engagement with larger allied powers. This dichotomy has often been viewed through a partisan lens, with Labor Governments seen as favouring self-reliance and the Defence of Australia, and those from the Liberal-National Coalition, and their predecessors, supporting greater dependence on allies. This chapter sets the theoretical framework for the thesis by demonstrating that the historical foundations of self-reliance in Australian defence policy are more complex than suggested by this paradigm. It shows that, from Federation to the early years of the Cold War, governments on both sides of the political divide supported either self-reliance or reliance on allies, and sometimes both concurrently, depending on the economic and strategic circumstances of the time. The conceptual basis of Australian defence policy was shaped by the core strategic interests of the government, geographical scope, and perceptions of allies and credible threats. These four variables would form the basis of self-reliance in Australian defence policy in subsequent decades.

It is widely accepted in the academic discourse that different political parties have taken contrasting positions on the basis of Australian defence policy. Most studies of how individual political parties have shaped Australian foreign and defence policy have focused on the period between the Second World War and the end of the Cold War. In his landmark study, *Australia's Foreign Policy*, T.B Millar acknowledged that Australian defence policy is invariably affected by 'her political system, its stability, the personalities and policies and likely tenure of the party in power.'[1] Millar, however, was reluctant to align either party with a particular viewpoint, presumably because both were undergoing significant change at the time of its publication in 1968. The former Secretary of Foreign Affairs, Alan Renouf, was more blunt in his analysis of Australian foreign and defence policy, *The Frightened Country*.[2] Renouf argued that Coalition governments sought security through reliance on allies while Labor governments emphasised a more active and independent role on the diplomatic stage through engagement with regional partners and multilateral institutions.

This conceptual dichotomy was not a recent development but had been at the heart of Australian defence policy since at least the late nineteenth century. Political historian John La Nauze noted that the need for a better coordinated defence organisation was a key driver of federation.[3] In 1889, the Premier of New South Wales, Sir Henry Parkes, called for the federation of Australia's colonies to better defend themselves against potential threats. The British Government had sent Major-General J.B Edwards to advise the colonies on their defence organisation, and gave credence to Parkes' views by recommending the unification of colonial defence forces.[4] In the subsequent convention debates, there was discussion about whether Australia's post-federation military would be dependent on Britain or

[1] Millar, *Australia's Foreign Policy*, 24.
[2] Renouf, *The Frightened Country*, 2-3.
[3] La Nauze, *The Making of the Australian Constitution*, 8.
[4] Ibid, 9.

seek to be more self-reliant and focused on local defence. On 11 March 1898, Sir Joseph Carruthers, a New South Wales delegate of the Liberal Reform Party, and Sir Isaac Isaacs, a Victorian delegate from the Protectionist Party, debated the nature of future defence policy. Carruthers emphasised dependence on Britain, stating that 'we all wish to be self-reliant but are not and we have to rely for protection on the defence forces of the empire.'[5] In response, Isaacs favoured a greater degree of independence in arguing that Australia strengthen its forces to be 'prepared to defend not only ourselves but to assist in maintaining the integrity of the empire.'[6] At the time of Federation, there was a conceptual divide between imperialists, including Carruthers who believed in dependence on the empire, and Australian nationalists such as Isaacs, who sought a more self-reliant posture within the bounds of imperial policy.

Post-Federation (1901-14)

In 1901, the Commonwealth Government, under Edmund Barton, took command of the colonial defence forces. These forces were small and were designed for local defence not overseas deployment, although such deployments did occur in Sudan, South Africa and China. Aside from a few minor vessels, naval defence was provided by a Royal Navy squadron. It was in this context that the Minister for Defence, Senator John Forrest, asked the Federal Military Committee to draft legislation to provide a framework for Australia's nascent defence organisation.[7] The Committee proposed that Australia maintain a small professional force supported by a militia, that compulsory service be allowed for local defence but not overseas deployment, and that Australia's military command be held by British officers.[8] The permanent force would be limited in size so as to be sufficient to maintain equipment and training but not large enough to be a standing army.[9] The Barton Government agreed with most of these recommendations but disagreed that it be commanded by British officers.[10] These proposals were approved by Parliament and enshrined in the *Defence Act 1903*.

The Barton Government also began to consider Australia's naval defence. While the Defence Bill was being considered, Forrest sought the views of Rear Admiral Lewis Beaumont, the Commander of the Australian Naval Station.[11] Beaumont advised that Australia should be defended by eight cruisers from the Royal Navy funded by the Australian Government.[12] At the same time, the Naval Commandant in Queensland, Captain W.R Creswell strongly argued for an Australian Navy. He proposed that

[5] Convention Debates, 11 March 1898.
[6] Ibid.
[7] Letter – John Forrest to Major General RA French, 1 March 1902. NAA: A5954, 1198/2. See also: Frederick Shedden, *A Study in British Commonwealth Cooperation: Australian Defence Policy to 1939*, NAA: A5954, 784/2.
[8] 'Minutes and Summary Proceedings of the Federal Military Committee, 1901. NAA: A5954, 1198/2. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/2. See also: Neville Meaney, *The Search for Security in the Pacific, 1901-1914* (Sydney: Sydney University Press, 2009), 58.
[9] 'Minutes and Summary Proceedings of the Federal Military Committee, 1901. NAA: A5954, 1198/2. See also: Grey, *The Australian Army*, 10.
[10] 'Minutes and Summary Proceedings of the Federal Military Committee, 1901. NAA: A5954, 1198/2. See also: Grey, *The Australian Army*, 10.
[11] Letter- John Forrest to Edmund Barton, 31 May 1901. NAA: A8, 1901/89/2. See also: Meaney, *The Search for Security in the Pacific, 1901-14*, 80.
[12] Letter – Lewis Beaumont to Edmund Barton, 27 July 1902. NAA: A8, 1901/89/2. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: 5954, 784/2. See also: Meaney, *The Search for Security in the Asia-Pacific, 1901-14*, 81.

Australia order four cruisers between 1903 and 1909.[13] In March 1902, Forrest advised Barton that the federal government was obliged to contribute to the defence of Australia and maritime trade.[14] Forrest argued that Australia could rely on the Royal Navy as advocated by Beaumont in the short term, but would need a more permanent naval capability, as per Creswell's argument, in the longer term.[15]

The defence relationship between Britain and her dominions was discussed at the Imperial Conference in 1902. The Colonial Secretary, Joseph Chamberlain expressed concern that Britain bore a disproportionate financial burden for imperial defence.[16] Barton considered how Australia could better provide for its defence. He decided not to establish a navy on the basis that Australia would have difficulty in financing the acquisition of newer ships.[17] Instead, he proposed that the Australian Government increase its financial contribution to the Admiralty, and signed a naval agreement to that effect in 1902.[18] Barton was motivated by the belief that Australia could best protect its interests through greater integration with the Empire.[19] This is evident in his statement that 'the combination and concentration of the fleets of empire under unity of control is our best line of defence … in detaching ourselves from the empire, in the end we weaken the home of our children.'[20] The Barton Government had a different approach to land and maritime defence: it established an army under Australian command for local defence; but outsourced its maritime defence to the Royal Navy despite support for a sovereign navy from sections of Australia's military and political establishment. In the absence of a direct threat, and with a favourable view of Britain, Barton remained dependent on the United Kingdom for Australia's defence. Moreover, the decision to subsidise a British naval presence was seen by Barton as a cost-effective means of maintaining a close relationship with Australia's main strategic partner.

This would change with the ascension of a new government under Alfred Deakin. In June 1905, Deakin made a statement on defence where he lauded the establishment of an army but argued that Australia was weak on maritime defence.[21] This followed Japan's defeat of Russia at the Battle of Tsushima.[22] Neville Meaney argues that Deakin 'focused on Japan not because of racial difference or immigration problems, but because of that country's strategic ascendancy in the Pacific and its evident ambition.'[23] Consequently, in August 1905, he asked the British Government to reconsider the 1902

[13] 'Australian Maritime Defence: Report by Captain Creswell on the Best Method of Employing Australian Seamen in the Defence of Commerce and Ports.' NAA: A5954, 1080/4. See also: Tom Frame, *No Pleasure Cruise: The Story of the Royal Australian Navy*, 72. Indeed, Creswell would author an article in *The Age* titled 'An Australian Navy: Policy of Self-Reliance' which argued that 'the establishment of a locally owned, officered and manned fleet would make immeasurably more for the safety of the Empire and the weal of both England and Australia than any naval subsidy.' See also: Frame, *No Pleasure Cruise*, 79.
[14] Shedden, *A Study in British Commonwealth Cooperation*, 59, NAA: A5954, 784/2.
[15] Ibid, 60.
[16] 'Papers Relating to a Conference Between the Secretary of State for the Colonies and the Prime Ministers of Self-Governing Colonies.' June to August 1902. NAA: A5954, 1757/8. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: 5954, 784/2.
[17] Ibid. See also: Meaney, *The Search for Security in the Pacific*, 89.
[18] Ibid. See also: I.M Cumpston, *Australia's Defence Policy: 1901-2000*, 8.
[19] 'Letter – Barton to Parten', 29 April 1902. NAA: A463, 1963/3343.
[20] Commonwealth Parliamentary Debates, *Naval Agreement Bill*, 22 July 1903 (Edmund Barton).
[21] Shedden, *A Study in British Commonwealth Cooperation*, NAA: 5954, 784/2.
[22] Meaney, *The Search for Security in the Asia-Pacific, 1901-14*, 125.
[23] Ibid, 126.

Agreement with a view to investing further in naval communications but the request was denied.[24] The Committee for Imperial Defence criticised proposals for an Australian Navy, arguing that it could not make an effective contribution proportionate to its anticipated cost.[25] A committee of naval officers chaired by Creswell wrote to the Minister for Defence, Senator George Pearce, with a dissenting report.[26] In September 1905, Deakin announced the establishment of an Australian Navy, with the commissioning of 12 ships over three years.[27] Deakin defied the wishes of the British Government to invest in a sovereign naval capability in pursuit of Australia's interests in an act of greater self-reliance.

The Deakin Government took a proactive role in setting out its defence policy in subsequent years. In December 1907, he made a parliamentary statement on Australia's strategic outlook which noted that major powers were rearming at a fast pace.[28] In response, he stated that Australia would consider further naval capabilities, including submarines;[29] would institute universal training in the militia;[30] and would establish a munitions industry.[31] The subsequent Fisher Government built on Deakin's naval plan by pledging to acquire three destroyers in February 1909.[32] By the end of the first decade after Federation, successive governments had built the foundations of a self-reliant military force that would defend Australia within the geopolitical bounds of the Empire. The shift towards greater self-reliance in the maritime sphere under Deakin, was shaped by perceptions of credible threat in the region, and an implicit sense of uncertainty as to Britain's ability to defend Australia's interests.

The push for an Australian Navy was driven primarily by an emerging arms race among major powers in Europe. In March 1909, the British Foreign Secretary, Sir Edward Grey expressed concern that Germany had commenced a naval shipbuilding program that would increase its fleet to such a size that it would soon match the Royal Navy.[33] Consequently, he announced that Britain needed to build a 'new and more powerful fleet.'[34] It was in this context that the Fisher Government proposed on 10 April 1909 that Australia establish a naval force under Australian command for use primarily in its territorial waters.[35] Fisher proposed that the Navy fall under Admiralty control in wartime but that the Australian Government would need to approve any deployment abroad.[36] The move towards an Australian Navy

[24] Letter – Deakin to British Government, 28 August 1905. NAA: A6661, 1330. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/2.
[25] David Stephens, *The Royal Australian Navy*, 15.
[26] Ibid, 15.
[27] Ibid, 16
[28] Commonwealth Parliamentary Debates, *Defence Policy*, 13 December 1907 (Alfred Deakin). See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/3.
[29] Ibid. See also: Stephens, *The Royal Australian Navy*, 17.
[30] Ibid. See also: Grey, *The Australian Army*, 25.
[31] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/3. See also: Meaney, *The Search for Security in the Pacific*, 185.
[32] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/3.
[33] Ronald Norris, *The Emergent Commonwealth: Australian Federation, Expectations and Fulfilment, 1889-1910* (Carlton: Melbourne University Press, 1975), 146.
[34] Ibid, 147.
[35] Letter – Attlee Hunt to the Official Secretary to the governor-General, 10 April 1909. NAA: A6661, 1325. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/3.
[36] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/3. See also: Meaney, *The Search for Security in the Pacific*, 192.

was further motivated by the German naval presence in the Asia-Pacific, with its East Asia Squadron based in Tsingtao and wireless station in New Guinea. Fisher's proposal was a watershed in the development of self-reliance as it implied that the defence of Australia's regional interests would be the determining factor for the establishment of a naval force.

The British Government convened an Imperial Conference in 1909 to examine how individual dominions could contribute to imperial naval defence. The Admiralty argued that dominions form fleet units capable of local defence but also of contributing to the protection of trade routes against small hostile squadrons.[37] Fleet units could combine with those from other dominions to form a larger naval force against potential threats in the Asia-Pacific.[38] The Australian representative, Justin Foxton agreed that the Admiralty proposal aligned with Australia's view of local defence and its contribution to imperial defence as it recognised Admiralty control in wartime subject to approval by the Australian Government.[39] On 24 November 1909, the Australian Parliament accepted the proposal by a margin of 39-9,[40] and passed the *Naval Defence Act* in 1910. Australia would, henceforth, have a navy that would defend against threats in its immediate region while also contributing to imperial defence. Although motivated by the perceived German threat, the fact that Australian forces were to remain under Australian control suggests that the Deakin Government did not trust Britain to always act in Australia's strategic interests in the region.

The Deakin Government turned its attention to its land forces and invited Field Marshal Herbert Kitchener to advise on Australian military forces in December 1909. Kitchener noted that the size and organisation of Australia's land forces would be determined by its land mass, the strength of an enemy force, its small population and underdeveloped communications infrastructure.[41] He recommended that the citizen force be strengthened through extended training periods, as well as the registration of youths for mandatory training.[42] Kitchener sought to overcome geographical and logistical boundaries by assigning units to particular regions.[43] Importantly, he recommended that a staff corps be established to provide effective leadership and that a military college be established to train officers to a high standard.[44] Deakin enacted these reforms in amendments to the *Defence Act* with effect from January 1911 and, in doing so, reinforced the local, rather than expeditionary, focus of the land forces.

The Royal Australian Navy (RAN) was substantially established in the following two years. As agreed at the previous Imperial Conference, the Admiralty began to transfer its assets and personnel in

[37] 'Conference with the Representatives of the Self-Governing Dominions on the Naval and Military Defence of the Empire, 1909.' NAA: A5954, 1930/15. See also: Cumpston, *Australia's Defence Policy*, 12. See also: Frame, *No Pleasure Cruise*, 91.
[38] Ibid. See also: Meaney, *The Search for Security in the Pacific*, 189. See also: Cumpston, *Australia's Defence Policy*, 259.
[39] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/3.
[40] Ibid, 272.
[41] 'Defence of Australia: Memorandum of Field Marshal Viscount Kitchener of Khartoum.' 7 July 1910. NAA: A463, 1957/1059. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 784/3.
[42] Ibid. See also: Grey, *The Australian Army*, 29.
[43] Ibid.
[44] Ibid.

Australia to the Commonwealth Government on 1 July 1913. Henceforth, the RAN had 3,400 personnel and was comprised of one battle cruiser, HMAS *Australia*, four cruisers, three destroyers, two gunboats, two torpedo boats and two submarines, one cruiser and three destroyers in construction.[45] The Australian Fleet Unit ceremonially entered Sydney Harbour on 4 October 1913, a milestone that marked the commissioning of an Australian naval force. On the eve of the First World War, successive governments had built a military force that was self-reliant and focused on the defence of Australia, with some capacity, in its naval but not land forces, to assist the British Empire during wartime subject to government approval. In the decade after Federation, successive governments laid the foundations for a land and naval force that would defend the Australian continent and surrounding islands. This was driven by the need to deter the perceived German threat, and uncertainty as to whether Britain's priorities would align with those of Australia in the event of conflict. The development of Australian defence policy during this period is summarised in Table 1:

Table 1: Australian Defence Policy in the Decade after Federation

Government (Party)	Core Strategic Interest	Primary Geographic Scope	Perception of Allies	Perception of Threat
Barton (Protectionist)	Contributing to imperial defence	British Empire	Close alignment with Britain	Negligible
Deakin-Fisher (Liberal/Labor)	Protection of Australia through greater autonomy	Australia and approaches	Uncertain about alignment of interests	Japanese and German naval strength

Australia's strategic environment began to deteriorate with increasing rivalry between Britain and Germany throughout 1914. The First Lord of the Admiralty, Winston Churchill, expressed concern about German naval capabilities on 16 March 1914 and stated that Britain would station eight dreadnoughts in the Mediterranean to protect its regional interests.[46] Churchill further observed that the Anglo-Japanese Treaty of 1902 provided reassurance against possible Japanese attack but noted that if British naval power were shattered, its dominions would need to seek American protection.[47] This announcement appeared to vindicate Deakin's concerns about overreliance on allies at the expense of greater self-reliance as the conceptual basis for Australian defence policy. Meaney articulates the impact of Churchill's speech as follows:

> Churchill's speech was a *tour de force* – a two-and-a-half-hour exposition of British naval problems and policies. … it was seen as a challenge to Australia's strategic view of local security as well as a unilateral effort to overthrow the 1909 agreement and it provoked a most … critical reaction. The crisis over Pacific naval defence entered a new stage.[48]

The Minister for Defence, Senator Edward Millen, tabled a memorandum in Parliament on 16 April 1914, which argued that Churchill's speech entailed the abandonment of the 1909 Imperial Conference agreement, and the replacement of a coordinated imperial naval defence policy with isolated

[45] Frame, *No Pleasure Cruise*, 97.
[46] 'Naval Defence: Memorandum by the Minister for Defence Together With the Speech of the First Lord of the Admiralty as Reported in Australia.' 13 April 1914, NAA: MP1185/3, 2152/1/31. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/1.
[47] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/1.
[48] Meaney, *The Search for Security in the Asia-Pacific, 1901-14*, 259.

units.[49] He further expressed his dismay in a letter to the Governor-General, Lord Denman, arguing that 'Australians will not consent to being taxed for the purpose of building docks and other shore establishments for vessels employed on the other side of the world.'[50] On the eve of the First World War, Australia had invested in land and maritime self-reliance because it feared the German presence in Southeast Asia, and was uncertain as to whether Britain would act in Australia's strategic interests.

First World War (1914-18)

The Fisher Government grappled with these issues at the outset of the First World War. On 4 August 1914, Britain declared war on Germany in response to its invasion of Belgium and sought the assistance of its dominions in its war effort. The Fisher Government placed the RAN under Admiralty control as discussed at the 1909 Imperial Conference and offered a force of 20,000 troops, the cost of which was borne by the Australian Government.[51] The British Army Council requested that Australia provide two infantry brigades, one light horse brigade and a field artillery brigade.[52] As the *Defence Act 1903* prohibited the overseas deployment of existing forces, the Fisher Government raised the Australian Imperial Force, as a volunteer formation for deployment abroad. Fisher's response to the declaration of war was to aid Britain in a display of loyalty and reliance on another power. Meaney argues that this was driven by an independent strategic imperative. In his view, the Fisher Government was unnerved by the emergence of regional powers in the Asia-Pacific, and Britain's reorientation from the region to the German threat in Europe. The Fisher Government thus assisted Britain in Europe so that it would be able to focus on the Asia-Pacific and defend Australia in future conflict in the region.[53]

Perhaps unsurprisingly, the Fisher Government took an interest in the strategic potential of German colonies in the Pacific. It resented Britain's opposition to Queensland's planned annexation of New Guinea in 1883, which allowed Germany to gain a regional foothold, and was concerned by Japan's regional ambitions once it had entered the war.[54] The Fisher Government's first act of war was to deploy the Australian Naval and Military Expedition Force to attack the wireless station at Rabaul and seize the remainder of German New Guinea. This was a milestone in Australian defence policy as it marked the first time that Australia undertook independent military operations in pursuit of its own strategic interests, namely to nullify the German presence, in its region, against a credible threat and without recourse to support from traditional allies. Australia's deployment at Rabaul was arguably an act of operational self-reliance rather than dependence on a larger ally. Meaney describes Fisher's approach in terms of self-reliance as follows:

---

[49] 'Naval Defence: Memorandum by the Minister for Defence Together With the Speech of the First Lord of the Admiralty as Reported in Australia.' 13 April 1914. NAA: MP1185/3, 2152/1/31. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/1.
[50] Meaney, *The Search for Security in the Pacific, 1901-14,* 259.
[51] 'Copy of Cable to the Secretary of State for the Colonies.' 3 August 1914. NAA:MP1049/1, 1914/0276. See also: Bean, *The Story of ANZAC, 28*. See also Neville Meaney, *Australia, and the World Crisis, 1914-23* (Sydney: University of Sydney Press, 2009), 30.
[52] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/2.
[53] Meaney, *Australia and the World Crisis,* 501.
[54] Ibid, 62.

> As war approached, Fisher had given voice to the sentimental catchcry of aiding Britain 'to the last man and last shilling'; but after war was declared he had reaffirmed what had become Australia's pre-war doctrine – namely to provide first for Australia's own defence … Thus once elected as Prime Minister he aimed to ensure that Australia's own defence plans were not abandoned and that Australia was not left vulnerable to Japan.[55]

It was for this reason that Fisher urged the British Government to convene a conference in 1915 aimed at coordinating imperial policy in the Asia-Pacific. Meaney notes that Fisher 'intended that Australia should have an effective say in the new Pacific map and the new Pacific relations that would come out of the war.'[56] Britain, however, opposed this proposal and W.M Hughes replaced Fisher as Prime Minister. Hughes, took a very different approach to Fisher, believing that a British victory in Europe would enable it to better protect its dominions in the Asia-Pacific. It followed that by supporting Britain against Germany, Australia could guard against Japan in the future.[57] This marked a shift away from self-reliance towards greater integration with allies as the basis for Australian defence policy.

By this stage, the AIF had deployed to Gallipoli and would see action on the Western Front. In November, Hughes announced the despatch of another 50,000 troops and, due to falling enlistment numbers, sought to implement conscription for overseas service. Australia's Irish community, which formed the ALP's base and was led by Archbishop Daniel Mannix, opposed conscription partly on sectarian grounds, a position hardened by news of Britain's severe handling of the Easter Uprising. On 28 October 1916, Hughes put the issue to a referendum, which it narrowly lost.[58] The referendum, however, split the ALP, with three ministers resigning immediately before the vote, with a further two leaving afterwards. Facing expulsion, Hughes and his supporters left to form the Nationalist Party which then governed with support from the Liberals.[59] Hughes held a second referendum on conscription on 7 November 1917, which he again lost.[60] The conscription debate highlighted partisan differences on Australia's strategic priorities, with the centre-left emphasising a narrower definition of Australian interests and the centre-right seeking security in imperial defence.

A peace conference was convened at Versailles in 1919, which Hughes attended as the Australian representative. The American Government, under President Woodrow Wilson, envisaged that negotiations would be based on a fourteen-point proposal of internationalist principles. Hughes, however, sought to maximise Australia's interests against credible threats at the conference and, in doing so, clashed with Wilson on the future of Germany's Pacific colonies.[61] Wilson argued that New Guinea could be governed as a League of Nations mandate while Hughes held that Australia had a right

[55] Ibid, 502.
[56] Ibid, 79.
[57] Ibid, 116.
[58] Ernest Scott, *Australia During the War* (Sydney: Angus and Robertson, 1936), 352.
[59] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/2.
[60] Scott, *Australia During the War*, 427.
[61] 'Secretary's Notes of a Conversation Held in M. Pirchon's Room at the Quai d'Orsay, Paris on Monday, January 27, 1919 at 15 hours.' NAA: A981, WAR P 15 PART 2. See also: Edwards, *Prime Ministers and Diplomats*, 52.

to the territory for reasons of security, and because of its contribution to the war effort.[62] As noted by Meaney, Hughes push for sovereignty over New Guinea was driven partly by a desire to keep Japan out of the South Pacific.[63] Hughes relied on Britain for security during the First World War, but asserted Australia's interests in its immediate region in an act of greater self-reliance in foreign policy. This action in 1919 was in keeping with the strategic purpose of Australia's support for Britain during the war. Meaney articulates Hughes' approach in the following terms:

> Hughes had from the beginning seen the war above all as a global struggle of the British race for survival and, as a result, he was adamant that this required a total commitment to the Empire's cause. While fearful of Japan, he was convinced that the only way for Australia to keep the White Australia flag flying … was to defeat Germany as quickly as possible and so restore British global supremacy. From its own resources, Australia could never hope to keep the Japanese at bay. The only effective barrier to Japanese land hunger and racial hostility was the British Navy and its ability to deploy in the Pacific Ocean.[64]

Clearly, there were significant differences between Fisher and Hughes in their view of Australia's priorities in the First World War, and their differences on the conceptual basis of Australian defence policy are summarised in Table 2:

Table 2: Australian Defence Policy During the First World War

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perception of Allies	Perception of Threat
Fisher (Labor)	Defeating German forces to Australia's north	Pacific Territories	Greater autonomy	German naval presence
Hughes (Nationalist)	Supporting Britain abroad to keep it in Asia	Empire	Close alignment with Britain	Emerging Japanese threat

Both Fisher and Hughes pursued policies that sought to protect Australia's interests in different ways. Fisher took actions that were self-reliant in an operational sense. He authorised independent operations in Australia's region, against a credible threat and without recourse to traditional allies and did so within an alliance context. This, however, was short-lived as Hughes reorientated Australia towards Britain with a view to relying on it against a much larger threat in the long term. Hughes later took a more assertive approach to foreign policy to secure Australia's core interests. This, however, was not self-reliant in any strategic sense as he continued to depend on Britain in the subsequent decade.

Interregnum (1919-39)

In the aftermath of the First World War, the Hughes Government commenced a review of Australia's defence priorities. In 1919, it asked the Admiral of the Fleet, Lord Jellicoe, to advise on the strategic outlook for the region, the structure of the RAN, and the naval base and supply requirements in the Pacific and East Indian Oceans. Jellicoe identified Japan as a country that had the capability and motive to threaten the Empire because it resented the way in which German colonies were allocated at Versailles.[65] He also noted that maritime supremacy had played a key role in the First World War, and

[62] 'Secretary's Notes of a Conversation Held in M. Pirchon's Room at the Quai d'Orsay, Paris on Monday, January 27, 1919 at 15 hours.' NAA: A981, WAR P 15 PART 2. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/2.
[63] Meaney, *Australia and the World Crisis, 1914-23*, 62.
[64] Ibid, 502.
[65] John McCarthy, *Australia and Imperial Defence 1918-3: A Study in Air and Sea Power*, 8.

that naval forces would be a significant deterrent against an invasion of its dominions as they could not field large armies due to their small populations.[66] Jellicoe thus recommended the establishment of a Far Eastern Fleet drawn from the Royal Navy, the RAN and the Royal New Zealand Navy, with costs apportioned at 75 percent, 20 percent, and five percent, respectively.[67] The Fleet would be based in Singapore but required significant investment to accommodate modern capital ships and improve its defences.[68] Jellicoe clearly envisaged imperial defence as the basis of Australia's post-war strategy.

In 1920, the Minister for Defence, Senator Pearce, instructed a panel of senior officers to review the Australian army. Their terms of reference included a post-war reduction in expenditure and Australia's newfound responsibilities in the Pacific.[69] The report concluded that Australia should not rely on the League of Nations, and that it could not withstand an attack by a major power.[70] It conceded that Australia's security depended on the Empire.[71] The report argued that the role of Australia's military was to withstand an invasion until the arrival of British reinforcements.[72] These findings reinforced the focus of the permanent force on local defence, and highlighted the need for limited self-reliance due to Australia's geographic isolation from Britain, and were supported by Cabinet.[73]

These proposals were considered by the conference of senior officers in February 1920.[74] The conference noted that the overriding concern of the Hughes Government was to provide reasonable security at minimal cost. It concluded that 'with her current limitations Australia could not, of her own resources, maintain a successful defence' and that 'successful defence was therefore an imperial problem.'[75] It noted that 'so far as the Navy is concerned, the RAN must be looked upon strategically as part of the Empire's Navy, not as a single unit intended for the local defence of Australia.'[76] The Council thus concluded that 'the first requirement of Australian defence was a full contribution to the provision of the necessary naval force [as per] Jellicoe's recommendations.'[77] It conceded that 'even if naval requirements were met in full, the Commonwealth might be liable to attack [and] a land force was, therefore, also a necessity.'[78] The post-war strategy of the Hughes Government emphasised

[66] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/4.
[67] Lord Jellicoe. 'Jellicoe Report.' NAA:A5954, 1080/1. See also: Frame, *No Pleasure Cruise*, 133.
[68] Ian Hamill, *The Strategic Illusion: The Singapore Strategy and the Defence of Australia and New Zealand, 1919-1942* (Singapore: Singapore University Press, 1981), 20.
[69] Department of Defence. 'Report on the Military Defence of Australia by a Conference of Senior Officers of the Australian Military Forces.' 1920. NAA: A5954, 797/1. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/4.
[70] Ibid. See also: Grey, *The Australian Army*, 73.
[71] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/4.
[72] Ibid..
[73] Department of Defence, 'Minutes of a Special Meeting (10th) of the Council of Defence Held in the Cabinet Room, Prime Minister's Department, Melbourne at 2.30pm on Monday, 9th February 1920.' NAA: A9787, 2.
[74] Department of Defence. 'Report of a Conference of Senior Naval, Military and Air Force Officers Assembled at the Navy Office, Melbourne, on the 10th February 1920, to Coordinate the Estimates of the Three Services.' 10 February 1920. NAA: A5954, 1209/4. Meaney, *Australia and the World Crisis*, 437.
[75] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/4.
[76] Department of Defence, 'Report of a Conference of Senior Naval, Military and Air Force Officers Assembled at the Navy Office, Melbourne, ' 10 February 1920. NAA: A5954, 1209/4.
. Meaney, *Australia and the World Crisis*, 437.
[77] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/4.
[78] Ibid.

imperial defence as it was premised on British naval power at Singapore, with a small army to deter an attack against Australia until the arrival of reinforcements from other parts of the empire.[79]

In 1921, an Imperial Conference was convened which examined emerging strategic issues in the Asia-Pacific. At the time, Britain had reduced its defence expenditure significantly, and was considering renewal of the Anglo-Japanese Treaty. Hughes warned that Australia could not defend itself without 'the support of the legions of the Empire and the protection of the British Navy.'[80] He further articulated his support for imperial defence in stating 'if we were to have peace and security that we could not rely on either the League of Nations or on ourselves alone.'[81] Instead, Hughes urged greater naval cooperation between Britain and Australia in the Asia-Pacific as the basis of its security. In a similar vein, Arthur Balfour, Chairman of the Committee of Imperial Defence, noted that Britain was not prepared for conflict in Asia, and that the renewal of the Anglo-Japanese Treaty was a key priority for regional stability as Singapore was not yet developed as a naval base.[82] Neither Hughes nor his counterparts believed in self-reliance but instead heavily favoured reliance on Britain despite its limited presence in the Pacific.

The American Government convened a conference on the arms limitation in the Far East in November 1921. The conference was attended by the British Empire, Japan, France and Italy. It proposed a treaty that would reduce the number of capital ships by 40 percent, limit the number of aircraft carriers, and replace the Anglo-Japanese Treaty with a more comprehensive agreement.[83] On 26 July 1922, Hughes supported the treaty in Parliament, and proposed a series of reductions to the military in the 1922-23 defence budget to give effect to its provisions. In particular, the Hughes Government reduced the number of ships in commission from 25 to 13, including decommissioning its flagship, and placed the submarine fleet into reserve.[84] The permanent land forces were reduced by 467 and the militia was reduced from 86,568 to 35,228 personnel.[85] In its final years, the Hughes

[79] One participant, Major-General J.G Legge, offered a dissenting view. His report argued that 'I do not consider the Report as printed represents fairly what was agreed at the Joint Conference, a quantity of statements and conclusions having been interpolated. Especially do I object to the statements contained in Paragraph 26(a)(iii), which would imply that questions of Imperial Defence must come before the home defence of Australian territory, and that full compliance with the recommendations of Lord Jellicoe should precede other measures.

On the assumption that the Council of Defence required a compromise on the proposals for the Sea, Land and Air Forces, as set out in Paragraph 2, I was prepared to concur in the proposed reduced scheme contained in Paragraph 26(b), although, if a free hand had been allowed to at the Conference, I should have strongly advocated a much greater provision for Air Services, even at the expense of the others, as being the best means of ensuring a fairly adequate and rapid defence at no greater cost.' See also: 'Conference of Senior Naval, Military and Air Force Officers Assembled at the Navy Office, Melbourne, on 10th February 1920, to Coordinate the Estimates of the Three Services: Minority Report by Major-General J.G Legge, C.B, C.M.G.' NAA: A5954, 1209/4.

[80] 'Conference of Prime Ministers and Representatives of the United Kingdom and Dominions: Summary of Proceedings and Documents.' August 1921, NAA: A981, IMP 106. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/4.

[81] Ibid. Shedden, *A Study in British Commonwealth Cooperation*, 617, NAA: A5954, 785/4.

[82] James Neidpath, *The Singapore Naval Base and the Defence of Britain's Eastern Empire, 1919-1941* (Oxford: Clarendon Press, 1981), 44.

[83] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 785/4.

[84] Frame, *No Pleasure Cruise*,138.

[85] Grey, *The Australian Army*, 79.

Government cut back Australia's capacity for self-reliance by reducing the size of the military, meaning that it would need to rely more heavily on imperial defence in subsequent years.

Between 1922 and 1923, Australian military planners considered the implications of the Washington Naval Treaty on its defence policy. The treaty had major consequences for imperial defence, as noted in an Admiralty memorandum of July 1922. In it, the Admiralty warned that 'Britain could not unaided maintain the fleet necessary for the safety of the Empire' and that the dominions would, therefore, need to take a more active role in imperial maritime defence.[86] With regard to Australia, the Admiralty recommended that it 'continue the maintenance of a sea-going fleet' and 'assist in the development of Singapore by materiel manufactured in Australia.'[87] The Bruce Government replied that it would discuss the request at the next Imperial Conference. The Council of Defence considered the matter in March 1923, and Bruce observed that Australia could do little to assist Singapore 'unaided by Britain or an equally powerful nation.'[88] As with Hughes, the Bruce Government considered greater self-reliance an unrealistic basis for Australian defence policy.

During these debates, however, the ALP under the leadership of Matthew Charlton proposed a radically new interpretation of Australia's strategic priorities. Charlton argued in Parliament that land forces were no longer 'the first line of defence' but that air power and submarines would prove to be vital capabilities.[89] He, therefore, recommended a reorganisation of Australia's defence organisation away from land forces to an air and maritime strategy centred on the defence of Australia.[90] His rationale was that Australia could not withstand a land assault, and that 'the fight would have to take place at sea, and not on shore.'[91] He later opposed the Singapore Strategy on the basis that the Commonwealth Government had never agreed to assist Britain in defence preparations outside of Australia.[92] Although it did not move beyond parliamentary debate, Charlton's views would in retrospect be a precursor to later reforms to Australian defence policy from the 1960s onwards.

The British Government convened an Imperial Conference on 1 October 1923. Prime Minister Baldwin opened the proceedings on an optimistic note, saying that the Washington Naval Treaty would enhance regional security within the framework of the League of Nations.[93] In this context of post-war liberalisation, some dominions, particularly Canada and South Africa, under Prime Minister Mackenzie King and Prime Minister Smuts, sought greater autonomy.[94] Bruce, however, opposed these proposals,

[86] Committee of Imperial Defence, 'The Washington Conference and Its Effect Upon Empire Naval Policy and Cooperation.' CID Paper No. 176-C, 28 July 1922. NAA: A5954, 1206/13. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/1.
[87] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2.
[88] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2.
[89] Commonwealth Parliamentary Debates, *Defence Estimates 1923-24*, 10 August 1923 (Matthew Charlton). See also: Hamill, *The Strategic Illusion*, 152.
[90] Ibid. See also: Hamill, *The Strategic Illusion*, 152.
[91] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2.
[92] See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2.
[93] Ibid, 743.
[94] 'Letter – Prime Minister to the Governor-General.' 28 March 1924. NAA: A981, IMP 110.

instead emphasising dominion unity as the basis for imperial security.[95] He argued that each dominion had to contribute to imperial defence but that Britain would bear a greater obligation.[96] Nevertheless, Bruce raised concerns about the viability of the Singapore Strategy. He observed that Singapore was poorly defended and would be vulnerable during construction.[97] He also noted that Australia could not send forces overseas without first raising a volunteer force that would take time.[98] Nevertheless, Bruce indicated that he supported a larger British presence in the Asia-Pacific.

These doubts about imperial strategy were compounded by the election of a Labour Government in the United Kingdom. Under Prime Minister Ramsay MacDonald, Britain became strongly inclined towards disarmament in foreign policy. On 6 March 1924, MacDonald informed Bruce that Britain would not proceed with the naval base in Singapore, instead preferring international cooperation through the League of Nations.[99] Bruce wrote back that disarmament in the Asia-Pacific would be detrimental to Britain's foreign policy objectives as 'our strength relative to the other great powers has been the basis for peace which we have wielded … through the League of Nations.'[100] The implementation of the Singapore Strategy had stopped, and the basis of Australian defence policy had been undermined. In response, Bruce began a program of rearmament. In July 1924, he approved a five-year program to bolster Australia's military capabilities, with a focus on naval platforms. The program envisaged the acquisition of two new cruisers, one seaplane carrier and two submarines.[101] This was a significant expansion of Australia's naval capability and was designed for local defence to compensate for the reduced British presence at Singapore. Bruce was concerned about MacDonald's lack of engagement with the Pacific and began to implement greater self-reliance in Australian defence policy.

There were clear differences in Australian defence policy in the 1920s with respect to Australia's engagement with Britain in Singapore. Hughes sought to rely on the Royal Navy because he doubted Australia's ability to defend itself against the emerging Japanese threat, and because he significantly reduced Australia's defence expenditure in the post-war period. Yet, as the Singapore base struggled to take shape, Bruce sought to further invest in Australia's ability to defend its interests through a larger Australian naval force. Rearmament under Bruce was driven by concerns that Britain was not prepared to adequately defend Singapore and, by extension, Australia. Both were of the same political persuasion and were focused on the same threat, within the same geographical location. Yet, they took fundamentally different approaches to the conceptual development of Australian defence policy. The contrasting views of Hughes and Bruce are summarised in Table 3:

---

[95] 'Prime Minister's Speeches at Opening of 1923 Imperial Conference: Prime Minister on Defence.' NAA: AA1970/559, 13/1. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2.
[96] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2.
[97] Connor, *ANZAC and Empire*, 149.
[98] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2.
[99] 'Decipher of Cablegram Received by His Excellency the Governor-General from the Secretary of State for the Colonies, Dated London, 6th March 1924, 4:35am.' NAA: A11804, 1924/196 PART 1. See also: Neidpath, *The Singapore Naval Base and the Defence of Britain's Eastern Empire*, 67.
[100] Ibid. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 786/2. See also: Hamill, *The Strategic Illusion*, 87.
[101] McCarthy, *Australia and Imperial Defence: 1918-1939*, 48.

Table 3: Australian Defence Policy in the 1920s

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perception of Allies	Perception of Threat
Hughes (Nationalist)	Supporting Britain due to doubts about Australia's ability to defend itself Reducing defence expenditure	Singapore	Reliance on Royal Navy	Emerging Japanese Threat
Bruce (Nationalist)	Support for greater autonomy due to doubts about Royal Navy Increasing defence expenditure to fund new maritime acquisitions	Singapore	Doubts about UK Singapore Commitment	Emerging Japanese Threat

In 1926, an Imperial Conference was convened which focused on dominion autonomy. Prime Minister Baldwin announced that Britain would recommence the plan to construct a naval base at Singapore, and asked dominions in the region to contribute.[102] He had earlier informed his Australian counterparts of this return to the Singapore Strategy.[103] Bruce responded that 'Australia would be sympathetically prepared to consider a contribution to its cost.'[104] He noted, however, that this could be limited by the fact that Australia had invested significantly in its own naval capabilities after the 1923 Imperial Conference, and the subsequent decision by the MacDonald Government in London not to proceed with the Singapore naval base.[105] In principle, Australia moved towards reliance on Britain; however the conference did not offer a concrete plan for how dominions would contribute to the Singapore Strategy, meaning that Australia's defence posture was mostly unchanged.

The ALP, under the leadership of James Scullin, was elected in 1929 and began to implement a different defence policy to that of its conservative predecessors. Its federal conference had passed a resolution on defence the emphasised 'adequate home defence against possible foreign aggression' and a constitutional amendment to prohibit conscription.[106] These policies reflected a long-standing preference for self-reliance and the defence of Australia rather than dependence on Britain. Scullin suspended compulsory training but faced opposition from Australia's military leadership.[107] At a meeting of the Council of Defence on 12 November 1929, the CGS, General Harry Chauvel, advised that this would reduce personnel levels, and thus not be a suitable basis for wartime expansion.[108] The rationale for this view was that Australia could not have 'a sublime faith in the powers of the British Navy' and that land forces were thus 'a very vital element in Australian Defence.'[109] Scullin nevertheless cut the militia by 50 percent, and the defence budget by 37 percent, resulting in major capability reductions in pursuit of its policy platform and in response to its dire economic circumstances.[110]

[102] Hamill, *The Strategic Illusion*, 142
[103] 'Decode of Cablegram Received by His Excellency the Governor-General from the Secretary of State for the Colonies, dated London, 4th December 1924, 4:25pm.' NAA: A11804, 1925/228.
[104] McCarthy, *Australia and Imperial Defence: 1918-1939*, 48. See also: Hamill, *The Strategic Illusion*, 139.
[105] Ibid. See also: Hamill, *The Strategic Illusion*, 142.
[106] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 787/2.
[107] Grey, *The Australian Army*, 87.
[108] 'General Meeting of the Council of Defence Held at Commonwealth Offices, Melbourne, at 2:00pm on Tuesday, 12 November 1929.' NAA: A5954, 908/4. See also: Grey, *The Australian Army*, 910.
[109] Hamill, *The Strategic Illusion*, 154-155.
[110] Grey, *The Australian Army*, 87.

Britain's MacDonald Labour Government, which had succeeded the Baldwin Government, called another Imperial Conference in 1930. MacDonald emphasised pacifism as the cornerstone of his foreign policy and had previously signed the London Naval Treaty to limit arms.[111] Scullin sympathised with MacDonald and stated that his government would pursue disarmament.[112] Nevertheless, this conference agreed that construction proceed at Singapore.[113] However, it conceded that an airfield be postponed for at least five years due to a reduction in funding with the Great Depression.[114] Scullin's position was shaped by economic factors as much as political considerations. His government moved towards greater self-reliance in 1929 but then shifted towards dependence on Britain in agreeing to the Singapore base despite the objections of his predecessors. Scullin had reservations about imperial defence but supported that policy for economic reasons.

In 1931, the Lyons Government came to office in a changing strategic environment. The CID began a review of its military strategy in March 1932 that would mark a return to widespread rearmament. It recommended that the assumption that there would not be a conflict for at least ten years be reviewed and that it prioritise its requirements in the Far East.[115] Consequently, in 1935, Britain authorised work on heavy gun emplacements and two additional airfields at Singapore.[116] It also raised the prospect of rearmament with its dominions due to the prospect that Britain could be forced to fight on two fronts simultaneously against both Germany and Japan.[117] By this stage, both had started to become assertive, with the Anglo-German Naval Agreement allowing Germany to increase its naval strength to 35 percent of the Royal Navy and develop a submarine fleet while Japan withdrew from the Washington Naval Treaty.[118] The assumptions that had underpinned defence planning since the early 1920s could no longer be relied upon, and the British Empire needed to adapt.

Lyons started to doubt the Singapore Strategy and commenced a program of rearmament in light of emerging threats. In September 1933, the Minister for Defence, Senator Pearce, urged both sides of the political divide to invest heavily in defence as disarmament had not succeeded and, shortly afterwards, proposed a three year program for defence acquisition.[119] He envisaged the commissioning

[111] Millar, *Australia in Peace and War*, 55.
[112] Hamill, *The Strategic Illusion*, 197.
[113] 'Imperial Conference 1930: Committee on Singapore Draft Report.' 21 October 1930, NAA: CP103/12 BUNDLE 15/L.
[114] Ibid. See also: McCarthy, *Australia and Imperial Defence*, 50.
[115] Committee for Imperial Defence. 'Imperial Defence Policy: Annual Review for 1932, by the Chiefs of Staff Sub-Committee of Imperial Defence.' CAB 24/229/12. See also: Hamill, *The Strategic Illusion*, 209. By this stage, the CID had published another report on Australia's defence requirements. It held that 'Australian security necessitates, broadly speaking, measures of two kinds for purely local defence and those for eventual cooperation with other parts of the Empire, which must, for constitutional reasons, remain somewhat indefinite until a crisis occurs. Both are, however, equally important to the Commonwealth, and we hope that, in considering the allotment of funds for defence, the Commonwealth Government will always bear this in mind.' See also: Committee for Imperial Defence, 'The Defence of Australia: Report by the Chiefs of Staff.' August 1932. NAA: A5954, 1718/1.
[116] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 787/4.
[117] Ibid, 9.
[118] Stevens, *The Royal Australian Navy*, 97.
[119] 'Statement of the Government's Policy Regarding the Defence of Australia Delivered at Sydney by the Minister for Defence, Senator the Rt Hon Sir George Pearce.' NAA: A664, 449/401/102. See also: Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 788/1. and Bird, *JA Lyons*, 56.

of new naval platforms, including one cruiser and two sloops, as well as investment in fuel and munitions stores, and the establishment of new facilities in Darwin.[120] During parliamentary deliberations, the Leader of the Opposition, Scullin, questioned whether the construction of a new cruiser was an appropriate investment for Australia's defence.[121] Instead, he suggested that Lyons invest in defensive platforms.[122] As in the 1920s, there remained a partisan divide on whether greater autonomy or dependence on Britain should form the basis of Australia's defence policy.

The Lyons Government further considered its approach to rearmament throughout 1934. It invited Sir Maurice Hankey, the Secretary of the CID, to Australia for consultations on its defence posture. Hankey advised that Britain would rearm over the next five years in response to Germany's program of military expansion with the ascension of Adolf Hitler.[123] Hankey also noted that Britain was investing in both Singapore and Hong Kong because of Japan's growing presence and advised Lyons to plan around the completion of the Singapore naval base, despite personal reservations as to its effectiveness as a strategy.[124] Hankey noted that Singapore was vulnerable and Lyons gained assurances from Britain that it would remediate known deficiencies.[125] At the heart of the debate was whether land forces should assume a greater role in Australian defence.[126] With Lyons focused on naval issues, the CGS, Major-General Sir Julius Bruche, argued that the RAN had received too much funding and that its faith in Singapore was 'unsupported by any evidence' as Chauvel had argued in 1930.[127] He held that the army played a key role in local defence in the event that Singapore failed, and that it should receive greater investment with the 1920 report as a minimum benchmark.[128] Lyons considered these reports and decided that the existing organisation of seven divisions would be maintained but rearmed.

From 1935, Lyons began to rearm significantly. The Minister for External Affairs, J.G Latham visited London and asserted that his government supported imperial rather than continental defence.[129]Yet, figures such as the CGS designate, Colonel John Lavarack, and Secretary of External Affairs, W.R Hodgson called for a revision of Australian defence policy due to doubts about Britain's ability to defend Australia from Japanese expansion.[130] Bruche argued that 'Australia should aim at attaining the greatest possible degree of self-reliance in her defence.'[131] The ALP, led by John Curtin, argued for greater spending on the army and Air Force for continental defence.[132] The CAS, Air Commodore Richard Williams, recommended the development of an aircraft industry to provide a

[120] Ibid. Frame, *No Pleasure Cruise*, 143.
[121] Commonwealth Parliamentary Debates, *Defence Estimates 1934-35*, 2 August 1934 (James Scullin). See also: Hamill, *The Strategic Illusion*, 236.
[122] Ibid. See also: Hamill, *The Strategic Illusion*, 236.
[123] Department of Defence, 'Australian Defence: Report by Sir Maurice Hankey.' 15 November 1934. NAA: A5954, 1084/1. See also: Connor, *ANZAC and Empire*, 159.
[124] Ibid. See also: McCarthy, *Australia and Imperial Defence*, 57 and Bird, *JA Lyons*, 91.
[125] Ibid. See also: Hamill, *The Strategic Illusion*, 248.
[126] Connor, *ANZAC and Empire*, 161.
[127] Horner, *Defence Supremo*, 44.
[128] Shedden, *A Study in British Commonwealth Cooperation*, NAA: A5954, 788/1.
[129] Hamill, *The Strategic Illusion*, 238.
[130] James Curran, *Curtin's Empire*, 68.
[131] Hamill, *The Strategic Illusion*, 264.
[132] James Curran, *Curtin's Empire*, 69. See also: Hamill, *The Strategic Illusion*, 237.

wartime manufacturing capacity.[133] Lyons thus established the Commonwealth Aircraft Corporation and the production of local rather than British designs to the dismay of the Baldwin Government.[134] Australia started to invest in capabilities on a more self-reliant basis in realisation that Britain might not be able to defend against the Japanese threat despite supporting imperial defence in official policy.[135]

Lyons thus sought further assurances from Britain that it would commit to Singapore. At the Imperial Conference of 1937, Lyons proposed a non-aggression pact with Japan and put forward a policy of implied self-reliance in which Australia would 'face to the fullest extent of our capacity the potential to provide for our own national defence.'[136] These sentiments were supported by the Opposition Leader, John Curtin who delivered a speech emphasising the need to be 'self-reliant in our own defence' and asserted that he would 'develop and protect Australian industries to ensure our capacity to resist aggression and to enable us to be a self-reliant people.'[137] Prime Minister Chamberlain gave a public assurance in March 1938,[138] and in November, the First Sea Lord, Admiral Backhouse, assured Lyons that Singapore was a priority for the Royal Navy, and was adequately defended.[139] Shortly afterwards, Germany annexed Austria and turned its attention towards Czechoslovakia, while Japan continued its campaign in China. With the strategic outlook deteriorating, Chamberlain again reassured Lyons in March 1939 that Britain would despatch a fleet to Singapore even if it were at war with both Germany and Italy but conceded that the main fleet would arrive in 90 days, not 70 days,[140] and this figure was later extended to six months.[141] By 1939, Lyons had asserted a more self-reliant defence policy that supported Britain in the region but which better equipped Australia due to doubts about the Singapore Strategy within its political establishment, the military and the bureaucracy.

---

[133] Grey, *A Military History of Australia*, 134.
[134] Ibid, 135.
[135] Hughes, now Attorney-General, described this view as follows in a book that resulted in expulsion from Cabinet: 'A great power could, in the absence of adequate defences, reduce Australia to submission in a few days, even in a few hours. If we are to depend upon outside help, it must be immediately available. Hitherto, the British Navy has ensured her security. It can do so no longer. The people of Britain would never consent to the dispatch of such powerful squadrons as would be needed to protect Australia, if she were threatened by a first-class naval power for that would leave the heart of the Empire open to attack. Our own Navy would be hopelessly outclassed by the strong naval force the aggressor would certainly bring with him. The British Fleet, … is from six to ten thousand miles away … Australia must be at least able to defend herself until Britain can come to her aid.' See: W.M Hughes, *Australia and War To-Day: The Price of Peace*. (Sydney: Angus and Robertson, 1935), 158-159.
[136] Cumpston, *Australia's Defence Policy*, 48. See also: Hamill, *The Strategic Illusion*, 288 and Bird, *JA Lyons, 200.* See also: 'Imperial Conference 1937, Cooperation in Imperial Defence: Memorandum Prepared by His Majesty's Government in the Commonwealth of Australia.' May 1937. NAA: A5954, 1057/9. Indeed, by this stage, there were discussions in the Council of Defence as whether Australia should invest in a blend of imperial defence and local defence, or predominantly local defence. The British Chiefs of Staff pushed for greater investment in imperial defence while General Chauvel sought a greater focus on Australian interests and the Minister for External Affairs questioned the Singapore Strategy. See also: 'Council of Defence Meeting, 17 December 1937.' NAA: A5954, 762/4.
[137] John Curtin, 'To Build and Defend a Happy and Self-Reliant Australia.' Policy Speech, 20 September 1937.
[138] Prime Minister's Department. 'Inward Cablegram – Chamberlain to Lyons.' 11 March 1938. NAA: A5954, A1023/1. See also: Shedden, *A Study in British Commonwealth Cooperation*, 30.
[139] Cumptson, *Australia's Defence Policy*, 58. Bruce later noted that the First Sea Lord had given 'an unqualified assurance that in the event of trouble with Japan, seven capital ships would be sent to Singapore.' See also: Hamill, *The Strategic Illusion*, 289.
[140] Prime Minister's Department, 'Inward Cablegram: Chamberlain to Menzies.' 20 March 1939, NAA: A5954, A1023/1.
[141] McCarthy, *Australia and Imperial Defence*, 144. See also: Hamill, *The Strategic Illusion*, 293.

Australian defence policy underwent significant change in response to geopolitical developments throughout the 1930s. With the Great Depression, government revenue declined significantly. The Scullin Government thus took the opportunity to reduce Australia's defence expenditure and, consequently, the size of Australia's military forces. It was faced with few threats, and was broadly aligned with Britain. As a result, it focused primarily on continental defence. Yet, as Australia's strategic outlook declined with the rise of Japan and Germany, the Lyons Government, and the Curtin-led opposition, sought to invest in a more self-reliant military. It had doubts about the Singapore Strategy, which was increasingly supported by both the military and the bureaucracy. These concerns were confirmed with changes in British assessments of what the Royal Navy could provide in a conflict with Japan. It became clear that Britain could not fight a war on two fronts and would prioritise a European threat ahead of the Pacific. Lyons thus had little choice but to invest in Australia's air capabilities by establishing a sovereign aircraft industry. Table 4 contrasts the differing policies of Scullin and Hughes throughout the 1930s:

Table 4: Australian Defence Policy During the 1930s

Government	Core Strategic Interests	Primary Geographic Scope	Perception of Allies	Perception of Threat
Scullin (Labor)	Reducing expenditure due to Great Depression	Australian Continent	Alignment with MacDonald Government	Reduced Japanese Threat
Lyons (UAP)	Rearming in a deteriorating environment	Singapore	Support for Britain but doubts about Singapore	Increased Japanese and German Threat

The Second World War (1939-45)

On 3 September 1939, the United Kingdom declared war on Germany in response to its invasion of Poland. Almost immediately, Prime Minister Robert Menzies declared war on Germany and pledged to assist Britain in its war effort as Australia did in 1914. During the next twelve months, Menzies made a number of significant decisions as to the structure and organisation of Australia's military forces.[142] His government placed RAN units under Admiralty control, raised the Second AIF for deployment abroad, and agreed to participate in the Empire Air Training Scheme.[143] In November 1939, it agreed to deploy the 6th Division with some reservations,[144] and in February 1940, it decided to raise a corps for service in the Middle East.[145] Menzies reluctantly prioritised imperial defence, not self-reliance in Australia's region. The German threat momentarily took precedence over earlier concerns about Japan's intentions in the region, and Menzies felt obliged to assist Britain in more distant theatres.

The defeat of France in June 1940 changed the strategic outlook for Britain and Australia in relation to Singapore. Germany now dominated continental Europe, and Britain destroyed the French

[142] Curran, *Curtin's Empire*, 80.
[143] 'Cabinet Agenda: Australia's War Effort, Basis of Preparations by the Services.' 11 September 1939. NAA: A2671, 6/1939. See also: David Horner, *Inside the War Cabinet: Directing Australia's War Effort, 1939-45* (Sydney: Allen & Unwin, 1996), 7.
[144] 'Record of Decisions of Full Cabinet, Canberra, 28th November 1939.' NAA: A5954, 803/1.
[145] 'Minutes of War Cabinet Meeting, Melbourne, 28th February 1940.' NAA: A5954, 803/2. See also: Horner, *Inside the War Cabinet*, 14.

fleet to prevent it from falling into German hands. Britain was thus required to concentrate its efforts on Europe. Meanwhile, Menzies was concerned that Japan could occupy the New Hebrides and New Caledonia,[146] and decided to equip a militia of 250,000 men for local defence.[147] Japan then demanded the withdrawal of Britain's Shanghai garrison and the halting of supplies to China.[148] Britain acquiesced and advised Australia that it might not be able to send a fleet to Singapore. Instead, it asked Australia to send two squadrons and a division to Malaya.[149] Menzies was concerned by Britain's decision to renege on its assurances, and the Secretary of Defence, Frederick Shedden articulated this as follows:

> This was disturbing advice to a Dominion which had been given assurance on the impregnability of Singapore, and on the ability of sea power to [defend] Australia. On the basis of these assurances, [Australia] had sent an expeditionary force and an air squadron to the Middle East, agreed to the disposition of ships of the Navy overseas … All this was promised on the assumption that Australia would be secure from major attack.[150]

Australian defence policy would now be driven in a different direction because of changing perceptions of allies and credible threats. Japan was now seen as a direct threat, while Britain appeared unable to assist. Menzies' response to this dilemma could be seen in deliberations on the deployment of the 7th Division. There were two conflicting views on where it needed to be deployed: Thomas Blamey, Deputy Chief of the Middle Eastern Command sought its assignment to Egypt to capitalise on recent victories against Axis forces,[151] but Britain requested that it be sent to Singapore in view of the Japanese threat.[152] Cabinet was divided and, with Menzies casting the deciding vote on 23 September, agreed that it would be deployed to the Middle East.[153] Again, Menzies saw Australian strategic policy as grounded in imperial defence, with British interests in the Middle East taking precedence over the emerging Japanese threat in the Pacific. David Horner states that 'in agreeing to the British Government's later request to send the 7th Division to the Middle East, the War Cabinet and the Chiefs had accepted too readily the advice from London without testing it against the situation as viewed from Australia.'[154] As Japan became more aggressive, Menzies was nevertheless of the view that alliance commitments abroad took precedence over the self-reliant defence of Australia.

The Menzies Government suffered a series of political setbacks in late 1940 that would have profound implications for Australia's subsequent strategic decision-making. At the election in September, it lost its parliamentary majority and was forced to govern with the support of two

---

[146] 'Minutes of War Cabinet Meeting, Melbourne, 18th June 1940.' NAA: A5954, 804/1.
[147] 'Record of Decisions of Full Cabinet, Melbourne, 16th June 1940.' NAA: A5954, 803/2. See also: David Horner, *High Command: Australia's Struggle for an Independent War Strategy, 1939-1945* (Sydney: Allen & Unwin, 1992), 36. See also: Horner, *Defence Supremo*, 85.
[148] Millar, *Australia in Peace and War*, 99.
[149] 'Minutes of War Cabinet Meeting, Melbourne, 9th July 1940.' NAA: A5954, 804/1. See also: Horner, *Defence Supremo*, 85.
[150] Shedden Manuscript, Book 3, Ch. 20, p. 168. See also: Horner, *Defence Supremo*, 86.
[151] 'Outward Cablegram 457 – R.G Menzies to Lord Caldecote.' 29 August 1940. *DAFP*, Volume 4. See also: Horner, *High Command*, 38.
[152] 'Inward Cablegram 228 – Lord Caldecote to R.G Menzies.' 28 June 1940. *DAFP*, Volume 3.
[153] 'Minutes of War Cabinet Meeting, Melbourne, 23rd September 1940.' NAA: A5954, 804/1. See also: Horner, *High* Command, 40. See also: Horner, *Defence Supremo*, 88.
[154] Horner, *Inside the War Cabinet*, 19-20. See also: Horner, *High Command*, 41.

independents. Menzies sought to commission a national government that included the opposition, but this proposal was rejected by Curtin. Instead, Curtin proposed a new body, the Australian War Council, that included the opposition but was not a formal organ of the Menzies Government. Shedden suggested that the body be renamed the Advisory War Council to better reflect its role. The AWC was established on 27 October 1940,[155] and became the forum in which major decisions were made on Australian defence policy, and particularly its relationship with allies.

The Singapore Strategy was debated extensively in the AWC, with partisan divisions emerging at the highest levels. Curtin supported a greater focus on the utilisation of Australian forces in the immediate region. At its first meeting on 29 October, Curtin asked about the disposition of RAN ships, and suggested their reassignment to Australia's northern waters. His deputy, Frank Forde, shortly after inquired how long it would take to recall Australian ships in the Mediterranean to the Pacific in the event of an attack on Australia.[156] The AWC took an interest in the viability of the Singapore Strategy with a focus on whether Australia was adequately protected from a southward Japanese thrust. This was given credence by a report from the Australian Chiefs of Staff on 16 November which reported that, in the absence of a main fleet in the Asia-Pacific, 'the forces and equipment at present available in this area are totally inadequate to meet a major attack by Japan.'[157] In view of this assessment, the War Cabinet cabled London on 1 December to express its concern that the 1937 Imperial Conference 'had led us to believe that its situation was much better.'[158] Cabinet, however, approved the deployment of a brigade to Malaya which was dispatched in February 1941.

Menzies spent the following months visiting Britain and the Middle East while Australia's strategic outlook deteriorated. During this period, he helped shape British strategic policy at meetings of the Imperial War Cabinet, and gained a firsthand insight into fighting in North Africa. He also claimed to have used the opportunity to seek additional British commitments to the defence of Singapore.[159] However, Menzies was perceived as lacking in his prosecution of the war effort, with his focus on imperial defence rather than the defence of Australia. He remained of the view that Australia had to assist Britain in its war against Germany, and that Britain had a key role to play in any conflict with Japan. Indeed, Horner states that 'Menzies' first reaction to an increasing threat was to apply pressure on Britain for additional assistance rather than home defence.'[160] After his return to Australia, the independents withdrew confidence and placed their support behind Curtin as Prime Minister in October 1941. The fundamental variables that underpinned Australian defence policy would adjust and Australia would take a different path as a result.

---

[155] Advisory War Council Minute 7, 29 October 1940. NAA: A5954, 812/1. See also: Horner, *Defence Supremo*, 91.
[156] Letter, Ford to Shedden, 12 November 1940. NAA: A954, 495/4. See also: Horner, *Inside the War Cabinet*, 24.
[157] 'Singapore Defence Conference: Report by Chiefs of Staff.' 16 November 1940. NAA: A5954, 1806/7. See also: Horner, *Defence Supremo*, 95.
[158] Cable 627: Commonwealth Government to Secretary of State for Dominion Affairs, 1 December 1940. NAA: A2671, 254/1940. See also: Horner, *Inside the War* Cabinet, 25. See also: Horner, *Defence Supremo*, 96.
[159] War Cabinet Minute 1137. NAA: A2673, Volume 7. See also: Horner, *Defence Supremo*, 112.
[160] Horner, *Defence Supremo*, 98.

By this time, a war with Japan was seen as highly likely. Curtin had been advised by the Combined Operational Intelligence Centre at Victoria Barracks that Japanese preparations for war were almost complete.[161] Churchill sought to reassure his Australian counterparts by stating that Britain would never 'let you down if real danger comes' and would dispatch two capital ships, the *Prince of Wales* and *Repulse* on 25 October.[162] On 8 December, Japan struck the US Pacific Fleet at Pearl Harbour and British forces at Hong Kong. Then, on 11 December, the War Cabinet was informed that the two British ships had been sunk off the Malayan coast. The war entered a new phase as Japan began to advance into Southeast Asia, and the British naval presence that was supposed to protect it was destroyed. Australia could no longer rely on imperial defence for its direct defence.

In these dire circumstances, Curtin began to prepare for the defence of Australia. The Chiefs of Staff advised that Japan could occupy Port Moresby and New Caledonia, from which it could attack Australia. The War Cabinet thus agreed to expand the military by enlisting an additional 112,000 recruits to supplement the 132,000 personnel already in the army.[163] As Japan advanced into Southeast Asia, Curtin and Churchill exchanged a series of cables that marked a change in Australia's approach to defence. On 5 January 1942, Cabinet agreed that the 6th Division and 7th Division would be redeployed from the Middle East to the Far East.[164] Then, on 23 January, he implored Britain to stand by its commitment, stating that it would be 'an inexcusable betrayal' if it abandoned Singapore.[165] On 15 February, Singapore fell to Japanese forces. Rather than acquiescing to Churchill's demands that Australian forces commit to deployments in distant theatres, Curtin prioritised what he perceived to be Australia's immediate national interests. [166] The Curtin Government had concluded that it could not rely on imperial defence and instead would focus on the defence of Australia.

Curtin reached out to the United States as a potential strategic partner that could fill the role vacated by Britain after its defeat in Singapore. The Curtin Government had first approached the United States after the attack at Pearl Harbor but its relationship with America would take a new turn with the arrival of General Douglas MacArthur in March 1942. Recent scholarship historians such as James Prior has begun to document the role of R.G Casey in lobbying the United States as Australian Minister in Washington in 1940-41.[167] From April 1942, Curtin gave MacArthur command of Australia's military forces, partly as a means of gaining greater influence in allied decision-making through

---

[161] COIC weekly Intelligence Summaries, June-December 1941, AWM 54, 423/11/2. See also: Horner, *Defence Supremo*, 123.

[162] 'Inward Cablegram – Churchill to Fadden.' 31 August 1941. NAA: A1608 A41/1/1. See also: Horner, *Defence Supremo*, 124.

[163] 'Defence of Australia and Adjacent Areas – Appreciation by Australian Chiefs of Staff – December 1941. NAA: 2671, 14/301/227. See also: Horner, *Inside the War* Cabinet, 82. See also: Horner, *Defence Supremo*, 129.

[164] Horner, *Inside the War Cabinet*, 97.

[165] Department of External Affairs, Outward Cablegram – John Curtin to Winston Churchill, 23 January 1942. *DAFP* Vol 5. See also: Horner, *High Command*, 150. See also: Horner, *Defence Supremo*, 134.

[166] Millar, *Australia in Peace and War*, 110.

[167] The Casey Diaries, held in the National Library provide insights into Casey's efforts to promote greater American engagement in the Pacific as a counterweight to the perceived Japanese threat. James Prior, in *America Looks to Australia*, argues that Casey had a disproportionately significant role in shaping American strategic thinking.

MacArthur's connections in Washington.[168] This was an unprecedented step towards reliance on another power which was made more remarkable by the fact that Curtin had, in effect, turned away from decades of established ALP policy that favoured local defence. Moreover, his government remained broadly aligned with Britain despite his earlier disagreement with Churchill, and had planned to take a more active role within the Empire after the war, a position which would come to fruition under his successors.[169] Britain retained an interest in restoring its position after the war, and the Curtin Government was content to oblige.

The Second World War provides a valuable case study in partisan approaches to self-reliance in Australian defence policy. Unlike its predecessor in the late 1930s, the Menzies Government favoured imperial defence against Germany in more distant theatres despite its reservations about the viability of the Singapore Strategy in light of the emerging Japanese threat. By contrast, the Curtin Government had to grapple with contradictions between its policy platform centred on local defence, and the need for reliance on a major power in view of Japan's march across Asia. It thus reluctantly embraced American assistance out of necessity but would seek to position Australia for a more active and independent foreign policy after the war. It did so partly because it understood that Britain had a role to play in the region and was not convinced that reliance on the United States was an appropriate conceptual foundation for Australian defence policy. The respective policies of Menzies and Curtin during the Second World War can be seen in Table 5:

Table 5: Australian Defence Policy During the Second World War

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perception of Allies	Perception of Threat
Menzies (UAP)	Supporting UK against Germany	Europe,[170] Middle East, Africa India and Singapore	Close relationship with UK Ambivalence about the US	German threat in Africa and Middle East
Curtin (Labor)	Defending Australia against Japan	Australia, PNG and South Pacific	Closer relationship with US Realignment with UK after hostilities end	Japanese threat in Southeast Asia

With the onset of the Second World War, Menzies sought to ensure Australia's security through dependence on Britain. He diverged from the increasingly self-reliant posture taken by Lyons during the 1930s, which had focused on better preparing Australia for conflict against Japan in view of doubts about Britain's ability to defend Singapore. Instead, he shifted the focus of Australian defence policy to the provision of support for British coalitions against German forces in the Middle East and North Africa. The ascension of Curtin as Prime Minister led to a reversal as Australian defence policy again focused on the Japanese threat through the reassignment of combat forces to Australia. Nevertheless,

[168] Department of Defence. 'Minutes of War Cabinet Meeting, Canberra, 17 April 1942.' NAA: A5954, 808/1. See also: Horner, *High Command*, 189 and Horner, *Defence Supremo*, 145.
[169] Curran, *Curtin's Empire*, 95.
[170] Although detailed analysis of these issues is beyond the scope of this thesis, Australia continued to maintain a presence in Europe and the Middle East in support of the United Kingdom. This included RAAF personnel serving in RAF Bomber Command through the Empire Air Training Scheme and the deployment of RAN assets to the Mediterranean while the return of the 9th Division from North Africa was delayed.

Australian defence policy was not self-reliant under Curtin as it retained a significant degree of dependence on the United States, and later Britain in the context of post-war planning.

The Early Cold War (1945-1957)

The end of the Second World War gave rise to a new phase of great power rivalry between the two major allies, the United States and the Soviet Union. The wartime alliance broke down and the Cold War began as both sought to assert their respective ideologies: capitalism and communism. By this stage, the wartime treasurer, J.B Chifley had succeeded Curtin as Prime Minister and began to carve out a position for Australia in the post-war order. The government was divided in its foreign policy between the competing views of Chifley, and H.V Evatt, his internationalist Minister for External Affairs. On the one hand, it embraced activist diplomacy, seeing the United Nations as the post-war guardian of peace and security, and supporting decolonisation in the Third World.[171] On the other hand, Chifley shifted from Curtin's enthusiasm for the United States to support imperial defence.[172] These sentiments were expressed in its first post-war strategic planning document in February 1946 as follows:

> As long as the United Nations remains in being, the problem of local defence is virtually non-existent. Should the United Nations break down, the security of every nation will depend on the effectiveness of a plan of Empire Defence and on cooperation with the USA.[173]

In the first years of the Chifley Government, Evatt's enthusiasm for the United Nations shaped Australian foreign policy. Evatt took a leading role in the United Nations, serving as President of the General Assembly, and referring contentious disputes such as Palestine and Greece to the organisation for adjudication, sometimes upsetting Western Allies. He was supported by the Secretary of External Affairs, John Burton, who held a benign view of the Soviet Union.[174] Evatt supported the decolonisation of India and Indonesia, in which nationalist and non-aligned governments rose to office. In its first two years, the Chifley Government under the influence of Evatt and Burton, was reluctant to take sides in the Cold War, instead placing its faith in the United Nations and supporting anti-colonial movements.

The Chifley Government, however, took a sharp turn towards engagement with Britain as the cornerstone of its defence policy from 1947 onwards. By this stage, the Australian Chiefs of Staffs had concluded that the Soviet Union was a hostile power intent on expanding its reach. It noted that Australia could not rely on the United Nations and instead would need to find security in a system of British Commonwealth defence cooperation.[175] Chifley initially preferred a regional focus but had been persuaded by Shedden to support British efforts in stemming the perceived tide of communism.[176] On 20 April 1948, Chifley informed Prime Minister Attlee that Australia would participate in British

[171] Prime Minister's Department, 'Draft Cablegram From J.B Chifley to H.V Evatt.' October 1948. NAA: A816, 14/301/351. See also: Edwards, *Prime Ministers and Diplomats*, 172.
[172] Department of Defence, 'Memorandum on Cooperation in Empire Defence.' 14 December 1945, NAA: A2671, 537/1945. See also: Edwards, *Prime Ministers and Diplomats*, 174. See also: Lee, *Search for Security*, 79.
[173] Department of Defence, *An Appreciation of the Strategical Position of Australia*, February 1946, Paragraph 2 in Fruehling, *A History of Australian Strategic Policy Since 1945*, 57.
[174] *John Burton Interview by Michael Wilson*, 23 August 1995, National Library of Australia, TRC-2981/23. See also: Edwards, *Crises and Commitments*, 6.
[175] Lee, *Search for Security*, 80-81. See also: Edwards, *Crises and Commitments*, 12.
[176] Ibid, 12.

strategic planning but would need Cabinet approval for any overseas deployment, including as far as the Middle East.[177] The rationale for this was that Britain needed to hold the Middle East to maintain access to oil supplies and prevent Soviet incursions into Africa.[178] Chifley had shifted from activist diplomacy to support imperial defence as the cornerstone of Australian foreign policy, and had continued the post-war policy envisaged by Curtin.

In June 1948, the emergence of a communist insurgency in Malaya presented Chifley with his first major foreign policy test. The British Government declared a state of emergency after the Malayan Communist Party began a guerrilla war with attacks on foreign-owned farms. Australian companies thus sought assistance from the Chifley Government. Chifley was reluctant to become involved and was advised by Burton that it was an anti-colonial rather than communist struggle.[179] Nevertheless, the Australian High Commission noted that the insurgency was led by communists, and Chifley came under increasing pressure from the opposition figures, such as Percy Spender, to take action.[180] Chifley was faced with a dilemma: his party was opposed to overseas deployments but he had pledged to assist Britain in its anti-communist strategy. He resolved this impasse by deciding not to send troops on 17 July but despatched arms and ammunition ten days later.[181] This experience led Australia to participate in regional strategic planning with the ANZAM Chiefs of Staff, which included personnel from Britain and New Zealand. Chifley had navigated a difficult predicament by supporting Britain in an insurgency without deploying troops; in doing so, he supported imperial defence without compromising his party's position against overseas deployment.

As part of its post-war review of Australia's strategic posture, the Chifley Government decided to restructure the army. An internal assessment of the army by the Vice CGS, Sydney Rowell, noted that its peacetime organisation prior to 1939 was no longer appropriate in the post-war environment as 'it was based on a conception of local defence … and carried no commitment … in a wider strategical sphere.'[182] The prevailing view was that an army organised for local defence could not respond to contingencies that required Australian forces to deploy abroad rapidly in the Cold War. Chifley thus approved the establishment of a permanent army available for overseas deployment and supported by the Citizens' Military Forces, consisting of one brigade group and two divisions.[183] These reforms fundamentally altered Australia's land forces from a local defence force to a standing army that could deploy abroad in support of allies in what was becoming a broader ideological struggle increasingly characterised by armed conflict.

In December 1949, Menzies returned to office on a staunchly anti-communist platform. In that year, the balance of power had shifted away from the Western Allies towards the USSR, with the testing

[177] Ibid, 13.
[178] David Lowe, *Menzies and the Great World Struggle: Australia's Cold War 1948-54*, 33.
[179] Edwards, *Crises and Commitments*, 35.
[180] Ibid, 32.
[181] Ibid, 41-42.
[182] Grey, *The Australian Army*, 167.
[183] David Horner, *Duty First*, 51. See also: Lee, *Search for Security*, 77.

of its first nuclear device, and the fall of China to the communists under Mao Zedong. In this context, Menzies, and his Minister for External Affairs, Percy Spender sought to align Australia more closely with Britain and the United States. Upon taking office, Menzies called for a 'common Empire foreign policy' but soon took a greater interest in regional affairs.[184] Spender had concluded that Australia needed to take a more active role in Southeast Asian affairs.[185] He articulated this view in a parliamentary speech on 9 March 1950, in which he explicitly identified China and the USSR as threats that would seek to expand into Asia and stated that Australia would assist regional states by providing the 'best defence against the effective penetration of communist imperialism.'[186] He also cautioned against placing too much faith in the United Nations in the post-war period. In contrast to Chifley, Menzies saw communism as a clear threat and would take an active role to combat it in Asia in a policy that would come to be known as 'Forward Defence' where it repudiated local defence and internationalism in favour of dependence on allies in a global conflict between two competing blocs.

The Menzies Government faced its first foreign policy crisis in Malaya as British authorities struggled with the insurgency. In February 1950, the Australian High Commissioner, Claude Massey recommended a greater contribution on the basis that 'Malaya is the firmest base for armed resistance to communism in the whole Southeast Asian region … it is no exaggeration to say that if Malaya goes, all goes.'[187] This aligned with Spender's view of the communist threat and was given credence when Attlee requested an Australian contribution on 21 April 1950.[188] Figures from the Chifley Government opposed a contribution for much the same reasons as in 1948. Burton advised Spender that Australian intervention would be seen as colonialism by India, Pakistan, Ceylon and the Philippines,[189] and Clyde Cameron further stated that Menzies was sending 'good Labor men [to] be shot in the defence of British capital.'[190] The Menzies Government deliberated Attlee's request, and agreed that intervention was warranted because 'if Malaya became subject to Communist control, Indonesia would immediately follow in the same course.'[191] Menzies then announced on 31 May that Australia would send a squadron of aircraft to assist British forces in Malaya.[192] This marked the substantive beginning of 'Forward Defence', and highlighted differences in the political arena on Australian defence policy.

One month later, the Menzies Government faced a more serious dilemma in formulating a response to the Korean War. Initially, Cabinet authorised the deployment of a squadron of Lincoln bombers to Malaya on 27 June to reinforce British authorities.[193] That day, the UN Security Council passed a resolution requesting that member states assist South Korea. Spender seized the opportunity

[184] Edwards, *Crises and Commitments*, 70.
[185] Lowe, *Menzies and the Great World Struggle*, 46.
[186] Edwards, *Crises and Commitments*, 70.
[187] Ibid, 86.
[188] Letter – James Marjoribanks to R.G Menzies. 21 April 1950. NAA: A1209, 1957/3413.
[189] Edwards, *Crises and Commitments*, 88.
[190] Ibid, 89.
[191] Ibid, 91.
[192] Ibid, 95.
[193] O'Neill, *Australia in the Korean War*, 49.

to cable Secretary of State, Dean Acheson, to pledge Australian forces to an American-led UN coalition ahead of other states.[194] In Parliament, Menzies justified this contribution on the basis of upholding international law.[195] Chifley and Evatt both supported the commitment. As official historian, Robert O'Neill notes, the ALP could not refuse 'given the importance it had placed on the UN when in office.'[196] Australia's commitment in Korea was important for two reasons: it marked the beginning of substantive cooperation with the United States in the post-war period and it gave rise to a moment of bipartisanship in defence policy as both parties found common ground in supporting the United Nations.

At the height of the Korean War, the Menzies Government took the opportunity to further entrench its strategic relationship with the United States. On 21 January 1951, it learned that the Truman Administration was exploring the idea of a Pacific security pact that would link Japan, the Philippines, Australia, New Zealand the United States through a consultative council.[197] Spender, however, preferred a formal treaty with the United States and New Zealand that would include a binding agreement that each party assist the others in the event of an attack.[198] Dulles instead sought Australian agreement to a peace treaty with Japan and did not respond to Spender's push for a tripartite security pact.[199] Spender then told Dulles that Australia would not sign a peace treaty without first obtaining a security agreement. Spender and Dulles thus drafted a treaty amenable to both sides. Their draft pact provided the security guarantee that Spender sought but was sufficiently vague as to allow it to be interpreted as needed. The draft treaty applied to aggression against a signatory 'in the Pacific' and the only obligation on the parties was 'to consult.' It took effect in July 1951 and, in exchange, Australia signed a peace treaty with Japan. The Menzies Government thus laid the legal framework for reliance on the United States in the ANZUS Treaty, which would form a key pillar of Australian defence policy.

After the Korean War, the Menzies Government turned its attention to greater engagement with Britain in Southeast Asia. In October 1953, the Chief of the Imperial General Staff, Field Marshal John Harding, met with the Australian and New Zealand Chiefs of Staff to better coordinate Pacific defence cooperation.[200] The meeting discussed the threat from China which, it was believed, was supporting communist insurgencies with a view to bringing Southeast Asia into its sphere of influence. It was agreed that in the event of war, Australia would deploy its forces to Malaya, and not the Middle East as planned in the 1940s. Malaya was now important as its loss 'would bring northern and north-western Australia into range of existing Soviet aircraft.'[201] To deter Chinese aggression in the region, Harding suggested the establishment of a Far East Strategic Reserve based in Malaya to which Australia would contribute a battalion, a surface combatant, and a bomber and fighter squadron, alongside British and

[194] Dean, Fruehling and Taylor, *Australia's American Alliance,* 153.
[195] Commonwealth Parliamentary Debates, *Korea*, 6 July 1950 (Robert Menzies). See also: O'Neill, *Australia in the Korean War*, 58.
[196] O'Neill, *Australia in the Korean War*, 58.
[197] Ibid, 185.
[198] Ibid, 187.
[199] Ibid, 187.
[200] Edwards, *Crises and Commitments*, 162.
[201] Ibid, 164.

New Zealand units.[202] The Menzies Government announced its participation in the Far East Strategic Reserve on 1 April 1955. Driven by fear of communist expansion into Southeast Asia as forecast by Spender, Menzies hedged his bets by simultaneously supporting Britain while reaching out to America.

Australia's strategic relationship with Britain would, however, change irrevocably with the Suez Crisis the following year. In October 1956, Britain, France and Israel invaded Egypt in response to President Nasser's nationalisation of the Suez Canal. The invasion was widely condemned by the UN Security Council and the Eisenhower Administration on the basis that it was an act of aggression in violation of the UN Charter comparable to the Soviet intervention in Hungary. The Minister for External Affairs, R.G Casey had deep reservations, arguing that it would alienate the Commonwealth from Asian, African and American opinion.[203] Menzies nevertheless supported the invasion, arguing that 'the United Kingdom should retain power, prestige and moral influence.'[204] The Suez Crisis had a devastating impact on Britain's global standing as Prime Minister Anthony Eden resigned and was succeeded by Harold MacMillan, who began a program of widespread decolonisation. Former Prime Minister John Howard observed that 'the poisonous atmosphere that developed between London and Washington … challenged a world view which had governed his thinking for a decade' as Britain and the United States were no longer 'of one mind on important international issues.'[205] Menzies' response to this dilemma would be to reduce his dependence on Britain as the basis of Australian defence policy, and look to America instead. In the post-war period, Australian defence policy underwent significant change under Chifley and Menzies, both of whom moved towards greater support for allies rather than self-reliance as shown in Table 6:

Table 6: Australian Defence Policy During the Post-War Period

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perception of Allies	Perception of Threat
Chifley (Labor)	Assisting UK post-war recovery Supporting the United Nations	Japan and Malaya	Closer ties with the UK	Deteriorating ties with USSR
Menzies (Liberal)	Combating spread of communism in Asia	Korea and Malaya	Closer ties with UK Developing ties with US	Chinese Revolution, Malayan Emergency, Korean War

Conclusion

There has been an ongoing debate on whether Australian defence policy should be based on self-reliance or dependence on other major powers. The period from Federation to the early Cold War shows there were some common themes in how this dichotomy evolved. Successive governments gravitated towards allies during periods of heightened tensions or where both states have enjoyed

[202] Ibid, 163.
[203] 'Outward Cablegram – Casey to Menzies.' 7 September 1956, NAA: A816, 14/301/738. See also Edwards, *Crises and Commitments*, 184.
[204] Evans, *Australia's Foreign Relations*, 24.
[205] Howard, *The Menzies Era: The Years That Shaped Modern Australia*, 201.

cordial relations. Conversely, governments have moved towards self-reliance at times of higher defence expenditure and heightened threat or when ambivalent about the reliability of allies.

In the decade after Federation, successive governments laid the foundations for self-reliance in Australian defence policy. The Barton Government established a legal framework for Australia's defence organisation, and developed a land force designed for largely self-reliant local defence but which remained dependant on Britain for naval defence in the absence of credible regional threat. The Deakin Government, however, developed a sovereign Australian Navy – a measure that propelled Australia towards a degree of self-reliance. This was in response to concerns about Germany's naval presence and Japan's ambitions in the Asia-Pacific and ambivalence about Britain's ability to defend Australia. During the First World War, the Fisher Government authorised operations, requested by Britain, against German forces in New Guinea in an act of self-reliance. Once the immediate German threat subsided, the Hughes Government supported imperial defence largely as a bulwark against Japan.

In the post-war period, Australian defence policy adapted to a changing security environment in the Asia-Pacific. The Hughes Government continued with its support for Britain in view of Australia's disarmament initiatives while the Bruce Government, which followed, began to rearm in 1924 when confronted with Britain's reluctance to further develop the Singapore Strategy. In the early 1930s, the Scullin Government had reservations about imperial defence but nonetheless reluctantly supported the policy on financial grounds with the onset of the Great Depression. As Australia's strategic environment deteriorated from the mid-1930s with the rise of Germany and Japan, the Lyons Government, with the support of the Curtin-led opposition, began to invest in sovereign capabilities with a view to placing Australia on a more self-reliant defence footing.

The Second World War marked a critical turning point in Australian defence policy. The Menzies Government deployed the Second AIF to the Middle East on the understanding that Britain would assist it if Australia was faced with an existential threat in the Asia-Pacific. Britain, however, was unable to assist when Japan entered the war. When Singapore fell to Japanese forces in February 1942, the Curtin Government turned to the defence of Australia in recalling Australian divisions from the Middle East and shifting its focus to the Pacific theatre. Curtin's defence policy, however, entailed a significant degree of dependence on the United States and was, therefore, not entirely self-reliant.

The post-war period led to a re-evaluation of Australian defence policy. During the late 1940s, the Chifley Government had a bipolar foreign policy: in its first two years, it actively supported the United Nations while taking a more active role in the British Empire at the urging of Evatt and Burton. However, from 1948, it began to assist Britain more actively by providing support in Malaya and raising a standing army as Chifley and Shedden took a more prominent role in policymaking. The election of the Menzies Government in 1949 marked a decisive shift towards 'Forward Defence' in which Australia began to deploy more actively in the Asia-Pacific with a view to confronting communism throughout the region, reinforced by the military alliance with the United States.

This chapter has outlined how self-reliance developed in Australian defence policy, and the factors that have driven its evolution. From Federation to the early years of the Cold War, there has been a conceptual dichotomy between self-reliance and dependence on allies. While the term was rarely used in strategic deliberations until later, successive governments have favoured a form of self-reliance during times of higher defence expenditure, heightened threat and doubts about allies. Similarly, governments have gravitated towards dependence on allies during times of cordial alliance relations, heightened regional tensions or reduced defence expenditure. These findings are preliminary but are substantiated in the subsequent chapters.

Chapter Two:

The Menzies-Holt Government, Southeast Asia and Self-Reliance

(1957-1967)

Introduction

For much of Australia's history, successive governments shifted between greater self-reliance and dependence on allies. This changed under the Menzies Government in the late 1950s, as it moved Australian defence policy decisively towards greater self-reliance against credible threats in Australia's region. This chapter demonstrates that it did so because of uncertainty about the intentions of Indonesia towards its neighbours, and the reliability of traditional allies. The Menzies Government had relied upon collective security but became dismayed with the ambivalent attitude towards the ANZUS Treaty taken by American counterparts. Menzies sought to strengthen these ties by deploying forces to Vietnam to garner American support in contingencies involving Indonesia. Nevertheless, doubts about the reliability of the United States in these contingencies forced the Menzies Government to set the foundations of greater self-reliance in Australian defence policy through significant changes to strategic guidance and investment in a more capable, and regionally-focused defence force.

Australian Strategic Policy in Southeast Asia

Collective security with regional states in Southeast Asia had become a key pillar of Australian defence policy under the Menzies Government. In August 1954, Cabinet agreed to commence negotiations for a treaty that would bind Southeast Asian states in a collective security organisation to limit the perceived spread of communism. Menzies saw the treaty as a means of committing the United States to Southeast Asia in response to Chinese interventionism.[1] On 8 September 1954, the Menzies Government signed the Manila Treaty which formed the Southeast Asian Treaty Organisation. During these negotiations, Menzies pushed for joint military planning to gain insights into American strategic thinking, not attained through the ANZUS Treaty.[2] The Menzies Government reinforced its rhetorical support for collective self-defence by maintaining troops in the region under the Anglo-Malayan Defence Agreement in October 1957,[3] and through overt political support for South Vietnam.[4] The Menzies Government gave support to these countries to keep allies invested in Southeast Asia while seeking a greater role in allied decision making in the region.[5]

These decisions were a response to the perceived threat posed first by China, and later by Indonesia towards its neighbours.[6] Under the leadership of Sukarno, Indonesia's intentions were

[1] Department of Defence, 'Working Paper: Australian Objectives in SEATO.' NAA: A1838, TS688/2/2. See also: Edwards, *Crises and Commitments*, 154.
[2] Department of Defence, 'Southeast Asian Collective Security: United States Consultations Under the Proposed Treaty.' 19 August 1954, NAA: A1838, TS88/2/2.
[3] 'Cabinet Submission – The Future of the Commonwealth Strategic Reserve in Relation to the Malayan Defence Agreement.' Decision No. 811. 11 June 1957, NAA: A5619/1 C674. See also: Edwards, *Crises and Commitments*, 188.
[4] Edwards, *Crises and Commitments*, 199.
[5] Department of External Affairs, 'Outward Cablegram – Menzies and Casey to Spender.' 5 June 1954, NAA: A1838, TS688/2/2.
[6] Department of Defence, 'The Main Military Requirements of a Collective Defence Organisation for South East Asia.' 12 August 1954, NAA: A1838, TS688/2/2. The Department of External Affairs advised that 'Australia should not lightly abandon the opportunity of getting a treaty which could be invoked in the event of non-communist attacks on New Guinea.' See: Department of External Affairs, 'Drafting of SEATO: 'Aggression' or 'Communist Aggression.'' 24 August 1954, NAA: A1838, TS688/2/2.

uncertain as it was a nationalist and non-aligned state, whose government comprised parties including those on the far left of the political spectrum. While it maintained cordial relations with Australia and the United States, it began to procure advanced military capabilities from the USSR. Moreover, its rhetoric towards neighbouring territories, including Portuguese Timor and Dutch New Guinea, was increasingly hostile. The Menzies Government thus decided to support continued European rule as a counterweight to Indonesia's regional ambitions. This is demonstrated in a Cabinet decision in 1955, in which it was decided 'that is it desirable in the interests of Australia's own defence that West New Guinea should be in the hands of a non-Communist Government. Indonesia is non-Communist but … we cannot be sure that it will not … come into the Communist orbit.'[7] Menzies thus supported Dutch rule and sought British and American support for this position.[8] Recently declassified archival records indicate that Australia sought to navigate this issue through dependence on its traditional allies:

> Cabinet indicated the view that the United States alone was in a position to influence the course of Indonesian actions in relation to Dutch New Guinea. The significance of this must be brought home to the United States. Australia should, therefore, press upon the United States administration the need, in its relationship with Indonesia, for an attitude of utmost firmness against any attack by Indonesia on Dutch New Guinea.[9]

Menzies' reliance on the United States was complicated by the ambivalent stance towards Indonesia taken by the Eisenhower Administration. Unlike Menzies, Eisenhower adopted a policy of neutrality for fear of pushing Indonesia into the Soviet camp.[10] He saw Sukarno as a nationalist rather than a communist and sought not to alienate his government. This difference in opinion is captured in Cabinet records which note Menzies' concern that 'Indonesian military capacity had been built up from communist sources' and that 'Indonesian willingness to venture into New Guinea seemed to have increased.'[11] Dutch authorities advised that 'Australia's policy should be to use all possible methods of deterring the Indonesians from beginning any military venture in Dutch New Guinea.'[12] Menzies suggested that 'it might be possible to draw up some joint declaration and get United States adherence to it.'[13] Reflecting on the period, the former Secretary of Foreign Affairs, Peter Henderson recalled:

> In '56-'58 there were signs of difficulties over Dutch New Guinea. The Australian Government was quite clearly predisposed in favour of the Dutch, so what had been a warm relationship was cooling off. The feeling was that Indonesian ownership of West New Guinea would pose a threat to security and they didn't have a good legal title to it, and the claim should be resisted.[14]

---

[7] Edwards, *Crises and Commitments*, 201.
[8] 'Cabinet Minute: Dutch New Guinea.' Decision No. 482, 28 June 1955, NAA: 1838, TS3036/6/2/2.
[9] 'Cabinet Minute: Without Memorandum – Indonesia.' Decision No. 1402, 3 June 1958, NAA: 1838, TS3036/6/2/2.
[10] Edwards, *Crises and Commitments*, 203.
[11] 'Cabinet Minute: Netherlands New Guinea and Indonesia.' Decision No. 1518, 12 August 1958, NAA: A1838, TS3036/6/2/2.
[12] Ibid.
[13] Ibid.
[14] *Peter Henderson Interviewed by Michael Wilson*. 21 September 1994, National Library of Australia, TRC-2981/12. The Ambassador to the United States, Howard Beale recalled the episode as follows: 'Australia's position was an uncomfortable one. We made no claims to the territory and had therefore no rights or standing in the dispute. But West Irian had a long, and at that time, undefined land border with Papua; with Sukarno in possession of West Irian, we could see possibilities for serious border disputes.' Beale, *An Inch of Time*, 157.

The Menzies Government realised, however, that it could not necessarily rely upon American support to defend West New Guinea against Indonesia. On this issue, Cabinet noted that:

> Dutch New Guinea was regarded by the United States as a nuisance and that there was a strong anti-colonial feeling in the State Department and that Australia had had to work very hard even to keep the United States neutral in this matter. It was urged that if the United States properly understood her own vital interests, she could not allow the flank of her island chain to be turned by a communist movement which came down through Asia and Singapore and outflanked the Philippines through Indonesia.[15]

In view of this dilemma, Cabinet sought advice on its strategic interests and potential options. The CGS, Lieutenant-General Henry Wells advised that Australia could not accede to Indonesia because West New Guinea was important as it 'provided defence in depth and bases. West New Guinea in communist hands would impose a threat of itself and would deny Australia the alternative air route through Biak. It also provided a flank through which attack could be launched … on Indonesia.'[16] The Menzies Government had decided that it could not concede Dutch New Guinea but nor could it mount a successful defence without American military support. Menzies' response to this predicament was 'to bring about such change in the United States' attitude as possible' to draw the United States into Australia's immediate region. The Menzies Government sought to align Australia more closely with the United States in defence and foreign policy.

Menzies thus delivered a series of speeches designed to appeal to American political sentiment. The first of these was an address where he emphasised that Australian planning was based on the idea that 'the free countries of Southeast Asia … should not fall to communist aggression.' He clarified that Australia would seek to provide 'an operational contribution to allied strategy of highly trained men armed with the most modern conventional weapons and equipment.' Menzies remarked that 'it seems clear that in the event of war we will be fighting side by side with the United States' and that Australia would 'fit ourselves for close cooperation with the United States in the Southeast Asian area.'[17] This was a significant shift, as it acknowledged that Australia's main partner in the region was no longer Britain but the United States. As far as Menzies was concerned, Australia would respond to a contingency involving Indonesia through reliance on American power. In the mid-1950s, the Menzies Government pursued a defence policy focused on integration with allied coalitions in more distant theatres, as shown in Table 7:

Table 7: Australian Defence Policy During the Early Menzies Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Menzies (1949-1956) (Liberal)	Combating the spread of communism in Asia	Korea Malaya	Support for UK Closer integration with USA	Soviet and Chinese expansion

[15] 'Cabinet Minute: Netherlands New Guinea and Indonesia.' Decision No. 1518, 12 August 1958, NAA: A1838, TS3036/6/2/2. Cabinet, however, held that: 'the probability that the United States would see its interests as not antagonising Asian nations than supporting its allies in the event of conflict over West New Guinea, just as it had similarly decided not to antagonise Arab nations than support its allies over Suez.'
[16] Ibid.
[17] Edwards, *Crises and Commitments*, 205.

Australia's military establishment did not agree with the thrust of Menzies' policy of reliance on the United States as the basis for Australian defence policy. In January 1959, the Defence Committee provided Cabinet with a *Strategic Basis* paper that would chart a different path. In a radical departure from earlier policy, it proposed a geographical shift in strategic focus. The paper noted that 'although the security of more distant areas (e.g. Europe, Middle East, Africa) has a significant bearing on our strategic interests, it is more the direct concern of our allies. Australia's defence policy must be directed primarily to our area of immediate strategic interest.'[18] It noted that Australia might need to operate independently of its allies in a conflict with Indonesia over West New Guinea. The Committee, therefore, argued that Australia's military forces should be 'designed primarily with the ability to act independently of allies,[19] because 'United States participation is by no means certain' while Britain's regional influence had diminished significantly and the Dutch presence was too small to deter Indonesia.[20] It thus emphasised a shift in force structure away from the Army and towards the Navy and Air Force on the basis that Australia would need to control its northern approaches in such a contingency. The paper canvassed innovative proposals including the reestablishment of an Australian submarine fleet.[21] This was a watershed in the development of Australian strategic policy as it marked the first time that the military suggested to Cabinet that defence planning needed to be grounded in greater self-reliance in the face of regional contingencies with a focus on air and naval power. The former Secretary of External Affairs, Arthur Tange recalled the significance of this milestone:

> Self-reliance didn't begin [in the 1970s]. I remember 1958 and 1959, when there was a good deal of concern about Indonesia. That, and the growing judgements that we were making as to the extent to which Britain or the United States would feel that they would intervene. This idea of greater independent capability of defending itself – not in isolation but more capacity to look after itself – started in the Department of External Affairs in the late '50s.
>
> There was a range of range of options available to [America], and sending combat troops would be the last option they'd consider. It wasn't a case of doubting the value of ANZUS, it was trying to get an honest and intelligent interpretation of it, first by the Government itself, and secondly, to create a public understanding of that, and the two didn't always march together.
>
> The country that was our closest powerful neighbour was acting in an unpredictable way. It was [hostile to] the remaining presence of the Dutch in West New Guinea, in respect of which the Australian Government had a position of respecting Dutch sovereignty. We were dealing with a situation which was very close to Darwin, and Australia was no longer ruminating about the potentialities of conflict in some far-off place where the British were going to lead the forces or the Americans were going to be the commanders. This was on our doorstep. Australia, up to that time, had very little practical experience of managing any situation which remotely suggested the possibility of an attack on Australian shipping. I'm not suggesting we were foreseeing an invasion of the north, but there can be all sorts of military incidents in the air and in situations which might have involved our own responsibilities in respect of Papua New Guinea. Here we had a situation in which the first resort always has to be foreign policy, and then to consider what sort of defence structure those foreign policy determinants called for. [22]

[18] 'Cabinet Minute: Strategic Basis of Australian Defence Policy.' 23 March 1959, NAA: A1838, TS677/3 PART 2.
[19] Edwards, *Crises and Commitments*, 205.
[20] 'Strategic Basis of Australian Defence Policy Annex C.' 22 January 1959, NAA: A1838, TS677/3 PART 2.
[21] 'Chiefs of Staff Committee: Composition of Forces – Proposed Introduction of a Submarine Force into the Royal Australian Navy.' NAA: A1838, TS 677/3 PART 2.
[22] *Arthur Tange Interviewed by Neville Meaney*, 19 July 1989, National Library of Australia, TRC-2482.

Similarly, Tange's successor as Secretary, then Permanent Representative to the United Nations, Sir James Plimsoll reflected:

> On the question of whether we could have relied on the United States, I think we have to ask ourselves under what circumstances we would have got into war with Indonesia. If there had been a direct attack on Australia by Indonesia, I think the Americans would have supported us regardless of ANZUS. But the Americans would have said they had to have some voice into what caused an attack, they could not say that regardless of what Australia did they would support us. And they were detaching in a sense Dutch New Guinea from the defence of Australia; they would have said if you get into a military adventure in Dutch New Guinea, well, that's for you to handle. But, if the Indonesians launched an attack on Australia, then they would have supported us.[23]

Perhaps unsurprisingly, the Menzies Government had reservations about this shift in strategic thinking. On 23 March, Cabinet noted that it 'found difficulty in accepting this conclusion' and returned it to the Defence Committee for further consideration.[24] The Defence Committee amended the paper in October 1959 to change the timeframe for its proposed shift to greater self-reliance towards the longer term rather than the timeframe initially envisaged. The Chiefs of Staff believed that Australia needed a more self-reliant defence force based on air and naval power, rather than an expeditionary force grounded in land power but felt obliged to clarify its position due to Menzies' objections. The Committee further explained what it meant by 'operating independently of allies' as follows:

> This statement should be read as an 'aim' for the long term rather than something that could be achieved in the present three year programme. The independent action is not meant to imply that Australia should plan to fight alone in Southeast Asia. We hope to have major allies in any type of war … but accept that in the worst possible case our allies would be unable to afford us assistance for a time. Furthermore, it could well happen that in the event of war, Australian forces would be allotted an independent task for which neither operational nor logistic support from allies would be available.
>
> Australian forces should be as self-supporting as possible and no longer almost entirely dependent on operational and logistic support from our allies before we can play our part in regional defence. There can be no doubt that forces organised in this way would be a far more effective and acceptable contribution than they are now.[25]

Cabinet again did not endorse this conclusion. At a meeting on 9 November 1959, Menzies argued that 'in any war on the South East Asian mainland, in which Australia would be fighting with major allies, there should be no obligation on Australia or any expectation on the part of allies that Australia, with its limited population and resources, should necessarily put forward self-supporting forces.'[26] The Menzies Government reinforced this policy with a public statement on defence in the following month. The Minister for Defence, Athol Townley, announced that Australian defence policy would be grounded in 'association with allies in the collective defence arrangements which have been

[23] *James Plimsoll Interviewed by Clyde Cameron*, 26 March and 10 May 1984, National Library of Australia, TRC-1967.
[24] 'Cabinet Minute: Strategic Basis of Australian Defence Policy.' 23 March 1959, NAA: 1838, TS677/3 PART 2.
[25] 'Composition of the Australian Defence Forces.' NAA 1838, TS677/3 PART 2.
[26] 'Cabinet Minute – Strategic Basis of Australian Defence Policy.' Decision No. 522, 9 November 1959. NAA: A1838, TS677/3 PART 2. See also: Edwards, *Crises and Commitments*, 206.

developed in our area of strategic interest.'[27] He announced that the military would be structured 'to react promptly and effectively with our allies to meet limited war situations.'[28] In line with its deliberations on West New Guinea, Menzies had decided to develop Australian defence policy around reliance on traditional allies rather than greater self-reliance as suggested by the military establishment.

The limitations of this approach, however, soon became apparent in deliberations on the future of West New Guinea. In February 1961, the United States, under President John F. Kennedy, suggested that the territory be allowed to determine its own future through a plebiscite supervised by the United Nations.[29] Sukarno subsequently took an increasingly aggressive approach, which the Kennedy Administration was reluctant to criticise.[30] This issue was considered by Cabinet in January 1962, in which the new Minister for External Affairs, Garfield Barwick, bluntly argued that the Dutch position was unviable, and that Australia should seek a closer relationship with Indonesia. Menzies acquiesced to Barwick, noting that 'no responsible Australian … would wish to see any action affecting the safety of Australia on the issues of war and peace except in concert with our great and powerful friends.'[31] Declassified cables between Barwick, and the Australian Ambassador to the United States, Howard Beale, shed light on the reasons for this decision. Barwick explained to Beale that Australia based its approach on the realisation that 'collective United Nations action in support of the Dutch cannot be counted upon' and that 'the United States is unwilling to threaten Sukarno with the use of its own military power.'[32] The Menzies Government had based its defence policy on dependence on traditional allies rather than self-reliance, and thus had little choice but to accede on West New Guinea when the United States refused to intervene.[33]

Menzies realised the limitations of this approach to Indonesia and sought to shape American policy in Australia's favour. He instructed Beale to ask the Secretary of State, Dean Rusk about what it would take for the United States to intervene in West New Guinea. Rusk advised that 'before going into consider whether the United States would fight, we should consider whether the Dutch themselves were prepared to fight for West New Guinea.'[34] The Kennedy Administration was of

[27] Athol Townley. Commonwealth Parliamentary Debates: Defence Review, 29 March 1960, NAA: 1838, TS 677/3 PART 2. See also: Edward, *Crises and Commitments*, 206.
[28] Edwards, *Crises and Commitments*, 206.
[29] 'Cabinet Minute: United Nations Trusteeship for Netherlands New Guinea.' Decision No. 1229, 21 February 1961, NAA: A1838, TS3036/6/2/2.
[30] 'Cabinet Minute: Without Memorandum – West New Guinea.' Decision No. 1689, 19 December 1961, NAA: A1838, TS3036/6/2/2. See also Crises and Commitments, 230.
[31] 'Cabinet Minute: Without Memorandum – West New Guinea.' Cabinet Decision No. 3. 11-12 January 1962. NAA: A1838, TS3036/6/2/2. See also: Edwards, *Crises and Commitments*, 231.
[32] Department of External Affairs, 'Outward Cablegram: Barwick to Beale - Netherlands New Guinea.' 15 January 1961, NAA: A1838, TS3036/6/2/2.
[33] In his landmark text, *Crises and Commitments*, Peter Edwards describes Menzies' position in the following terms: 'Events in Both Europe and Asia underlined Australia's growing dependence on the political and military support of the United States. In areas where its national interests differed from those of the United States, Australia's capacity to influence international developments was humiliatingly weak. The Government's reaction was to accelerate an American commitment to the defence of Australia and its region.' See: Edwards, *Crises and Commitments*, 232.
[34] Department of External Affairs, 'Inward Cablegram: Beale to Barwick – Netherlands New Guinea.' 16 January 1962, NAA: A1838, TS3036/6/2/2.

the view that the United States should only intervene if its allies had adequately invested in their defence. This was complicated by its preference for a non-military approach. Rusk explained that 'he had felt that if the United States was to retain any influence in Djakarta it should not deliver ultimatums but concentrate on bringing about negotiations.'[35] There were two lessons for Menzies from these discussions: that the United States would not always intervene in contingencies involving Indonesia, and that Australia needed to be self-reliant if it hoped to attract American military support.

As a result of these developments, the Menzies Government decided to further invest in its military, with a focus on standardising its equipment with that of the United States. From 1957, it accepted around fifteen American proposals for bilateral defence cooperation, particularly in communications and space research, which would take effect from the early 1960s.[36] These included the establishment of a space tracking facility on Manus Island, and a naval communications station at North West Cape in Western Australia. These projects enabled communication with US Navy vessels in the Indian Ocean and South East Asia.[37] Both initiatives were supported by the Menzies Government as a means of keeping the United States involved in the region but were opposed by the ALP on the basis that Australia was supporting other major powers in the Cold War rather than looking to its own defence. As in previous years, there were identifiable partisan differences on the role of alliance commitments in Australian defence policy, with the centre-right supporting dependence on allies and the centre-left preferring greater self-reliance.

By the early 1960s, the Menzies Government had started to consider self-reliance as a conceptual basis for Australian defence policy. It was asked by the Dutch Government to provide military assistance if Indonesia interfered in West Papua. The Menzies Government reached out to the Eisenhower Administration but found its ally unwilling to support Australia in such a contingency. To the dismay of the Menzies Government, the interests of the Eisenhower Administration did not align with those of Australia. Menzies understood that Australia could not assist Dutch New Guinea on its own, and thus was advised by the Defence Committee to invest in capabilities that would allow it to withstand such a contingency in deliberations on the *Strategic Basis* paper in 1959. Yet, the prospect of undertaking independent military operations in pursuit of Australia's strategic interests without recourse to allies was too much for Cabinet and was subsequently shelved.

Nevertheless, these deliberations marked a turning point in the development of self-reliance. It was the first time that an Australian Government considered the need to develop the ability to undertake independent military operations against a credible threat in its region, without recourse to traditional allies. The aspiration for greater self-reliance that had been a feature of Australian defence policy in the preceding decades now became a strategic imperative. Australia could no longer ignore the prospect of operating more independently in its region. The Menzies Government responded to this

[35] Ibid.
[36] Goldsworthy, *Losing the Blanket*, 140-141. See also: Edwards, *Crises and Commitments*, 233.
[37] Ibid, 233.

dilemma by seeking to develop closer ties with the United States on the assumption that it would receive military assistance in contingencies involving Indonesia. It was no longer focused on fighting in coalitions in more distant theatres but on the need to bring its allies into the region in defence of Australia's interests. This position is summarised in Table 8:

Table 8: Australian Defence Policy During the Middle Menzies Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Menzies (1957-1960) (Liberal)	Preventing Indonesian interference in Dutch New Guinea Fostering closer ties with USA	Dutch New Guinea	Sympathetic to Dutch Govt. but ambivalent about USA	Indonesian Government under Sukarno

The Menzies Government turned its attention to Vietnam as a theatre in which it could assist the United States with a view to encouraging it to become more involved in Southeast Asia. In the early 1960s, the Kennedy Administration had become concerned that both Thailand and South Vietnam were vulnerable to communist subversion. American foreign policy was underpinned by the 'domino theory', which held that if one state fell to communism, others would follow. This was articulated by Vice President Lyndon Johnson to President Kennedy in his remark that 'the battle against Communism must be joined in Southeast Asia with strength and determination … or the United States, inevitably, must surrender the Pacific and take up our defences on our own shores.' Johnson's solution to this perceived threat was for the United States to take a 'clear cut and strong program of action' in the region.[38] Kennedy thus approved the deployment of counterinsurgency advisors, whose numbers increased from fewer than 800 in 1961 to 11,000 by 1962 and 16,000 by 1963.[39] The United States, however, did not intend to deploy alone and sought allied contributions to its effort. In November 1961, a State Department official told the Australian Ambassador that the Kennedy Administration 'considered it very important that the effort in Vietnam should be multilateral' and that he anticipated that American allies would provide economic and military assistance.[40] This marked the beginning of Australia's deployment to Vietnam, which would define its approach to self-reliance and alliance commitments for decades to come.

The Menzies Government considered the American request for assistance in South Vietnam as an opportunity to develop a closer strategic relationship which would bring the United States into Australia's immediate region. In response to the American request, External Affairs began to canvass possible contributions to counter-insurgency operations in Vietnam throughout 1961, including the provision of weapons from Australian stocks and additional funding, as well as training of local forces.[41] In November, Menzies told Dean Rusk that he had initiated a study of possible assistance to

[38] Ibid, 233.
[39] McNeill, *To Long Tan*, 33. See also: Edwards, *Crises and Commitments*, 234.
[40] Ibid, 235. See also: McNeill, *To Long Tan*, 34.
[41] Department of External Affairs, 'Ministerial Submission: Vietnam – Possible Defence Assistance.' 18 May 1961, NAA: 1838, 3014/10/15/1.

South Vietnam, and would announce a decision after the election on 9 December.[42] The Ambassador to the United States, Beale, told Menzies that 'Australian support … would make a very favourable impression on the United States Administration' and suggested that the he approve the deployment of jungle warfare experts to train South Vietnamese personnel.[43] Defence and External Affairs officials, however, were less enthusiastic and instead suggested that Australia send only a token force.[44]

In view of these potential threats, the ANZUS Council met in May 1962 to discuss emerging issues in Southeast Asia, and the Menzies Government made key decisions that would shape Australia's engagement with the United States. On 1 May, Cabinet agreed that Barwick would 'steer the discussion that Australia's and New Zealand's importance as reliable countries, whose security, prosperity and growth it is in the interests of the United States to assist.'[45] Cabinet further instructed Barwick to 'elicit how far the United States would in fact consider itself committed under the ANZUS Treaty in respect of a threat by Indonesia to Papua and New Guinea.'[46] Barwick thus emphasised to Rusk that 'Australia was anxious that there should be no communist control of Indonesia, and our ultimate aim should be to see that this did not happen.'[47] He said that 'Australia understood the American view that it was better to negotiate over West New Guinea' but 'had some doubts as to whether the removal of the Dutch would achieve as much as the United States thought.'[48] Barwick said that the Menzies Government was concerned that a transition to Indonesian sovereignty could result in a 'Congo-type situation and opportunities for communist exploitation.'[49] He further suggested that the United States make 'every effort to restrain Sukarno's tactics' to which Rusk responded that 'Indonesia, with its 90 million people, was more important than West New Guinea not only to the United States but to Australia.'[50] Rusk, however, noted that should Indonesia attack New Guinea, ANZUS would apply 'in the event of armed attack not only on the metropolitan territory of any of the parties, but also on any

[42] Department of External Affairs, 'Outward Cablegram: Menzies to Beale – Vietnam.' 26 November 1961, NAA: 1838, 3014/10/15/1.
[43] Edwards, *Crises and Commitments*, 235.
[44] Department of External Affairs, 'Summary of Record of Discussion Held on Possible Forms of Assistance to South Vietnam, Held at the Department of External Affairs on 14 December 1961.' NAA: A1838, 3014/10/151/1. See also: Edwards, *Crises and Commitments*, 235. Archival sources show that these decisions were driven by concern about Indonesian attitudes towards Dutch New Guinea, as shown in the following cable from Beale to Menzies: 'The West New Guinea situation was causing us great anxiety. There were defence and strategic reasons of course against Dutch New Guinea getting into the hands of an expansionist or a communist Indonesia. These dangers could be exaggerated but the political dangers to Australia could not be exaggerated … The consequences of Indonesia taking over would be infiltration into our territory, propaganda and subversion of a native people. Nor were we satisfied it would stop there. Having once gained Dutch New Guinea, what was to prevent the Indonesians from laying claim on other 'political' grounds to other parts of New Guinea or other territories in the area? There was also the moral question which I felt sure the United States, because of her history and principles, would always be aware – why should the Indonesians … succeed in taking it merely because they clamoured for it?'' See: Department of External Affairs, 'Inward Cablegram – Beale to Menzies.' 27 January 1961, NAA: 1838, TS686/2/3.
[45] 'Cabinet Minute – ANZUS Council Meeting, Canberra, 8-9 May 1962.' Decision No. 204, 1 May 1961. NAA: A4940, C3568.
[46] Ibid.
[47] Ibid.
[48] Ibid.
[49] Department of External Affairs, 'Discussions with US Secretary of State (Mr. Dean Rusk), Wednesday 9 May 1962, NAA: A1209, 1962/708.
[50] Ibid.

island territory under the jurisdiction of any of the three Governments in the Pacific.'[51] Barwick considered how Australia could contribute to the alliance to draw America into the region.

It was in this context that Barwick discussed the situation in South Vietnam with his American counterparts. Archival records show that Barwick asked Rusk whether the United States had decided to provide further military assistance to Vietnam. Rusk confirmed that the Kennedy Administration would further assist Vietnam but said that 'he did not think that the USA should be obliged to stand alone.'[52] Barwick then cleverly linked American interests in Vietnam with Australia's concerns about Indonesia in stating that 'Australia regarded the area as vital to us, perhaps more so because of the increasing dangers in Indonesia.'[53] Barwick acted on Beale's earlier advice on the need to contribute militarily to the alliance in stating that 'he thought Australia was pulling its weight … in Korea and the Strategic Reserve' but would consider providing further assistance.[54] Barwick was of that view that the United States would be more inclined to assist Australia in the event of conflict with Indonesia if it made a more substantial commitment to Vietnam. Consequently, Barwick announced that Australia would send 'a handful of military instructors to Vietnam' but would not send combat troops. On 15 May, Cabinet approved the deployment of 'a small contingent' to Thailand in response to American requests for support.[55] On 28 May, the Minister for Defence, Townley, announced that Australia's contribution would consist of a squadron of RAAF Sabre fighter aircraft,[56] as well as 30 personnel as part of the Australian Army Training Team Vietnam.[57] What this makes clear is that the Menzies Government deployed Australian forces to Indochina because it believed that doing so would encourage the United States to assist it in the event of conflict with Indonesia.

Konfrontasi

Menzies' decision to rely on the United States in contingencies involving Indonesia would be put to the test as Sukarno took an increasingly hostile attitude towards neighbouring countries in 1963. The British Government had announced that its territories in Borneo would merge into a federated state that would become Malaysia, then including Singapore. Sukarno opposed the new federation on the basis that it was a neo-colonial entity that did not represent its population. He had increasingly come to rely on the Indonesian Communist Party for support, and the Soviet Union and China for military and economic aid. It was, therefore, not surprising that he began to provide political and material support to left wing dissidents in Malaya who were agitating for unification with Indonesia. Britain was

[51] Edwards, *Crises and Commitments*, 240.
[52] Department of External Affairs, 'Discussions with US Secretary of State (Mr. Dean Rusk), Wednesday 9 May 1962, NAA: A1209, 1962/708. See also: Crises and Commitments, 240.
[53] Ibid.
[54] Ibid.
[55] 'Cabinet Minute: Without Memorandum – Possible Stationing of Australian Forces in Thailand.' Decision No. 240, 15 May 1962. NAA: A4940, C3589. See also: Crises and Commitments, 241.
[56] Department of Defence, 'Australian Forces For Thailand: Statement By the Minister For Defence, The Hon. Athol Townley MP.' 28 May 1962, NAA: A4940, C3589. See also: Edwards, *Crises and Commitments*, 242.
[57] Department of External Affairs, 'Statement By the Hon. Athol Townley.' 24 May 1961, NAA: A4531, 221/1/4/15 PART 1. See also: Edwards, *Crises and Commitments*, 243.

understandably concerned by these developments and began to consult with the United States, Australia and New Zealand to form a common response to this threat.[58] Menzies was faced with the foreign policy scenario that he had feared, and this would highlight the inherent problems with a policy built upon dependence on allies rather than greater self-reliance.

On 5 February 1963, Cabinet considered Australia's response to the dispute between Britain and Indonesia. The Menzies Government decided that it would provide material support to Britain and Malaysia and that it would publicly express its disapproval of 'Indonesia's campaign of subversion, infiltration and expansion.' It made two ships available for patrols around Borneo and decided to consider further military commitments. Menzies' policy towards Indonesia, however, was at odds with the policies of the Kennedy Administration, which told Menzies that it would prioritise its relationship with Indonesia, and would not take action for fear of pushing Sukarno towards the Soviet Union.[59] American policy towards Indonesia had not changed since West New Guinea crisis under the Eisenhower Administration despite Australia's contribution to American efforts in Indochina. Australia and the United States had different approaches to Indonesia that could not be easily reconciled. The Menzies Government had started to realise that it could not base its strategic policy solely on reliance upon traditional allies, as the Defence Committee had warned in 1959.

The Menzies Government was, therefore, required to choose between making a military commitment to Malaya or conceding to Indonesia as it had over West New Guinea. In Cabinet, Barwick recommended that Australia give firm support to Malaya, and noted that this might require a military commitment for 'an indefinite time.'[60] On 5 March, Cabinet considered a new paper on Australia's strategic position from the Defence Committee. The paper argued that Australia's strategic environment had deteriorated considerably, with Indonesia's military expansion and hostility towards its neighbours.[61] Consequently, it recommended that Australia invest more heavily in its military capabilities. Cabinet agreed with the Defence Committee and with Barwick's approach to Malaysia. It thus directed Townley to submit new proposals on military equipment and an increase in manpower 'as a matter of some urgency.'[62] By 1963, Menzies' approach to Australian defence policy had started to change. In view of Australia's deteriorating strategic environment and uncertainty as to the reliability of allies, Menzies had reluctantly agreed to invest capabilities that would enable greater self-reliance.

Given the Menzies Government's reluctance to adopt a more self-reliant defence policy, it continued to seek American support. Barwick took the opportunity to sound out his American counterparts at a meeting of the ANZUS Council in June 1963.[63] The Undersecretary of State, Averell

[58] Edwards, *Crises and Commitments*, 258.
[59] Ibid, 259.
[60] Ibid.
[61] 'Cabinet Minute – Australia's Strategic Position.' Submission No. 560, 5 March 1963, NAA: A1838, TS677/3 PART 6.
[62] Ibid, Edwards, *Crises and Commitments*, 260.
[63] Edwards, *Crises and Commitments*, 265.

Harriman, briefed Cabinet on the American policy towards Indonesia. He advised that the United States supported Malaysia but wanted Britain, Australia and New Zealand to take the primary role in restraining Indonesia. Harriman further gave an assurance that would have profound implications for Menzies' understanding of the circumstances in which the United States would assist Australia. He assured Cabinet that 'if there should be an overt attack on Malaysia and if Australian forces should become involved, the ANZUS Treaty would, according to the advice given by [its] lawyers, come into operation.'[64] He qualified this assurance in stating that the United States would become involved only in the event of an overt invasion and not domestic subversion. Harriman told Cabinet this was 'a grey area between the two countries' and that the United States position in this situation would be influenced by Australia's 'other activities in Southeast Asia', namely its support for South Vietnam.[65] The impact of this meeting on the development of Australian defence policy cannot be overstated. The United States had informed its Australian counterparts that it would assist Australia in regional contingencies involving Indonesia if Australia supported American initiatives elsewhere in the region. Its failure to meet this assurance would be a key driver of the development of a more self-reliant defence policy in subsequent years.

In any case, Menzies was not entirely convinced about Kennedy's commitment to Malaysia and thus reluctantly invested in establishing a more self-reliant defence force. In line with its earlier decisions, Cabinet decided to substantially increase the Army to provide for a field force of three battle groups in addition to the battalion in Malaya. The CMF was to be enlarged, and the RAAF would acquire a total of 100 Dassault Mirage III fighter aircraft, eighteen Caribou aircraft and an additional eight Iroquois helicopters. The RAN had been promised a third guided missile destroyer and four Oberon-class submarines.[66] Cabinet agreed to a substantial increase in military personnel, with the target size of the Army increasing from 21,000 in July 1962 to an objective size of 33,000. In subsequent discussions with Rusk, Menzies referred to these developments in encouraging the United States to take a more proactive role on Indonesia. Menzies told Rusk that 'Australia is now stiffening up her defence potential in East New Guinea' but noted that his government 'may be faced with a difficult political position if Australia were to go it alone.'[67] Rusk refused to make further commitments on Indonesia, stating that he 'would have to keep in mind the views of the US Senate.' This was problematic for Menzies because he had been given conflicting advice from Harriman and Rusk. He had been told that the ANZUS Treaty would apply but was later informed that Australia could not necessarily rely on the United States. Menzies was dismayed and said that he did not want the matter to remain in doubt.[68]

[64] Department of External Affairs, 'Report of Meeting with Averell Harriman, United States Under Secretary of State for Political Affairs. 7 June 1963, NAA: A1838, 270/1/1 PART 1. See also: Edwards, *Crises and Commitments*, 265.
[65] Ibid. See also: Edwards, *Crises and Commitments*, 265.
[66] 'Cabinet Minute: Defence Review.' Decision No. 768, 29 April – 7 May 1963, NAA: A1838, TS677/6 PART 2. See also: Crises and Commitments, 270.
[67] Department of External Affairs, 'Reporting of Meeting Between Sir Robert Menzies and Mr. Dean Rusk, Secretary of State, 8 July 1963. NAA: A1838, 270/1/1 PART 1.
[68] Ibid.

On 12 August 1963, Cabinet examined the implications of American policy towards Indonesia. This meeting considered the conflicting advice that had been given to Menzies by American officials. Cabinet concluded that the United States would assist in the event of Indonesian aggression towards its northern neighbour because Malaysia would be considered to fall within 'the Pacific area' envisaged by ANZUS.[69] In its words, 'Cabinet was much aware of the United States position, made clear by Governor Harriman, that in an overt war situation involving Australian forces stationed in Malaysia, the ANZUS Treaty provisions would come into effect.'[70] Barwick advised that if this was the case, then Vietnam or Taiwan might also fall within this definition, and that this implied an Australian obligation to assist the United States in those theatres. Peter Edwards notes that Cabinet 'concluded that this was an acceptable price to pay for the assurance that ANZUS applied to Malaysia.'[71] Menzies' interpretation of ANZUS would, however, be complicated by advice from his American counterparts in the coming weeks. On 19 August, Kennedy wrote a letter to Menzies which took an ambivalent approach to the alliance. Rather than committing to military action, Kennedy suggested that 'the best course of action is to consult' under the ANZUS Treaty.[72] Then, in October, Harriman retracted his earlier assurance to Cabinet of American support to Australia by informing Barwick that he interpreted ANZUS as involving 'a US commitment, but not necessarily a military commitment.'[73] Barwick discussed this with his American counterparts, and reported his findings in a letter to Menzies the following month in which he advised that in his view:

> The United States will act under Articles IV and V of the Treaty in the event of an armed attack by Indonesian armed forces on the armed forces, public vessels or aircraft of Australia in Malaysia [and that responses to subversion, guerrilla warfare or indirect aggression] would be decided jointly by the parties to the Treaty.
>
> It was agreed that the response of the United States, in the event of an armed attack will be determined in consultation … but would be prepared to commit air and sea forces and to provide logistical support.[74]

In retirement, Barwick's successor, Paul Hasluck, made the following observation:

> I think one of the shortcomings of Barwick as Minister was his training as a lawyer. On a matter like ANZUS, he would seek to get an interpretation of the letter of the agreement which could be expressed as a firm commitment. ANZUS can't be applied as a contract, with the possibility of one party suing the other and insisting that the contact be fulfilled. ANZUS can only be interpreted as the expression of intention by two nations to help each other; but each of those nations – Australia, as much as the United States – in any given situation will make its own decision what it does in compliance with that intention.[75]

---

[69] 'Cabinet Minute: Without Memorandum – Malaysia and Meeting with Governor Harriman on 7 June.' Decision No. 975 (FAD), 12 August 1963. NAA: A1838, 270/1/1. Department of External Affairs, 'Ministerial Submission: ANZUS Obligations.' 15 August 1963, NAA: A1838, 270/1/1 PART 1.
[70] 'Cabinet Minute: Without Memorandum – Malaysia.' Decision No. 974 (FAD). 12 August 1963, NAA: 5619/1 C674.
[71] Edwards, *Crises and Commitments*, 266.
[72] Department of External Affairs, 'Letter – J.F Kennedy to R.G Menzies.' 18 August 1963, NAA: A1838, 270/1/1 PART 1.
[73] Department of External Affairs, 'Inward Cablegram – Beale to Barwick.' 4 October 1963, NAA: A1838, 270/1/1 PART 1.
[74] 'Letter – Barwick to Menzies.' 22 October 1963, NAA: 1838, 270/1/1/1 PART 1.
[75] *Paul Hasluck Interviewed by Clyde Cameron*, 15 April 1986, National Library of Australia, TRC-1966.

Nevertheless, Barwick's advice would form the basis for Australia's firm stand against Indonesia. Menzies was advised by Barwick that the United States would provide military support to Australia in the event of conflict with Indonesia on Malaysian territory. As a result, he felt able to declare Australia's support for Britain's position in Malaysia, in a way that was not possible with West New Guinea. The British Chiefs of Staff thus requested military assistance from Australia in November 1963. It sought two anti-aircraft batteries, a Special Air Service squadron, an airfield construction unit, and permission to use the airfield on Cocos Island for British bombers and transport aircraft. Britain also requested the Australian battalion in the strategic reserve, as well as RAAF aircraft and RAN ships in higher level contingencies.[76] However, Australian officials urged Menzies to take a more cautious approach on the basis that Britain, not Australia, should take the leading role in Malaysia. Now that it felt it had American support, the Menzies Government had to decide what contribution to make to Malaysia.

The Menzies Government contacted its British counterparts in the following month to coordinate their efforts in Malaysia. On 16 December, Barwick cabled the Commonwealth Secretary, Duncan Sandys that Australia had to consider the 'international political implications' of a commitment to Malaysia, and therefore supported 'a carefully graduated Australian response' that would adapt to the unfolding situation in Malaysia.[77] On 19 December, Cabinet supported this approach by allowing British forces to use the airfield on Cocos Island but it did not approve the other aspects of the British request.[78] Cabinet did not provide an increased military commitment to Malaysia as the Defence Committee had assessed that there was no need to do so. This was because the Committee had advised that Indonesia was unlikely to engage in major acts of aggression and would limit its role to supporting local insurgents in Malaysia.[79] The Menzies Government decided not to make its battalion in the strategic reserve available when requested by Britain while New Zealand made such a commitment. Cabinet felt little need for a more significant contribution at this stage.

The Menzies Government, however, gradually increased its regional presence as the strategic environment deteriorated throughout the following year. On 13 January 1964, the Malaysian Minister for Defence, Tun Abdul Razak met with diplomats from Australia, New Zealand and Britain to seek a more active role from the Australian battalion in the strategic reserve in response to recent raids against police stations.[80] Cabinet agreed on 28 January, that the Australian battalion could be deployed for operations on the Malaysian-Thai border.[81] Cabinet also authorised three million pounds

[76] Goldsworthy, *Losing the Blanket*, 151. See also: Edwards, *Crises and Commitments*, 285.
[77] Department of External Affairs, 'Outward Cablegram – Barwick to Sandys.' 16 December 1963, NAA: 4940, C1473 PART 1.
[78] Department of Defence, 'Australian Forces for the Defence of Malaysia: Report by the Defence Committee.' 19 December 1963, NAA: A1945, 245/3/9. See also: Crises and Commitments, 286.
[79] Ibid. See also: Andrea Benvenuti, *Cold War and Decolonisation*, 245.
[80] Edwards, *Crises and Commitments*, 287.
[81] 'Cabinet Minute: Deployment of Australian Battalion in Malaysia.' Decision No. 42, 28 January 1964, NAA: A4940, C1473, PART 1. See also: Benvenuti, *Cold War and Decolonisation*, 245.

in financial assistance to Malaysia. On 17 March, it decided to allocate a portion of this funding to ammunition, engineering equipment, general stores and small naval vessels.[82] The Malaysian Government made further requests and on 19 March, Menzies decided to consult with Britain and the United States.[83] Britain sought a decisive response to Indonesia while the United States urged a more cautious and diplomatic approach.[84] Australia, it appears, had based its strategy on the assumption that the United States would provide military assistance which did not materialise.

Faced with the prospect that the United States and the Britain had differing views, the Menzies Government sided with the British position on Malaysia. Barwick was advised by Tom Critchley, the Australian High Commissioner in Kuala Lumpur, that British forces had observed that larger numbers of regular Indonesian troops were now launching incursions into Malaysia. He also advised that the British Government was of the view that Australia should meet its earlier requests for military assistance. Barwick was sympathetic to this view and, on 9 April, Cabinet decided that the Australian battalion in the strategic reserve be made available, if sought by the Chiefs of Services, to deal with Indonesian incursions in Malaysia.[85] On 14 April, Cabinet further agreed to make available four minesweepers and four helicopters, with Army and RAAF contributions to be transported by the aircraft carrier HMAS *Sydney*,[86] which was a significant gesture of Australia's firm support. Britain also requested immediate use of the Australian battalion and an SAS squadron. Menzies declined this request in writing to Alec Douglas-Home on the basis that his government was awaiting an independent assessment of the need for these forces by Australia's military establishment. By 1964, the Menzies Government had taken significant steps to develop a more self-reliant defence policy in response to its deteriorating relationship with Indonesia as shown in Table 9:

Table 9: Australian Defence Policy During the Late Menzies Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Menzies (1963-64) (Liberal)	Preventing Indonesia from annexing Malaya	Malaya Singapore	Ambivalent about Kennedy due to unclear advice on ANZUS Close alignment with UK on Konfrontasi	Indonesian Government under Sukarno

Although the term was not yet in widespread usage, the meaning of self-reliance had changed under the Menzies Government in the preceding five years in response to significant changes in Australia's security outlook. The core strategic interest of the Menzies Government was to prevent

[82] 'Cabinet Minute: Defence Assistance for Malaysia.' Decision No. 108, NAA: A4940, C1473 PART 1. See also: Edwards, *Crises and Commitments*, 288 and Benvenuti, *Cold War and Decolonisation*, 246.
[83] 'Cabinet Minute: Without Memorandum – Australian Forces for the Defence of Malaysia.' Decision No. 122, 19 March 1964. NAA: A1945, 245/3/9.
[84] Department of External Affairs, 'Outward Cablegram – Barwick to Beale: Defence Aid to Malaysia.' 19 March 1964, NAA: A1209, 1961/1318 PART 3.
[85] 'Cabinet Minute: Australian Forces for the Defence of Malaysia.' Decision No. 134, 9 April 1964, NAA: A1945, 245/3/9. See also: Edwards, *Crises and Commitments*, 288.
[86] 'Cabinet Minute: Australian Forces for the Defence of Malaysia.' Decision No 147, 14 April 1964, NAA: A4940, C1473 PART 1. See also: Edwards, *Crises and Commitments*, 289.

Indonesia from undermining Malaysia. Moreover, its perceptions of its allies had also changed. Menzies was dismayed by the United States' reluctance to provide guarantees of military assistance in contingencies involving Indonesia and, unlike with Dutch New Guinea, he felt obliged to assist British forces in Malaysia. It was for these reasons that Menzies began to give substance to the concept of greater self-reliance in Australian defence policy by procuring a range of capabilities that would enable Australian forces to more effectively undertake independent military operations against Indonesia, if called upon to do so, without recourse to the combat forces of allies.

Australia's investment in greater self-reliance was shaped by alliance considerations. The United States urged Australia to take a more conciliatory approach towards Indonesia. The US Attorney-General, Robert Kennedy, visited Jakarta in January 1964 to negotiate a settlement. He agreed with Sukarno's view that the withdrawal of Indonesian-backed guerrillas should be part of a political agreement between the states involved. By contrast, Menzies sided with the Malaysian Government, which was of the view that the removal of Indonesian-backed guerrillas should be a precondition for talks. The United States, however, pushed back on the Australian position. Harriman told his Australian counterparts that 'while the United States supported Malaysia, there would be no large scale United States economic effort there, nor would the United States become involved in anti-guerrilla activities.'[87] The Australian Ambassador in Washington, Beale, cabled both Menzies and Barwick, emphasising that Australian pressure on the United States to become more involved in Southeast Asia was being taken as acceptance of additional responsibilities.[88] He warned that the United States was not satisfied with Australia's recent increases in defence expenditure and said that it needed to do more if it expected the United States to provide assistance in contingencies in Southeast Asia:

> Our success in persuading the United States to pursue policies which we favour and they do not will depend in no small degree upon the extent to which we demonstrate our willingness to back those policies by increased efforts and sacrifices of our own.[89]

This advice from Beale to Menzies and Barwick on Australia's position in the alliance would heavily influence the development of self-reliance in Australian defence policy. He advised that the United States would be more likely to aid Australia in conflict if it was able to protect its own interests without recourse to allies. He argued that Australia needed to be more self-reliant to attract American military support in higher level contingencies. His advice implied that earlier agreements such as the ANZUS Treaty were, not of themselves, sufficient to draw allies to Australia's aid. Beale instead suggested that Australia needed to become more active in its own region if it wanted a greater American presence in Southeast Asia. Cabinet thus directed the Defence and External Affairs Departments to prepare a paper on its policy towards Vietnam with a view to increasing Australia's

[87] Department of External Affairs, 'Outward Cablegram: Quadripatite Talks.' 6 February 1964, NAA: 270/1/1 PART 2.
[88] Edwards, *Crises and Commitments*, 296.
[89] Ibid.

military commitment, and further investing in its defence capabilities.[90] The following day, Barwick made a parliamentary statement in which he argued that Vietnam was of such importance that the United States and its allies might need to intervene in the event of 'larger-scale aggression' against Saigon. In light of Beale's advice, the Menzies Government had started to consider greater involvement in South Vietnam as a means of garnering American support for contingencies in relation to Indonesia. Beale recalled this as follows:

> Should Australia have gone into Vietnam? I think the answer to that is simple. We had the ANZUS Treaty. America was our bulwark really – the one power we could rely upon if we got into trouble in this part of the world. Sukarno was surging around in those days and you can't expect the other fellow to help you and not be prepared to move in and help him of he needs it too. Unless it's in conflict with your national interests.[91]

Menzies' focus on Vietnam coincided with American requests for additional military support. On 23 April, President Johnson announced that there needed to be 'some other flags in there' as he felt that the United States was carrying the burden. Shortly afterwards, the Johnson Administration sought commitments from Australia and on 8 May, the American Embassy in Canberra suggested to the Menzies Government that it provide additional advisory teams, special forces personnel, helicopter and fixed-wing aircraft and surgical teams.[92] External Affairs saw the American request as an opportunity to develop a closer military relationship with the United States as suggested by Beale to Menzies. This position was summarised in cables to Canberra from Alan Renouf, the charge d'affaires at the Australian Embassy in Washington. Renouf supported a quick response to the American request on the basis that this would clarify differences on the applicability of the ANZUS Treaty to contingencies involving Indonesia that had emerged between Harriman and Barwick, and thus bring America closer to Australia's view of their treaty obligations.[93] He advised that:

> Australian policies have to be based upon an appreciation that the support, particularly in the ultimate form of armed support, of the United States for Australian forces which may become engaged in fighting in the Borneo territories rests not so much upon the text of ANZUS and the October piece of paper as upon the general state of relations between the United States and ourselves at the time. While the piece of paper was a valuable advance, it only provides the framework for action which may be taken in certain contingencies. It does not provide any guarantee that the United States will come through with the kind of action under ANZUS which would be most satisfactory to us.
>
> In considering problems other than that of Indonesia/Malaysia of mutual concern to Australia, and the United States, we should bear in mind the need to build upon the October piece of paper. Our objective should be to achieve such a habitual closeness of relations with the United States and sense of mutual alliance that in our time of need, the United States would have little option but to respond as we would want.[94]

He further advised that the American position on Indonesia was:

---

[90] Commonwealth Parliamentary Debates, *International Affairs*, 11 March 1964 (Garfield Barwick). See also Edwards, *Crises and Commitments*, 296.
[91] *Howard Beale Interviewed by Mel Pratt*, 20-21 October 1976, National Library of Australia, TRC-121/82.
[92] Edwards, *Crises and Commitments*, 298.
[93] Ibid.
[94] Department of External Affairs, 'Inward Cablegram: Vietnam.' 12 May 1964, NAA: A1838, 270/1/1 PART 3.

> by no means as clear-cut and as firm [as Australia would have liked and Vietnam was an area where Australia could] pick up a lot of credit with the United States without undue expenditure.[95]

Renouf advised the Menzies Government that bilateral agreements between Australia and the United States were of little consequence and that American support would be contingent on Australian contributions to American operations in theatres such as Vietnam. Cabinet considered an early draft of the Vietnam paper against the backdrop of such advice on 10 March 1964.[96] The paper noted that the situation was serious but 'not beyond ultimate recovery.' Renouf's enthusiasm for greater Australian involvement in Vietnam coincided with a rapidly deteriorating security environment which provided opportunities for an Australian contribution. Cabinet reconvened on 29 May to endorse the need for intervention in Vietnam. It noted that 'South Vietnam is a key strategic area in the defence of mainland Southeast Asia, and there would be serious consequences for the whole of Southeast Asia should it be lost.'[97] Consequently, it approved the expansion of Australia's commitment, more than doubling the AATTV from 30 to 83 personnel with three caribous. In doing so, it would have fewer assets for Borneo as requested by Britain. This showed that the Menzies Government had started to shift from Britain to the United States as its main strategic partner in Southeast Asia and had moved again from self-reliance to greater integration with allies as the basis for Australian defence policy.

Later that day, Cabinet took a major step in bolstering Australia's capabilities by commissioning a paper on a selective service scheme to increase the size of the Army. The Minister for External Affairs, Hasluck, had advocated for such a scheme but the Minister for the Army, A.J Forbes, opposed it for logistical reasons, and because he felt that Australia's strategic environment had not deteriorated to such an extent that would justify the reintroduction of conscription.[98] The CGS, Lieutenant-General John Wilton, supported Forbes on the basis that the Army could meet its forecast commitments at its present strength. On 6 April, the Chiefs of Staff endorsed this view, stating that selective service should only be introduced in the event of limited war, and that at present, further volunteers needed to be attracted through improved pay and conditions.[99] Nevertheless, the Menzies Government announced initiatives to expand Australia's military capabilities. On 18 June 1964, the Minister for Defence, Shane Paltridge, announced that the *Defence Act* would be amended so that CMF members could be called up for overseas service, as well as the construction of two new frigates.[100] The Menzies Government had decided to invest in a more capable defence force that, by implication, would be a more self-reliant defence force. The rationale for investment in greater self-reliance appears to have been a lack of certainty as to the reliability of the United States in conflict with Indonesia. This can be

[95] Edwards, *Crises and Commitments*, 298.
[96] 'Cabinet Minute: Without Memorandum – Malaysia and South Vietnam.' Decision No. 102 (FAD), 10 March 1964, NAA: A4940, C3904.
[97] 'Cabinet Minute: United States Request for Additional Military Assistance in South Vietnam.' Decision No. 252, 29 May 1964, NAA: A4940, C4643 PART 1. See also: Crises and Commitments, 298.
[98] Edwards, *Crises and Commitments*, 303.
[99] Ibid, 304.
[100] Ibid.

seen in the following extract in a letter from Hasluck to Menzies written shortly afterwards which struck a different tone to Barwick's earlier letter to Menzies on the same issue:

> The Americans have no intention of taking a military role in the Malaysia/Indonesia conflict unless, as the result of major Indonesian aggression, it escalates into a real war as distinct from infiltration and guerrilla activities. Their only planning would relate to the major war; they would not undertake planning until such time as a major war appeared to be certain; and they would be hesitant about doing anything that suggested they were preparing to employ significant American forces against Indonesia.[101]

This letter is important because it shows that the Menzies Government felt that it could not be certain that the United States would militarily assist Australia in conflict with Indonesia. It was given contradictory interpretations of the extent to which ANZUS applied to such contingencies. Between 1961 and 1964, Menzies had been given inconsistent advice by Rusk, Harriman and Kennedy. The Menzies Government thus sought to hedge its bets in relation to American involvement in contingencies involving Indonesia. It concluded that Australia could not rely on support from the United States in lower-level contingencies that fell short of conventional war. Instead, it was of the view that the United States would only intervene in the most serious of contingencies. In giving this advice, Hasluck drew a distinction between higher-level contingencies and lower-level contingencies, which would become a core theme of Australian defence policy in subsequent decades. Major-General Bill Crews, later a key adviser to the Dibb Review, articulates the broader implications of this as follows:

> The United States was willing to help in major conflict, but not necessarily counterinsurgency and that's understandable. One of the factors in understanding what the ANZUS Treaty could do for us was the realisation that the Americans have a threshold before they'll commit. And this wasn't a direct threat to Australia. It was perceived by us to be a threat, but they didn't see it they same way. Indonesia wasn't going to swarm down to Australia straight away.[102]

Menzies decided that the best response to this situation was to seek a closer relationship with the United States while fostering greater self-reliance. He hoped that the United States would assist Australia in conflict with Indonesia but sought to develop a more self-reliant military if such assistance was not forthcoming. The Menzies Government realised that while it fostered allied support in its military planning, it had to be prepared to act in a more self-reliant manner in lower-level contingencies that affected Australia's interests but were not an existential threat as the Defence Committee had warned in 1959.

The Vietnam Commitment

The opportunity for greater involvement in Vietnam came, on 4 August, when the Johnson Administration announced that the USS *Maddox* had been attacked by North Vietnamese boats in the Gulf of Tonkin. The following day, Hasluck made a statement supporting the United States, and five days later, Cabinet directed the Defence Committee to investigate the implications of a major

[101] Letter – Hasluck to Menzies, 23 July 1964, NAA: A1209 1961/1318 PART 4.
[102] Interview with Bill Crews, 8 November 2019.

deployment to Vietnam if a request was to be made.[103] There was widespread support within the Menzies Government for an increased Australian presence in South Vietnam. Hasluck suggested that American power was to be welcomed as a balance against the Soviet Union and China in Australia's region.[104] Deputy Prime Minister, John McEwen, argued for military intervention as 'we help our friends, just as we would expect them to help us' so that 'if the day should ever come when we are in danger these great friends of ours will say: 'Australia's fight is our fight.''[105] It was believed that a significant deployment to Vietnam would bring the United States further into the region, and allow Australia the opportunity to shape the ANZUS alliance in ways that were favourable to its strategic interests. The Menzies Government sought to protect its interests against the perceived Chinese threat, as well as American assurances of military assistance in conflict with Indonesia.

By contrast, the ALP, under the leadership of Arthur Calwell, took a more sceptical attitude to Australian involvement in South Vietnam. The ALP had not overtly criticised the deployment in recent years, apart from left-wing parliamentarians such as Jim Cairns. It did, however, emphasise the need for social and economic reform on the basis that only non-military measures could provide the foundations for a lasting settlement in Vietnam. The ALP Federal Executive had passed a resolution calling for United Nations intervention as an alternative to overt military action.[106] It was hesitant to endorse overseas deployments that were not sanctioned by the United Nations or clearly linked to Australia's strategic interests. As in earlier times, there were strong partisan differences on the conceptual foundations of Australian defence policy, with the ALP emphasising an approach that favoured non-military means through the United Nations rather than expeditionary operations to limit the spread of communism in Australia's region alongside traditional allies.

Australia's relationship with its allies would be tested as Indonesia took a more aggressive stance towards Malaysia. On 17 August, around 40 Indonesian guerrillas landed in Johore in the first direct incursion supported by the Indonesian Government, followed by a further 100 Indonesian paratroopers on 2 September. This was a turning point in the conflict as it marked the first time that military units from Indonesia had attacked foreign soil. Cabinet considered the consequences of these incursions and decided that, if action against Indonesia was required, it would provide military support to Malaysia.[107] In eight months, the Menzies Government had moved from cautious diplomacy to overt support for Malaysia. Shortly afterwards, the Malaysian Government sought assurances of armed support from its Commonwealth allies. On 4 September, Hasluck notified Cabinet that Britain had assured Malaysia that it would join a counterattack on an appropriate objective located in Indonesian

[103] 'Cabinet Minute Decision No. 392: Without Memorandum – Military Incidents in the Gulf of Tonking.' 10 August 1964.' NAA: A1838/346/696/1/1. See also: Edwards, *Crises and Commitments*, 310.
[104] Edwards, *Crises and Commitments*, 310.
[105] Ibid, 311.
[106] Ibid, 312.
[107] 'Cabinet Minute: Without Memorandum – Indonesian Paratroop Landing in Malaysia (Johore).' Decision No. 445, 4 September 1964. NAA: A5828, 445. See also: Edwards, *Crises and Commitments*, 317.

territory in the event of further aggression.[108] Cabinet considered Britain's position and agreed it would provide similar assurances to Malaysia after consulting with the United States.

Cabinet considered advice from the Chiefs of Staff on an appropriate military response to further aggression by Indonesia against Malaysia. Cabinet was advised that the most effective response to further airborne attacks was an attack by strike aircraft on Indonesian airfields in Sumatra. The Chiefs of Staff advised that British forces would take the lead from Darwin, and that a squadron of Sabre fighters be forward deployed to the Northern Territory with further anti-aircraft measures to protect against Indonesian counterattacks. Their advice also recommended that RAAF pilots and ground staff be sent to Malaysia to reinforce units already deployed.[109] Menzies consulted with the Johnson Administration, which advised that it did not object to Australian assurances to Malaysia but remained ambivalent about possible American involvement. The Australian Ambassador in Washington, Keith Waller, advised Menzies not to assume that the United States would 'bail us out' in the event of higher intensity conflict.[110] The Menzies Government had made a commitment to defend a smaller country in Southeast Asia against an increasingly hostile middle power without guarantees of military support from its most significant ally. It made assurances to Malaysia based on earlier declarations of American support which were later downplayed. This experience was a watershed in the development of Australian defence policy as the Menzies Government realised that it could not necessarily rely on the United States and would emphasise greater self-reliance as the conceptual basis of its military planning.

These realities were recognised in a new *Strategic Basis* paper circulated within Cabinet on 22 October. The paper stated that Indonesia was the 'only direct threat to Australia and its territories' because of its aggressive posture towards regional states and its relatively advanced military capabilities.[111] It forecast a direct threat to Australia in stating that Indonesian forces could engage in subversive activities in the Australian territories of Papua and New Guinea. These fears were reinforced on 28 October when Indonesian forces engaged in combat with Australian units on Malaysian territory.[112] This experience forced Australian officials to reconsider the foundations of Australian strategic planning. Prime Minister and Cabinet argued that 'forward defence' needed to be supported by 'a policy of territorial defence based on the defence on New Guinea.'[113] It consequently advised that Australia needed an Army of 55,000 personnel to defend this territory, and not the 33,000 for overseas deployment as endorsed by the Chiefs of Staff. This recommendation would mark the beginning of a conceptual shift in Australia's strategic thinking away from expeditionary operations to the more self-reliant defence of Australian territory from credible regional threats.

---

[108] Ibid. See also: Edwards, *Crises and Commitments*, 319.
[109] Ibid.
[110] Ibid.
[111] Department of Defence, 'Strategic Basis of Australian Defence Policy: Report By the Defence Committee.' 22 October 1964, NAA: A4940, C3640. See also: Edwards, *Crises and Commitments*, 327.
[112] Edwards, *Crises and Commitments*, 328.
[113] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 493: Strategic Basis of Australian Defence Policy.' NAA: A5827, VOLUME 15/AGENDUM 493. See also: Edwards, *Crises and Commitments*, 328.

Cabinet discussed these issues at a meeting on 4 November. Both Menzies and McEwen noted that the territories were vulnerable to Indonesian subversion as suggested in the *Strategic Basis* paper but questioned whether the Defence Committee had given sufficient attention to the possibility that Australia might have to defend them without assistance from the United States.[114] Paltridge advised that, despite its earlier opposition, the Army was starting to accept that a selective service scheme could assist in redressing personnel shortages. Cabinet thus decided to introduce a national service scheme to increase personnel numbers to 33,000 personnel by 1966.[115] He also pledged further resources for the Pacific Islands Regiment and improvements to airfields in New Guinea. In the face of perceived threats by Indonesia to Australia's territorial holdings and without guarantees of allied support, the Menzies Government had decided to reinvest in a more self-reliant defence force. Menzies evidently had reservations about America's commitment to Australia in conflict with Indonesia in New Guinea given the conflicting advice it had received on this issue.[116]

The Menzies Government focused on its relationship with the United States in the aftermath of these deliberations despite concerns about the reliability of its ally. The following month, Hasluck visited Washington with the Minister for the Air, Peter Howson, and encouraged his American colleagues to 'push the hard line' in defending South Vietnam.[117] The Johnson Administration was grateful for Australia's support when other countries were reticent to provide military assistance. On 14 December, Johnson wrote to Menzies, congratulating Australia for making 'the most significant non-United States contribution to the common effort' but requested 200 additional combat advisers, ships and engineering support units. He did not request combat troops but did not rule that out 'down the road in the future.'[118] The Menzies Government had achieved some success in fostering a closer relationship with the United States as the basis for Australian defence policy and was open to further developing ties through a greater Australian contribution to South Vietnam.

In the following days, Menzies further considered the American request for a greater Australian commitment to Vietnam. Australia's military establishment felt that it needed to provide a more substantial contribution because its existing commitment was insufficient to address the deteriorating situation in Vietnam and develop the bilateral relationship in ways favourable to Australia's interests. The Chiefs of Staff advised that 'something different must be done' and suggested

[114] Edwards, *Crises and Commitments*, 328.
[115] Ibid, 329.
[116] Cabinet articulated its views on the threat to New Guinea in the following terms: 'The Chiefs have not put sufficient emphasis on our requirements in New Guinea, and that the whole problem is understated both here and throughout the whole paper. An Army of 55,000 is the only thing making sense if we take our obligation to New Guinea seriously. We cannot put all our confidence in forward defence policies either politically or militarily. We think New Guinea will need infrastructure and forces on the ground. Our determination to confront Indonesia here will strengthen our diplomacy.' See: Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 493: Strategic Basis of Australian Defence Policy.' 4 November 1964, NAA: A5287, VOLUME 15/AGENDUM 493.
[117] Edwards, *Crises and Commitments*, 336.
[118] 'Letter – L.B Johnson to R.G Menzies.' 14 December 1964, NAA: A4940, C4643 PART 1. See also: Crises and Commitments, 337.

that the deployment of ground forces was 'the only way to [solve] the problem.'[119] On 17 December, Cabinet agreed to send a 'forthcoming and robust' response, and Menzies advised Johnson that Australia was 'anxious to do everything in our power to be helpful.'[120] He noted that Australia could not spare instructors due to conscription and that its minesweepers were committed elsewhere. Instead, he suggested that Australia could deploy ground troops.[121] The Menzies Government felt that it needed to make a more substantial contribution to Vietnam to foster American support for Australia in Southeast Asia. The pendulum had shifted significantly towards dependence on allies rather than greater self-reliance as the United States became increasingly focused on South Vietnam.

In January 1965, Australia's strategic environment deteriorated as Indonesia took an increasingly aggressive posture towards its neighbours. On New Year's Eve, Sukarno announced that Indonesia would withdraw from the United Nations and would instead align more closely with China and North Korea. This was due to the growing influence of the PKI in the Sukarno Government and the weakening of more moderate forces in Indonesia.[122] The Indonesian military began to increase its presence in Sumatra and Borneo, and this was interpreted by Australia's Joint Intelligence Committee as the prelude to large scale aggression.[123] As the strategic environment deteriorated, the Menzies Government consulted with its British counterparts to develop a joint response. Menzies had advised his British counterpart, Harold Wilson, that Australia would provide RAAF bombers for airstrikes against Indonesian targets, and also offered Darwin as a staging post for British forces.[124] He, however, caveated these proposals in asserting that his government, not Britain, would need to approve any decision that might involve Australia in war with Indonesia.[125] On 15 January, Wilson advised his Australian counterparts that Britain would send reinforcements to Malaysia and requested that Australia provide an additional infantry battalion, helicopters and SAS troops. Cabinet considered this request and decided that it would consult more closely with the United States before making further commitments to Malaysia. Archival records indicate that Menzies was concerned by Chinese involvement in both Indonesia and Vietnam, and saw both as inseparable:[126]

> it was vital to Australia's interests that Britain and the United States continue to support their positions in Southeast Asia. The point needed to be brought home to the United States and Britain that Australia had a twofold responsibility in Southeast Asia with a further potential commitment in respect of her own frontier in New Guinea. Equally, the limits of Australia's resources were not well understood in the United States or, to a lesser degree, Britain.[127]

---

[119] Edwards, *Crises and Commitments*, 338.
[120] 'Cabinet Minute: Without Memorandum – United States Request for Further Assistance in South Vietnam.' Decision No. 659/FAD. NAA: A4940, C4643 PART 1.
[121] Edwards, *Crises and Commitments*, 338.
[122] Ibid, 340.
[123] Department of External Affairs, 'Outward Cablegram – Menzies to Wilson.' 18 December 1964, NAA: A1838, 383/5/2 PART 5. See also: Crises and Commitments, 340.
[124] 'Cabinet Minute: Without Memorandum – V-Bombers at Darwin.' Decision No. 674 (FAD), 18 January 1965.' NAA: A1838/346/696//1/1/1.
[125] Edwards, *Crises and Commitments*, 341.
[126] 'Cabinet Minute: Without Memorandum – Malaysia and South Vietnam.' Decision No. 675, 18 January 1965, NAA: A4940, C4643 PART 1. See also: Edwards, *Crises and Commitments*, 341.
[127] Ibid.

In view of these circumstances, Cabinet decided on 27 January to approve the deployment of one battalion to Borneo, with two additional battalions remaining for other potential commitments including South Vietnam or New Guinea.[128] Menzies, however, soon found that there were problems in basing Australian defence policy primarily on dependence on allies as evidenced in his struggle to garner American support in Malaysia. State Department officials advised their Australian counterparts that the Johnson Administration did not believe that Indonesia would move towards China. Menzies enquired as to whether the United States would assist in higher level contingencies but did not receive firm assurances of support.[129] Similar to Eisenhower and Kennedy, the Johnson Administration was ambivalent about Australia's position in Southeast Asia as it was not seen as a high priority by the United States, in contrast to other theatres of the Cold War. Consequently, Menzies began to consider how Australia could draw the United States into its region and decided that it could do so through a joint military response to the deteriorating situation in South Vietnam. The Menzies Government thus sent a delegation to Honolulu in March 1965 to discuss joint military planning for such a contingency.

Cabinet met on 7 April to discuss its potential contribution to coalition operations in Vietnam, and records indicate that there were notable differences of opinion on how Australia should respond. Hasluck took a more cautious approach in suggesting that Australia should delay further contributions while it assessed the situation.[130] Others felt that Australia had to provide as much support as possible to foster American goodwill. Harold Holt, for example, argued that 'whatever the final outcome of United States intervention in Vietnam', Australia was obliged to provide the maximum contribution possible. McEwen said that Australia needed to contribute so that the United States and Britain would provide support 'should troubles occur close to Australia.' In his view, Australia needed to support the United States 'as an act of faith and because of its political significance.'[131] Menzies supported this view, saying that 'the security of Australia would be at stake if South Vietnam fell' and argued that Australia should contribute a battalion if requested by the United States. Cabinet felt that such a commitment would draw the United States closer to Australia and be 'phenomenally valuable, including in Australia's interest.'[132] This decision was motivated by the belief that Indonesia posed a threat to Australian interests in New Guinea, and that the United States would be more likely to assist Australia if it fought with American forces in Vietnam. Cabinet thus agreed to deploy a battalion after consulting the Army on the utility and timing of a deployment. What this shows is that in the last years of his tenure as Prime Minister, Menzies had shifted Australian strategic policy towards dependence on traditional allies despite having also laid the foundations for a more self-reliant defence force.

---

[128] 'Cabinet Minute: Possible Use of Australian Forces in the Defence of Malaysia.' Decision No. 690(FAD), 27 January 1965. NAA: A1838/346/696//1/1/1. See also: Edwards, *Crises and Commitments*, 343 and Benvenuti, *Cold War and Decolonisation*, 247.
[129] Edwards, *Crises and Commitments*, 345.
[130] 'Cabinet Minute – Further Military Assistance to South Vietnam.' Submission No. 719, 7 April 1965. NAA: A4940, C4643 PART 2. See also: Edwards, *Crises and Commitments*, 361.
[131] Ibid. See also: Edwards, *Crises and Commitments*, 362.
[132] Ibid.

Subsequent high-level discussions give an insight into the reasons for Menzies' decision to commit to South Vietnam. Australian officials met with the American Ambassador to South Vietnam, Henry Cabot Lodge on 20 April.[133] Lodge noted that Australia was the only state that had been 'one hundred percent with the United States.' He further observed that Australia did so despite not being supported by Britain or the United States on Indonesia. The Johnson Administration had only advised that it was aware of its commitments under the ANZUS Treaty without making further guarantees while Britain gave little comment about its obligations to Australia in the event of war.[134] Their discussions implied that Australia had committed ground forces to Vietnam to develop closer ties with the United States on the understanding that it would assist Australia in conflict with Indonesia. Both parties discussed how Australia and the United States would cooperate in Vietnam. Bundy told Waller that the United States would establish enclaves in South Vietnam, and that it wanted an Australian battalion to join an American airborne brigade in establishing one enclave on the eastern flank of Saigon.[135] On 29 April, Menzies and Paltridge announced the deployment of the battalion to South Vietnam.[136] The Australian contribution to South Vietnam would grow considerably in subsequent months.

On 26 July, Johnson cabled Menzies to suggest that he was contemplating a significant increase in America's presence and requested that Australia increase its contribution to demonstrate 'the solidarity of international support for resistance to aggression in Vietnam.'[137] The Army hoped to see its battalion replaced by a task force of two to four battalions which could operate more independently as argued by Australia's military establishment.[138] The Defence Committee advised that Australia could provide an additional 350 Army personnel but no additional Navy or Air Force commitment.[139] Cabinet agreed on 17 August to raise the battalion to a battalion group but chose to be 'deliberately silent' on future commitments.[140] At the behest of Cabinet, the Australian presence started to increase, and its forces became increasingly involved with the United States in Vietnam in a way that could be seen as being to the detriment of a more self-reliant defence policy. Australia's traditional allies had become more engaged in Southeast Asia, and the Menzies Government felt it could most effectively ensure Australia's security through greater collaboration rather than self-reliance.[141]

---

[133] 'Cabinet Minute: Without Memorandum – Visit of United States Special Ambassador, Mr. Cabot Lodge.' Decision No. 860 (FAD). 20 April 1965, NAA: A1838/346/696//1/1/1.
[134] Edwards, *Crises and Commitments*, 369.
[135] Department of External Affairs, 'Inward Cablegram – Your Telegram 1022 Vietnam.' 21 April 1965, NAA: A4940, C4643, PART 2. See also: Edwards, *Crises and Commitments*, 370.
[136] Department of Defence, 'Press Release: Australian Battalion For Vietnam.' 29 April 1965, NAA: A4940, C4643, PART 2. See also: Crises and Commitments, 372.
[137] Department of Defence, 'Annex to Report By Defence Committee: Australian Military Assistance to South Vietnam.' 26 July 1965, NAA: A1209, 1965/6299 PART 1. See also: Edwards, *A Nation at War*, 56.
[138] Edwards, *A Nation at War*, 56.
[139] Department of Defence, 'Australian Military Assistance to South Vietnam: Report By Defence Committee.' 29 July 1965, NAA: A1209, 1965/6299 PART 1. See also: Edwards, *A Nation at War*, 57.
[140] 'Cabinet Minute – Australian Military Assistance to South Vietnam.' Submission No. 970, 17 August 1965, NAA: A1838, 696/8/4 PART 9. See also: Edwards, *A Nation at War*, 57.
[141] Malcolm Fraser articulated this view in the following terms: 'There is another reason for our involvement in this area. The presence and interest of America and Britain in Southeast Asia is vital not only for the security of countries in Southeast Asia and for Malaysia but also for ourselves. If the British defence guarantee did not exist, Australia alone would find grave difficulty in supporting Malaysia's independence against an aggressive Indonesia and how can the

Australia's position in Vietnam was shaped by significant developments in Indonesia later that year. Throughout 1965, the Sukarno Government started to fracture with divisions emerging between the PKI and the Indonesian Army. On 1 October, a group of soldiers alleged to have ties to the PKI and known as the 30 September Movement kidnapped and executed six generals. In response, Major-General Suharto mobilised the Army Strategic Reserve and Special Forces to crush the movement. Upon assuming control, Suharto disbanded the PKI, purged its members from positions of authority and sought to develop a closer relationship with the West.[142] The Suharto Government abandoned the policy of confrontation and, in 1966, negotiated an end to the conflict with Malaysia. Indonesia was thereafter seen as a much lesser threat to Australian strategic interests although it nonetheless remained at the heart of Australian contingency planning. The end of the Indonesia-Malaysia Confrontation allowed the Menzies Government to focus its efforts on South Vietnam. The focus of Australian foreign policy shifted more heavily towards supporting the United States in Vietnam when Menzies retired and was succeeded by Harold Holt.

The Holt Government had a substantial interest in the unfolding situation in Vietnam. It took a more proactive role in Indochina because it had a less cautious approach to foreign policy than its predecessor. Holt was much more pro-American than Menzies and did not have the same affinity with Britain. This was shaped by personal factors as Holt had a close relationship with Johnson but had significant differences with Wilson. Moreover, Holt did not have to deal with an Indonesian threat to Malaysia or New Guinea as a result of the transition to Suharto. In light of these developments, Holt took the opportunity to use Vietnam to bring the United States closer to Australia. The Holt Government, as with its predecessor, believed that the United States would be more likely to support Australia in contingencies involving Indonesia if it assisted the United States in Vietnam. In basing Australian defence policy on reliance on allies, Holt distanced his government from Menzies' attempts to balance a policy of dependence with greater self-reliance in Australia's immediate region.

Holt's decision to shift Australian defence policy towards greater dependence on the United States was influenced by Britain's accelerating withdrawal from the region. After Konfrontasi, Harold Wilson began to question the long-term viability of Britain's presence in Southeast Asia. On 30 January 1966, Cabinet considered the British Defence Review and concluded that the result could be 'either to allow Chinese domination of the area or to resort to nuclear war against China herself. The Committee saw this issue as 'one of supreme concern for Australia on which the Government's views should be put squarely to the British.''[143] Cabinet noted that 'the vital thing for Australia was to have the United States remain in the area and everything else must be measured against this.'[144] It held that

downward thrust of Communist China be prevented except by the might of the United States coupled with the will and determination of those countries on the periphery of China?' See also: Max Teichmann, *Aspects of Australia's* Defence (Melbourne: Monash University Press, 1966) 35.

[142] Edwards, *A Nation at War*, 63.

[143] 'Cabinet Minute: Without Memorandum – British Defence Review.' Decision No. 33 (FAD) 30 January 1966, NAA: A5839/XM1 VOLUME 1.

[144] Ibid.

a British reduction would 'embarrass and undermine present United States policy' and that 'the response of the United States and the discussion taking place with Mr. Healey as the best hope of influencing the British to remain.'[145] Cabinet thus noted that 'Australia would need to register a willingness to involve herself further in commitments towards the security of the region.'[146] On 1 February, Holt met with the British Defence Secretary, Denis Healey.[147] He advised that Wilson had reservations about Britain's future in the region as the threat from Indonesia subsided.[148] Healey described Britain's position as follows:

> The planned British capability would be a powerful deterrent against a sophisticated enemy. However, Britain would not be able alone to carry on a war against a sophisticated opponent if the deterrent failed. Nor would the forces available permit large-scale prolonged counter insurgency operations. If the countries facing an insurgency were not able to provide the necessary ground forces, Britain should not be expected to provide them. The British people could be persuaded to contribute to allied operations in the 1970s, but not to undertake operations alone in distant parts against an opponent who had sophisticated strength.[149]

In light of this change in circumstances, Healey further argued that Holt consider a British presence in Australia if it withdrew from Malaysia and Singapore.[150] This position was strongly opposed by key figures, especially McEwen. British defence policy was in a state of uncertainty as it wanted to remain a major power but knew that this was unsustainable. The Wilson Government released a Defence White Paper on 22 February that 'projected a substantial and enduring role' for Britain in the Asia-Pacific but soon came under significant economic and domestic political pressure.[151] Australian defence policy had long assumed that Britain would maintain a presence in the Asia-Pacific, and news of its possible withdrawal would necessitate changes to Australia's strategic outlook.

The Holt Government further considered its commitment to Vietnam in view of Britain's uncertain future in Southeast Asia. Cabinet examined whether it could increase Australia's presence in the knowledge that the Johnson Administration looked favourably upon the deployment of allied forces in Vietnam. On 15 February, it agreed that 'it would in principle like to make an offer' of an increased military presence,[152] but made no mention of direct assistance in meetings with Vice-President Humphrey and Harriman at a meeting in Canberra on 19 February,[153] pending further consideration of appropriate force levels because of the need to balance the commitment in Vietnam with contingencies involving Indonesia.[154] Consequently, Cabinet agreed on 2 March, to deploy a two-battalion task force including an RAAF Caribou flight, eight Iroquois helicopters and the AATTV, comprising of 4,500

[145] Ibid.
[146] Ibid.
[147] Ibid.
[148] Ibid. See also: Edwards, *A Nation at War*, 89.
[150] Ibid.
[151] Ibid. See also: Edwards, *A Nation at War*, 90.
[151] Ibid. See also: Edwards, *A Nation at War*, 91.
[152] Ibid.
[153] 'Cabinet Minute: Without Memorandum – Talks with Vice-President Humphrey and Governor Harriman.' Decision No. 25 (FAD), 19 February 1966. NAA A5389/XM1 VOLUME 1.
[154] 'Cabinet Minute: South Vietnam – Possible Australian Military Assistance.' Decision No. 32, 15 February 1966. NAA: A5839/XM1 VOLUME 1.

personnel. Cabinet agreed it would not send additional forces so that it could still 'contribute to a situation suddenly arising in New Guinea.'[155] Despite its focus on Vietnam, Australian defence policy nevertheless considered the potential threat from Indonesia. Cabinet records emphasise that the purpose of the deployment was to foster an ongoing American presence in the region:

> The prime consideration for Australia is the continued commitment of the United States to the defence of Southeast Asia, and thus to play what the United States will recognise as a full part in the defence of South Vietnam.[156]

By this stage, the Holt Government had aligned itself more closely with the United States at the expense of its ties with Britain, and Menzies' investment in greater self-reliance. He took a more pro-American approach than Menzies in telling Johnson that Australia would be 'all the way with LBJ.'[157] Holt differed from Menzies by criticising the Wilson Government for its reluctance to support the United States, stating that Britain needed to deploy a 'limited number' of troops to Vietnam.[158] Wilson, however, pushed back by arguing that Britain was suffering from 'over-stretch, both military and financial' and was unsure of the viability of the base at Singapore.[159] Australia had moved more closely to the United States, and was much less aligned with Britain.[160] Under Holt, Australian defence policy had undergone a seismic shift. It recognised that Australia's strategic environment had changed, and that it could not depend on Britain for military assistance. Instead of investing in greater self-reliance as Menzies had done, however, the Holt Government sought to become more dependent on the United States as the basis for its defence policy.

Australia subsequently increased its commitment to South Vietnam to unparalleled levels to develop a closer relationship with the United States. On 7 December 1966, the Commander of Australian Force Vietnam, Major-General Mackay, requested an additional 940 soldiers to replace losses and provide greater capacity for additional tasking.[161] Holt directed Defence to prepare a report on additional contributions to Vietnam without consulting the Minister for Defence, Allen Fairhall. This demonstrated the extent to which Holt was now directing Australia's Vietnam policy. The Defence Committee reported that the most effective addition would be a third battalion as this would provide capacity for further combat operations. Army opposed this on the basis that it would adversely affect training, equipment and movement.[162] Nevertheless, Cabinet agreed, on 14 December, to deploy 1,700 personnel including an additional battalion, along with a RAAF squadron of eight Canberra bombers,

---

[155] Ibid. See also: Edwards, *A Nation at War*, 94.
[156] Edwards, *A Nation at War*, 94.
[157] Ibid, 113.
[158] Ibid.
[159] Ibid.
[160] Peter Edwards explains that 'the world could see that Holt and Johnson had forged a close personal and political relationship based on their shared approach to Vietnam and Southeast Asia in general, while neither leader had anything like the same rapport with Wilson.' See also: Edwards, *A Nation at War*, 113.
[161] Ibid, 140.
[162] 'Cabinet Minute – Australian Force Contribution to Vietnam.' Decision No. 1, 14 December 1966. NAA: A5840, XM1 VOLUME 1. See also: Edwards, *A Nation at War*, 141.

and HMAS *Hobart*.[163] The Holt Government had significantly increased Australia's presence in Vietnam despite earlier undertakings not to do so, and had thus moved more closely towards the United States at the expense of self-reliance.

Australia's increased commitment to Vietnam coincided with Britain's announcement that it would reduce its regional presence. In March 1967, the Wilson Government announced that it would withdraw in three phases.[164] Within one year, it would withdraw 10,000 personnel, leaving around 40,000 personnel in Southeast Asia by 1971. The remainder would withdraw by the mid-1970s.[165] From April to July, Britain explained its position to its Australian, American and New Zealand allies in a series of diplomatic exchanges. The Holt Government had serious reservations about Britain's withdrawal. Cabinet agreed on 18 April that:

> There should be no assumption that [Britain] is breaking down its earlier assurances about continued adequate military presence in Southeast Asia but that the Prime Minister might nevertheless … mention the concern which would be felt if any drastic revision were in mind.[166]

Two days later, Cabinet:

> noted with concern the proposals which the Foreign Secretary was discussing for a total withdrawal of British forces from Malaysia and Singapore by the mid-1970s. It agreed that the Prime Minister should put in hand the preparation of a personal message to the British Prime Minister to put before him considerations which Australia might regard as vital.[167]

The next day, Holt informed his British counterparts 'that forces off the mainland whether in Australia or stationed in the UK etc are no substitute for forces in situ',[168] in a message endorsed by Cabinet. [169] Subsequent deliberations show that he felt that Britain needed to maintain forces in the region to foster stability.[170] On 2 May, Cabinet acknowledged this as follows:

> Australia, in consultation as appropriate with the United States and New Zealand, and with Malaysia and Singapore, should seek to develop arguments as may lead to the retention of a British presence in Asia not only for its military value but, more important, for the contribution which it can continue to make to the general security and stability of the area.[171]

Cabinet expanded on this theme in its decision later that month that:

a) the central objective of Australian policy is to secure a continuing British commitment to the Malaysian region, the extent of which would be the preparedness of the British Government to maintain an infantry force within the area;

---

[163] See also: 'Cabinet Minute – Australian Force Contribution to Vietnam.' Decision No. 1. 14 December 1966. NAA: A5840 1. Department of External Affairs, 'Outward Cablegram – Bunting to Downer: Vietnam.' 16 December 1966, NAA: A1209, 1965/6299 PART 3. See also: Edwards, *A Nation at War*, 141.

[164] Department of External Affairs, 'Inward Cablegram: British Defence Policy.' 22 April 1967, NAA: A4940, C4626. See also: A Nation at War, 146.

[165] Edwards, *A Nation at War*, 146.

[166] 'Cabinet Minute – Without Memorandum: British Forces in Southeast Asia.' Decision No. 254, 18 April 1967, NAA: A5840 XM1 VOLUME 1.

[167] Ibid.

[168] Department of the Prime Minister and Cabinet, 'Text of Personal Letter from Mr. Holt to Mr. Wilson.' 21 April 1967, NAA: A4940, C4626. See also: Edwards, *A Nation at War*, 147.

[169] 'Cabinet Minute: Without Memorandum – British Defence Policy in Asia.' Decision No. 266 (HOC), 21 April 1967, NAA: A5840 XM1 VOLUME 1.

[170] 'Cabinet Minute: Britain East of Suez.' Decision No. 283, 25 May 1967, NAA: A5842/283.

[171] 'Cabinet Minute: Without Memorandum – Future British Defence Policy in Asia.' Decision No. 293, 2 May 1967, NAA: A5840 XM1 VOLUME 1.

b) the Prime Minister could best initiate his discussions in London by dealing with and seeking to affect the British Government's mind on the long-term position

c) that in dealing with the long-term position, the Prime Minister might [undertake further measures];

and noted

f) that any decision by the British Government to withdraw would have fundamental and far-reaching consequences for Australia's external position as to require the recasting of Australian external policy in fundamental terms.[172]

Clearly, Holt was seeking to shape British thinking with a view to encouraging Wilson to maintain a lasting presence in the region. Australian defence policy had been premised on the assumption that Britain would maintain a presence in Southeast Asia and would assist in higher-level contingencies. The realisation that Australia would be unable to rely on Britain was difficult for Australian officials to comprehend. Edwards argues that 'the prospect of total British military withdrawal from Southeast Asia greatly disconcerted the Holt Government, which regarded it as the removal of one of the principal foundation stones of Australia's defence and foreign polices.'[173] A certainty of Australian defence policy was no longer true, and the Holt Government would attempt to adapt through greater dependence on the United States as the guarantor of its security.

Cabinet met to consider the implications of Australia's position in Southeast Asia in the aftermath of the British withdrawal on 25 August. The Defence Committee reported that 'Australia itself has not and has never had the capacity to independently achieve its strategic objectives.'[174] It forecast a more independent regional posture, stating that 'the British withdrawal raises the question of whether Australia should be prepared in the longer term to maintain a forward defence posture largely independent of Britain and to enter into direct arrangements with Malaysia.'[175] In putting forward this radically different defence policy, it noted that 'the United States strategic intentions, particularly at the conclusion of hostilities in Vietnam, would be crucial and would ultimately determine the fundamental nature of the Australian strategy itself.'[176] Cabinet decided that Australia needed to consult with the United States to determine the extent to which it would support an Australian presence in Malaysia, and that it consider taking greater defence responsibility there with New Zealand.[177] There had been a clear shift in Australia's relationship with its allies, with Prime Minister and Cabinet stating that 'the paper

[172] 'Cabinet Minute: Britain East of Suez.' Decision No. 283. 25 May 1967. NAA: A5842/283. These measures included the following:
(ii) invite Britain to consider the consequences for her world position of withdrawal;
(iv) to make clear that if Britain withdrew, then in effect Britain would be revoking a security arrangement which is integral and complementary to the treaty arrangements developed by the United States for the security of the Western position in Asia;
g) that if the British decide to withdraw, it does not necessarily follow that it would be in Australia's best interests to have the British established in Australia, and any commitment by Australia to make financial contributions towards the establishment of British bases in Australia should not be assumed.
[173] Edwards, *A Nation at War*, 148.
[174] Department of Defence, 'Australian Defence Policy – Implications of United Kingdom Withdrawal From Malaysia and Singapore: Report by the Defence Committee.' NAA: A5842, 441.
[175] Ibid.
[176] Ibid.
[177] 'Cabinet Minute – Submission No. 443 – Australian Defence Policy – Implications of British Withdrawal from Malaysia and Singapore.' 25 August 1967, NAA: A5842, 441.

clearly indicates that our relationship with the United States has become all pervasive.'[178] Australian defence policy had shifted considerably towards dependence on the United States, and its future would depend on the direction of American defence policy in Southeast Asia.

Cabinet met to consider its strategic priorities in Southeast Asia, on 6 September, in light of Britain's planned withdrawal. The meeting sought to reassess the strategic importance of Vietnam, and Australia's ongoing military contribution. Cabinet, at the urging of McEwen, noted that Vietnam was in Australia's primary area of interest and that it should further increase its commitment to strengthen the ANZUS alliance.[179] It approved the deployment of a battalion, a tank squadron, additional helicopters and an engineering capability.[180] Cabinet articulated this view as follows:

> Australia's response, as the principal non-Asian ally, would have special significance in the United States … as a matter of national responsibility, Australia should take the opportunity to strengthen its defence alliance with the United States as and when it can and that a contribution now of a significant new ground force – which meant an extra battalion – would have this effect. Large new commitments in which all allies take part, make their contribution to the termination of the Vietnam War … a response by Australia which did not include substantial ground forces would be unsatisfying to the United States and would not serve our defence policy purposes.[181]

Cabinet subsequently noted in discussions with Prime Minister Holyoake of New Zealand that 'the preservation of America's attitudes it took to be the primary objective for Australia. There would be pressures on the United States in any event to withdraw, which would be the more difficult for the Americans to resist if Australia were itself withdrawing.'[182] Holt articulated this view as follows:

> United States intentions were vitally important. Neither Australia nor New Zealand could afford to stay forward in Southeast Asia unless with full United States support. It was possible to withdraw from the area and move back in force in an emergency. … What we could do between ourselves should be clarified and as conditions permit, we could discuss matters with the United Kingdom, United States, Malaysia and Singapore. This would be on the basis that our disposition was to maintain a presence forward rather than pulling back to home bases.[183]

McEwen, argued for a closer relationship with the United States in the following terms:

> Unlike other hostilities in which Australia and New Zealand had been engaged, our present contributions were to be thought of predominantly in political rather than military terms. Britain would soon be out of Southeast Asia and we would be dependent on the United States for our security. Our attitude should be to bind ourselves to the United States and to induce the United States to accept a security responsibility towards us.[184]

The Holt Government felt it needed to bring Australia closer to the United States as Britain withdrew, and it could do so by increasing its contribution to American-led operations. Consequently,

---

[178] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 443: Australian Defence Policy – Implications of the United States Withdrawal From Malaysia and Singapore.' 25 August 1967, NAA: A5842, 441.
[179] Cabinet Minute 'Decision No. 564(FAD) Without Memorandum – Contribution of Additional Force to Vietnam.' 6 September 1967, NAA: A3838/346, TS696/1 PART 2. See also: Edwards, *A Nation at War*, 153.
[180] 'Cabinet Minute: Without Memorandum – Contribution of Additional Force to Vietnam.' Decision No. 563 (FAD), 6 September 1967, NAA: A5840 XM1 VOLUME 2.
[181] Ibid.
[182] 'Cabinet Minute: Without Memorandum – Visit of New Zealand Prime Minister.' Decision No. 658 (FAD), 28 September 1967, NAA: A5840, VOLUME 3.
[183] Department of the Prime Minister and Cabinet, 'Meeting of Australian Cabinet Committee on Foreign Affairs and Defence with New Zealand Prime Minister, Mr. Keith Holyoake: Summary of Record.' Canberra, 3 October 1967, NAA: A5840, VOLUME 3.
[184] Ibid.

it approved a significant increase in Australia's presence in Vietnam. This consisted of a tank squadron, four additional helicopters, up to 10 Skyhawks, and 125 personnel for other duties.[185] Holt sought to gain political capital from this commitment in subsequent negotiations with the Johnson Administration. Shortly afterwards, Hasluck visited Washington and informed Johnson that Australia had now committed more than 8,000 personnel to Vietnam, and that 'this puts us at the full stretch of our present and planned military capacity.'[186] He asked Johnson to guarantee that the United States would intervene if Australian forces came under attack in Malaysia and Singapore. Johnson responded that 'you are worried about what will happen if you get into trouble. I'll try to help you.'[187] The Holt Government had sought to base Australian defence policy on the assumption that the United States would provide military assistance to Australia if its interests came under threat. Despite its substantial contribution to Vietnam, the Johnson Administration appeared unwilling to provide firm commitments to Australia. By the late 1960s, Australian defence policy had shifted away from investment in greater self-reliance under Menzies towards further dependence on the United States as shown in Table 10:

Table 10: Australian Defence Policy under the Holt Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Holt (Liberal)	Keeping US in Southeast Asia to assist against Indonesia	South Vietnam, Thailand, Malaysia	Close ties to Johnson (US) but difficult relationship with Wilson (UK)	Chinese in Vietnam

Australian defence policy underwent significant change in focus under the Holt Government. The threat posed by Indonesia subsided after the replacement of Sukarno with a pro-western government. Conversely, the situation in Vietnam had deteriorated, and it appeared that the government in Saigon would fall. Perceptions of threat had changed, and so had Australia's view of its allies. Both Menzies and Holt had experienced alliance failure when the Kennedy Administration refused to guarantee assistance to Australia in conflict with Indonesia. The Holt Government saw the deployment of combat forces to Vietnam as an opportunity to reengage America with a view to aiding Australia in such a contingency. This imperative became more important with Britain's withdrawal from Southeast Asia. Holt had inherited a more self-reliant defence force but shifted Australian strategic policy towards greater dependence on the United States because it believed that this was the most effective means of guaranteeing Australia's security in a rapidly changing region. These decisions were an aberration in the move towards self-reliance that had been in process in the preceding decade.

During its term in office, the Menzies-Holt Government was faced with two significant issues that shaped its defence policy. It had to contend with a deterioration in Australia's strategic environment as Indonesia took an increasingly aggressive approach to its neighbours, first Dutch New Guinea and then Malaysia. At the same time, it realised that the United States would not necessarily

[185] Cabinet Minute 'Decision No. 564(FAD) Without Memorandum – Contribution of Additional Force to Vietnam.' 6 September 1967, NAA: A3838/346, TS696/1 PART 2.
[186] Edwards, *A Nation at War*, 155.
[187] Ibid.

assist Australia if its forces came under attack, and that Britain would withdraw from the region. The Menzies-Holt Government by developing a double-sided approach to Australian defence policy. It sought to foster a closer relationship with its traditional allies in the hope that they would assist Australia in contingencies involving Indonesia. To this end, it took a more proactive role in the region by committing forces to Malaysia and then to Vietnam. Nevertheless, the Menzies-Holt Government laid the foundations of a more self-reliant defence policy by investing in capabilities that would allow Australia to better protect its regional interests if its traditional allies were unwilling or unable to do so.

Conclusion

This chapter has demonstrated that the Menzies-Holt Government laid the foundations of greater self-reliance as the conceptual basis for Australian defence policy. Menzies had initially based Australian policy on collective security against the perceived spread of communism in more distant theatres under 'Forward Defence.' From the late 1950s, however, Australia's strategic environment began to change. Indonesia shifted considerably towards the communist bloc and took a more hostile approach to its neighbours. At the same time, Menzies came to the realisation that Australia's allies might not be willing or able to assist if Australian forces came under attack. Menzies responded to this predicament by fostering closer ties with allies and by investing in self-reliance. He sought to bring Britain and the United States closer to Australia by deploying forces to both Malaysia and Vietnam in the hope that Australia's allies would assist in contingencies involving Indonesia. Yet, the Menzies-Holt Government invested in a more self-reliant policy on the realisation that its allies might be unable or unwilling to assist as was the case in Confrontation. Australia had started to become more self-reliant in the mid-1960s and would continue to do so under Holt's successor, John Gorton, as shown in the following chapter.

Chapter Three:

The Gorton-McMahon Government, Regional Engagement and Self-Reliance

(1967-1972)

Introduction

Self-reliance would be further developed in Australian defence policy throughout the 1960s and 1970s under the Gorton-McMahon Government. This chapter demonstrates that the shift towards greater self-reliance in Australian defence planning was driven by Britain's withdrawal, and a realisation that Australian participation in Vietnam alongside the United States would not guarantee support in conflict with Indonesia. This would be reinforced by the announcement of the Guam Doctrine by the Nixon Administration, where it declared that it expected its allies to take greater responsibility for defence. The shift to greater self-reliance at this time was now driven less by perceptions of threat and more by expectations of allies in regional contingencies. Consequently, the Gorton-McMahon Government began to look beyond dependence on Britain and America as the basis for Australian defence policy. It sought to develop a more capable defence force and began to foster closer ties with regional powers. The Gorton-McMahon Government codified these initiatives in public statements, culminating in a greater emphasis on self-reliance in *Defence Review 1972*. In doing so, it laid the foundations for self-reliance in policy that would be further developed by subsequent governments.

A Changing Strategic Environment

The Holt Government was elected in 1966 on the basis of widespread support for Australia's commitment to Vietnam. Australian defence policy was premised on the provision of support to allied coalitions to limit the spread of communism throughout the Asia-Pacific. Menzies argued that 'the takeover of South Vietnam would be a direct military threat to Australia and all the countries of South and Southeast Asia. It must be seen as part of a thrust by Communist China between the Indian and Pacific Oceans.'[1] Deployments to Vietnam initially had broad support in Australian society, as shown in newspaper editorials from the period. The *Sydney Morning Herald*, for instance, argued that it was 'right and indeed inevitable [as] the definitive battle against Chinese communist expansion [was] being fought in Vietnam.'[2] Similarly, the *Australian Financial Review* supported 'an unambiguous expression of Australian solidarity with the United States.'[3] Except for the ALP, and some universities and trade unions, there was little doubt as to the necessity of Australia's commitment in Vietnam, and dependence on the United States, rather than self-reliance, as the basis for Australian defence policy. As the Indonesian threat had subsided, the focus had turned to Chinese expansionism in Indochina, and it was believed that the United States would be more likely to assist Australia in other contingencies if it fought alongside American forces in more distant theatres.

This soon changed as the tide of the war began to shift away from the United States. On 31 January 1968, the People's Army of Vietnam, and the Viet Cong, launched a major offensive throughout

[1] Commonwealth Parliamentary Debates, Ministerial Statement: Vietnam, 29 April 1965 (Robert Menzies). See also: Edwards, *A Nation at War*, 28.
[2] *Sydney Morning Herald*, 30 April 1965. See also: Edwards, *A Nation at War*, 38.
[3] *Australian Financial Review*, 3 May 1965. See also, Edwards, *A Nation at War*, 38.

South Vietnam.[4] The Tet Offensive shattered assumptions that the war would be won easily, and cast doubt on the ability of the United States to adequately defend South Vietnam. The political ramifications of these developments were such that President Johnson announced on 31 March that he would not contest the upcoming presidential election.[5] This gave rise to uncertainty as to America's future role in the region as Johnson was one of the most ardent supporters of American intervention in Southeast Asia. As his electoral prospects faded, a new and more accommodating perspective on foreign policy took hold in the Republican Party. The Gorton Government, which assumed office shortly after Holt's passing, was forced to re-examine Australia's dependence on the United States in favour of greater self-reliance in Australian defence policy. Robert Furlonger, then a senior official with the Joint Intelligence Organisation recalled this as follows:

> The big awakening came with the Tet Offensive in February 1968. Although it was a military failure, it was nonetheless a tremendous political success for the North Vietnamese. It broke Johnson's will. The Tet Offensive and the circumstances that followed led Johnson to decide he wouldn't run again and it led to a gradual change in American policy. It was the great catalyst.[6]

The frontrunner for the Republican nomination, Richard Nixon, took a different approach to America's role in the region. Nixon believed that the United States should take a less active role in Southeast Asia, instead demanding that allies invest more heavily in defence. He articulated this view in an article in *Foreign Affairs* in July 1967, titled 'Asia After Vietnam.' Nixon questioned the basis of American foreign policy in Asia, arguing that 'other nations must recognize that the role of the United States as world policeman is likely to be limited in the future.'[7] This policy held that the United States should seek to move away from Cold War rivalry towards greater accommodation of the USSR and China. Accordingly, Nixon preferred a negotiated settlement in Vietnam rather a military solution as emphasised by his predecessors. He emphasised the need for 'a satisfactory conclusion' in Vietnam, stating that 'however we got into Vietnam, ending the war honourably is essential for the peace of the world.'[8] American foreign policy in Southeast Asia started to shift with profound implications for Australia. The Menzies-Holt Government had based Australian defence policy on the assumption that it needed to deploy alongside allies in more distant theatres to confront emerging risks before they could develop into existential threats. The conceptual basis of this paradigm started to unravel as the United States began to reduce its presence in the region while encouraging its allies to be more self-reliant, and seeking to move beyond ideological rivalry to greater accommodation of other major powers. Australian defence policy was now in uncharted waters and the Gorton Government would move towards greater self-reliance.

---

[4] Ibid, 192.
[5] Ibid, 193.
[6] *Robert Furlonger Interviewed by Stewart Harris, 18 February, 3 December 1992*, National Library of Australia, TRC-2795.
[7] Richard Nixon, 'Asia After Viet Nam.' *Foreign Affairs*, October 1967. NAA: M3383, 85. See also: Edwards, *A Nation at War*, 187.
[8] Ibid.

Australia's strategic position in Southeast Asia would be complicated by developments in British defence policy. The Wilson Government had announced in mid-1967 that it would withdraw its forces from Southeast Asia in several phases throughout the 1970s. This took another turn in January 1968 when it advised the Gorton Government that its withdrawal would occur more quickly than previously announced. Rather than withdrawing throughout the decade, Wilson declared that all British forces would leave by 31 March 1971.[9] Moreover, Britain would no longer maintain an amphibious capability to respond to regional contingencies.[10] Instead, it now expected its regional partners to take responsibility for defence in ways comparable to Nixon's foreign policy platform. Britain's accelerated withdrawal from the region concerned Australian policymakers and necessitated a rethink of its approach to regional security. The Gorton Government subsequently took its concerns with British policy to the Wilson Government on 12 January in discussions with the Commonwealth Secretary, George Thomson. Unsurprisingly, Cabinet unanimously opposed the British withdrawal. Archival records indicate that Gorton, Hasluck and Fairhall all expressed 'anxiety and dismay', while Hasluck criticised Britain for taking what he saw a 'little Europe policy.'[11] Hasluck told Thomson that 'the plain fact is that this occasion is the third since Confrontation where we have to make a new set of assumptions about defence planning and public adjustments on British presentations. This is considerably disruptive.'[12] Australia's ally announced its intention to withdraw and Gorton started to engage more proactively with its regional partners in what would become a core pillar of self-reliance in Australian policy. Hasluck articulated Australia's position to his British colleague as follows:

> What is foremost in Australia's mind is regional security. It is not at present principally a question of Australia's home defence. Australia is not likely to have a direct attack. Our planning is directed to regional security and we have to get Southeast Asian countries to contribute. The attitude of China was such that these small countries needed assistance. There were pressures on the frontiers; threats of war, insurgency, which [could] develop into wider conflicts. This was the Southeast Asian situation. The thing was to give credible assurance to small countries, and this sort of policy does not do that. How can we hope to raise morale unless we plan to make regional assurances a reality? Nor do we want a situation where Asia's security is exclusively supported by American power. As Vietnam indicates, the need is to have others in close cooperation with Asian countries. For this the British presence was needed. Hence there remains the question of how to make Southeast Asian defence cooperation credible.[13]

Gorton was concerned with the threat posed by China to smaller countries in Southeast Asia, and wanted Britain to remain in the region as a counterweight to Chinese power. While it supported the United States, it believed that only Britain had sufficient influence to keep regional states on Australia's side. It is not clear why Gorton took an ambivalent attitude towards the United States but his concerns about Indonesia are understandable given Konfrontasi. It may be due to Hasluck's inability

[9] 'Cabinet Minute – Implications for Australia of the British Defence Decisions – January 1968.' Decision No. 12 (FAD), 25 January 1968, NAA: A1946/26 1968/186.
[10] Ibid. See also: Edwards, *A Nation at War*, 194.
[11] Prime Minister's Department. 'Summary of Record of Discussions with the Commonwealth Secretary.' NAA: A1209, 1969/7186. See also: Edwards, *A Nation at War*, 195.
[12] Ibid.
[13] Ibid.

to gain interest from Dean Rusk, [14] and Robert McNamara,[15] in American involvement in the preceding months. This meeting is significant as it shows the extent to which Australia's priorities had shifted since the Menzies era in regard to both perceptions of threat and allies.[16]

Gorton engaged his British counterparts to better understand their position in Southeast Asia. He met with the Defence Secretary, Denis Healey to find common ground. Healy urged Australia to take greater responsibility for defence in the aftermath of Britain's withdrawal. He argued that Australia and New Zealand needed to maintain forces in Malaysia and Singapore 'for an indefinite period until the situation in the area settled down.' He argued that they 'could help to maintain confidence', would also 'prevent it developing into something more serious' and that 'an Australian and New Zealand presence would make it much more likely that Britain would send forces back into the area in an emergency.' [17] Gorton pushed for a British guarantee of assistance in serious contingencies. He argued that 'if Australia and New Zealand had forces in Malaysia and Singapore, they could get involved in a situation beyond their capacity to control and unless they could count on help from outside, their involvement would only make things worse.' Healey, however, 'was categorical that the present British Government would give no commitment in advance.'[18] Moreover, Healey argued that 'the British would be more likely to deploy forces in Southeast Asia after 1971 if they assessed that they could make an effective contribution without embarking on a major long-term involvement.'[19] He conceded that 'the commitment of 100,000 ground troops over an extended period as in the Malayan Emergency, would not be 'on' in the future … [instead] the British would be more ready to provide sophisticated air and sea forces to help defend Malaysia and Singapore.'[20] This meant that Britain was unlikely to assist its allies in Southeast Asia in the future, and Australia had to assume greater responsibility for regional defence through a more self-reliant defence policy.

In light of these changes to Australia's security outlook, the Gorton Government began to reassess its interests. Cabinet met in late January 1968 and concluded that its core interests had not yet changed but could shift soon. Its core interests were 'stability in Southeast Asia, continued American

[14] Department of External Affairs, 'From Hasluck: Malaysia/Singapore.' 9 October 1967, NAA: A1838, 346, TS696 PART 2.
[15] Ibid.
[16] The record of conversation from the Prime Minister's Department further articulates Gorton's position in the following terms: '[Gorton] stressed the complete unanimity of the Australian Ministers' position. He said that Australia regarded Southeast Asia as posing the same kind of problems as the Balkan States in Europe, in that small states had the capacity to create incidents which could spread readily into wider conflagrations. He thought the savings being made in this area through these decisions was marginal and he found it difficult to see why such a sensitive area where a comparatively small force could prevent so much occurring, should be selected as so much the target for the economy. He had no confidence in the effective outcome of a policy based on a capacity merely to meet UN obligations. As it applied to this area, did it mean on the Sarawak/Indonesian border? His dismay was great.' See also: Prime Minister's Department. 'Summary of Record of Discussions with the Commonwealth Secretary.' NAA: A1209, 1969/7186.
[17] Department of External Affairs, 'Summary Record of Discussions During a working Lunch Given by the Secretary of Defence at Admiralty House, London, on 13 January 1969.' NAA: A1209, 1969/7186.
[18] Ibid.
[19] Ibid.
[20] Ibid.

support, and maintenance of the Australian-American alliance' as had been the case since Menzies.[21] It articulated the role of Australia's alliance commitments as follows:

> The Committee regarded the American alliance as being of crucial importance and agreed that Australia's policies should be such as will command respect from the United States and have the effect of cementing our ties with the Americans. Thus, it was felt that while the force which Australia could provide in Malaysia and Singapore might not by themselves be credible in military terms, they would be symbolic and it was this that would count with the Americans.[22]

Cabinet acknowledged that the situation was now complicated by Britain's planned withdrawal and Johnson's decision not to seek re-election. Australia's strategic outlook was now unclear and Cabinet noted that its principal concern was 'to discover what US policy towards Southeast Asia will be after Vietnam.'[23] Cabinet acknowledged that significant changes in American policy towards Southeast Asia could lead to 'a major reassessment of our own position.'[24] It concluded that 'Australia needed to keep her policies flexible and … to keep her options open.'[25] By early 1968, Australia's strategic environment had changed significantly as its allies sought to reduce their presence in the region. Gorton had realised that the status quo was untenable, and that the conceptual basis for Australian defence policy would have to shift away from dependence on its allies towards greater self-reliance. The Defence Committee canvassed options for Australia in the development of a new *Strategic Basis* paper, including withdrawal from Southeast Asia, but would encourage the Gorton Government to remain engaged in the region to maintain its status and influence.[26] Cabinet concluded that it did 'not reject future military involvement in Asia' but that 'Australia would regard Malaya and Singapore as its area of primary concern.'[27] The Gorton Government started to adapt to the changing order in Asia by focusing on its northern approaches with a greater degree of self-reliance.

Shortly afterwards, Gorton began to take a different approach to Vietnam. In contrast to Menzies and Holt, Gorton was apprehensive about the initial deployment to Vietnam and subsequent increases to the Australian commitment. In office, Gorton began to assert this view more strongly. On 2 February 1968, he announced that Australia would not increase its commitment beyond 8,000 personnel and that this was a 'permanent statement.'[28] Cabinet conducted its own assessment of the situation, to balance the need to foster the ANZUS alliance with other arguments against an increased Australian presence. The interventionist approach to Southeast Asia that had prevailed under both Menzies and Holt was increasingly questioned under Gorton. This was due to a change in domestic

[21] 'Cabinet Submission – Australia's Role in Asian Security.' Decision No. 12 (FAD), 25 January 1968. NAA: A1946/26 1968/186. See also: Edwards, *A Nation at War*, 195.
[22] Ibid.
[23] Ibid.
[24] Edwards, *A Nation at War*, 195.
[25] Ibid, 196.
[26] Department of Defence. 'Strategic Basis of Australian Defence Policy 1968.' 6 August 1968. NAA: A1946/26 1968/184.
[27] 'Cabinet Minute: Strategic Basis of Australian Defence Policy 1968.' Decision No. 762. 19 November 1968. NAA: A1946/26 1968/1873.
[28] Edwards, *A Nation at War*, 196.

political leadership and a deteriorating environment in Vietnam. America's political landscape was changing in an election year, and its approach to Vietnam also underwent significant change.

The Guam Doctrine and Self-Reliance

In November 1968, Richard Nixon was elected as President of the United States and soon began to implement a radically different policy towards Southeast Asia. Upon election, Nixon began to implement the less interventionist approach to Vietnam that he had foreshadowed. On 25 July 1969, he addressed journalists in Guam and expanded on his views towards alliance commitments in the Asia-Pacific. Nixon stated that 'as far as our role in concerned, we must avoid the kind of policy that will make countries so dependent upon us that we are dragged into conflicts such as Vietnam.' Nixon was then asked about American obligations under its existing treaty commitments. He replied that 'as far as the problems of military defence, except for the threat of a major power involving nuclear weapons, the United States is going to encourage and has a right to expect that this problem will be handled by, and responsibility for it taken by, the Asian nations themselves.' As mentioned earlier, the Guam Doctrine, was a watershed in the development of Australian defence policy. The United States declared that it expected its allies to be more self-reliant, and Gorton would begin to recalibrate policy accordingly.

The Gorton Government was concerned about a reduction in the American presence in Southeast Asia, and sought clarification on this issue from its counterparts in Washington. On 5 August 1968, the Australian Ambassador, Keith Waller, wrote to the head of the State Department Policy Planning Council, Malcolm Rosecrance, to implore the United States to remain. Waller said that it was inaccurate to characterise the United States as a 'policeman' and that its policies in regard to Southeast Asia needed to continue because they were 'more pragmatic and sophisticated.'[29] He advised Rosecrance that the Gorton Government assumed that 'it will remain a fundamental feature of American policy that a balance of power has to be maintained in Asia; and, to this end, that military containment of China must continue.'[30] He acknowledged that the environment in Southeast Asia was changing rapidly in stating that 'what is different from the Dulles era is the growing belief … that non-communist Asia has developed to the point that it can eventually provide the main counterweight to China, with American power supporting it, but in the background.'[31] Waller also described Australia as:

> Having a primary role in helping bring about an effective regional defence community in Southeast Asia. The United States expects us to retain, and even perhaps to expand, our military presence on the ground where this will help advance the objectives outlined above. They will expect us to shape our defence expenditure in accordance with these objectives.[32]

Waller's letter marks the first acknowledgement by a senior official that Australia would need to develop a more self-reliant defence policy. The response from Rosecrance to Waller gives an insight into America's expectations of Australia in the late 1960s as the Guam Doctrine was being

[29] Letter – Waller to Rosecrance. 5 August 1968, NAA: A1838, 250/9/1/3 PART 2.
[30] Ibid.
[31] Ibid.
[32] Ibid.

developed. Rosecrance noted that the United States would maintain a 'symbolic presence in Southeast Asia' but that it was 'important that Australia should do everything it could to maintain its military presence in Southeast Asia.'[33] He argued that a more significant Australian contribution to regional security would give it greater credibility in Washington. He stated that 'if having established our aims in defence planning, we found we were unable to realise them, given the present state of our resources, we should not hesitate to ask the United States for any assistance we might require in order to be able to bridge the gap.'[34] Waller stated that 'any request for assistance would meet with a very sympathetic response in Washington.' He, however, caveated this statement in noting that assistance could not be guaranteed. This exchange was significant as it gave the Gorton Government a better understanding of Nixon's expectations, namely that greater self-reliance was a precondition for American military assistance. The following extract from a cable from the Australian Embassy to the Secretary of External Affairs, James Plimsoll, gives further insight into American expectations under the Guam Doctrine:

> Rosecrance admitted that United States willingness to help Australia was dependant on the extent to which Australia was prepared to stretch herself, and it was difficult to decide what was a realistic effort on Australia's part, given the nature of her development problems and ignorance of these in various places in the United States. The view of a relatively uninformed congressman would differ from that of an informed official. Australia's military effort had to bear some comparison to the effort being made in the United States. He felt that an army of 100,000 was desirable and that defence expenditure should be about 6-7% of GNP.[35]

In light of growing uncertainty as to what the Guam Doctrine meant, the Nixon Administration moved to reassure its allies of its commitment to the region. Senior official, Marshall Green, gave a policy paper to diplomatic representatives in Washington outlining its position in the Asia-Pacific. Waller cabled Gorton, and the Ministers for Defence and External Affairs to pass on Green's advice. He reported that Green advised that 'the US is a Pacific power and will remain so' and that 'the US has continuing and binding commitments with SEATO and ANZUS.'[36] Green advised that China remained America's primary adversary in the region, and that 'Peking will remain hostile to the United States and will exclude US influence from Asia and China.'[37] It noted, however, that China was less of a military threat now that it focused its efforts on rhetoric and propaganda. The report clarified that the Guam Doctrine was a response to public opinion, not the strategic environment. It held that 'while US interests remain essentially the same and our commitments are immutable, the American mood is changing.' The report explained the rationale behind the Guam Doctrine as follows:

> Americans feel that they are carrying a disproportionate share of the burden for military security in areas which, while important to the US, are nevertheless distant. They are asking more frequently what other countries are doing to help themselves and each other. This mood is intensified by concern over our deepening problems at home. The capacity of our

[33] Ibid.
[34] Department of External Affairs, 'United States-Australia Relations.' 6 August 1968, NAA: A1838, 250/9/1/3 PART 2.
[35] Ibid.
[36] Department of External Affairs, 'Inward Cablegram: US Policy in East Asia.' 9 October 1969, NAA: A5882, CO818.
[37] Ibid.

> administration to assist to the degree we regard necessary will depend on the extent to which countries of the area maximize self-help measures in cooperation with their neighbours.[38]

The Nixon Administration now expected its allies to be less dependent on American power in the development of defence policy. It was in this context that Australia's alliance commitments became a bitterly divisive issue in the lead-up to the election of October 1969. Gorton publicly supported Australia's existing commitment to Vietnam despite increasing public opposition towards the conflict. He argued that to do otherwise 'would be to abandon an objective, to betray our allies, and to imperil our future security.'[39] Despite his personal reservations about the conflict and advice from the bureaucracy, he maintained the policy platform of his predecessors to placate conservative factions and minor parties, including the Democratic Labor Party, on whose preferences he depended. By contrast, the ALP, under Gough Whitlam, promised a unilateral withdrawal by June 1970. He further argued that conscription be abolished whereas Gorton supported its retention. The Gorton Government retained office, but the ALP gained a 7.1 percent swing. In contrast to 1966, public opinion had shifted away from the Vietnam War and Gorton would reassess Australian defence policy as a result, in favour of greater self-reliance and away from deployment in distant theatres with allies.

Nixon, in line with the Guam Doctrine, had embarked on a process that it termed 'Vietnamisation', whereby it would gradually withdraw while investing in the South Vietnamese military so that it would be better able to defend itself. On 9 December 1969, Cabinet agreed that Gorton would write to Nixon for an acknowledgement of the need to withdraw Australian troops concurrently with American forces.[40] On 13 December, Gorton sent a message to Nixon asking for insights into 'your long-term thinking' so Australia could coordinate its actions with the United States 'rather than be decided by us at short notice in response to specific announcements on your part.'[41] Nixon responded stating that he was willing to begin 'meaningful discussions' but did not give the substantive insights sought. Then, on 16 December, Gorton issued a press statement which held that 'when the military situation in Vietnam permits the next substantial withdrawal … some Australian units will be included in the numbers scheduled for such withdrawal.' Gorton was exasperated by the situation in Vietnam, and Nixon's reluctance to engage in bilateral consultations on a gradual withdrawal. Gorton started to extricate Australia from Vietnam, and engaged with Nixon to form a more coherent defence policy that reflected the changing environment in Southeast Asia. The era of 'Forward Defence' was beginning to draw to an end, and Gorton would soon consider the development of a new, more self-reliant, defence policy based on greater cooperation with regional powers.

The Gorton Government engaged with its American counterparts to discuss the implications of the Guam Doctrine when Vice President Spiro Agnew visited Canberra in January 1970. The First Assistant Secretary in Prime Minister and Cabinet, Peter Bailey, advised Gorton to question Agnew

[38] Department of External Affairs, 'Inward Cablegram: US Policy in East Asia.' 9 October 1969, NAA: A5882, CO818.
[39] Edwards, *A Nation at War*, 233.
[40] 'Cabinet Minute – Withdrawal from Vietnam.' Decision No. 30. 9 December 1969. NAA: A5873/1. See also: A Nation at War, 239.
[41] Edwards, *A Nation at War*, 239.

about America's commitments to Australia. Bailey felt that the Guam Doctrine was too vague, and that the United States needed to clarify the circumstances in which it would assist Australia. Despite the change in government in Jakarta, the bureaucracy was concerned by the potential for conflict with Indonesia. This can be seen in a memorandum by Bailey dated 12 January:

> Laos is one critical question. Malaysia is even more critical. On a strict reading of the Guam Doctrine, we could find our troops under heavy pressure without any chance of aid from the United States. The ANZUS Treaty would not apply, except by extension, and the whole tenor of American policy seems to be to confine rather than extend its treaty obligations in Asia.
>
> Also, what of New Guinea?
>
> A further 'grey area' is the consequences of communist subversion. Will insurgency in the future attract American support? Does the Guam Doctrine only apply to hostilities from without, leaving counter-insurgency situations to be dealt with as previously? Or does that mean that these situations are excluded from American assistance?[42]

Gorton subsequently articulated his concerns to Agnew in the following terms:

> The Government wished to know more about the Guam Doctrine and its implications. But it was perhaps not so clear what attitude the United States would take if a particular country were to be subject to aggression beyond its capacity. It was clear that under the Guam Doctrine, there would be no automatic involvement of the United States in such a situation, but it was not clear whether the doctrine would provide for United States intervention in certain circumstances.

Agnew's response to Gorton on the Guam Doctrine was as follows:

> In the first place, the United States will stand by its treaty commitments. It will continue with SEATO. It will stand equally steadfastly by ANZUS, which is a more far-reaching and definitive treaty. However, the United States has refused to be drawn out on the ways in which effect may be given to its commitments and this has perhaps given rise to some confusion as to its intentions. The fact is that the honouring of treaty commitments is, a matter of integrity.
>
> Secondly, the United States continues to see itself as a Pacific power and will act accordingly. Within its contribution to the defence of the area, it will provide a nuclear umbrella and stand ready to respond to any nuclear attack on its friends.
>
> It will not become involved in situations of insurgency beyond the supply of materiel and will not be contributing combat troops. But it will assist the defence as well as the economic capacity of the countries of the region so that they may be better equipped to deal with any insurgency situations, and it will assist those countries which make the greater effort to secure themselves.[43]

Gorton concurred with Agnew's views but had reservations about the applicability of the Guam Doctrine to lower-level contingencies involving insurgency and subversion:

> The Prime Minister said that the Vice President's ideas generally concurred with those of the Australian Government. Referring to commitments which Australia had undertaken in Malaysia and Singapore, he said that the United States and Britain would need to look at the problem which would arise if a stage was reached where Australia and the countries of the region by themselves could not deal with the subversion.[44]

---

[42] Department of the Prime Minister and Cabinet, 'The Guam Doctrine.' 12 January 1970, NAA: A5882, CO818. Bailey also asked about the extent to which nuclear weapons were a factor in the Guam Doctrine: 'There is the question whether the promise of a shield in the event of a threat by a nuclear power is, by the Guam Doctrine, to be taken to apply in the event of conventional aggression by a non-nuclear power. A critical example for us is New Guinea: if it is not caught within the ANZUS shield, it might well be excluded from protection by say Indonesia because Indonesia is not a nuclear power.'

[43] 'Cabinet Minute: Without Submission – Discussions with Mr. Spiro T. Agnew, Vice President of the United States.' Decision No. 64. 14 January 1970. NAA: A5873/1.

[44] Ibid.

Australian policymakers were concerned by the prospect of conflict with Indonesia in either Malaysia or New Guinea after the experiences of 1960s. This view, however, was not universally shared throughout the bureaucracy. External Affairs had offered a more sanguine assessment of Indonesia's relationship with New Guinea. In a subsequent meeting of the ANZUS Council, the Acting Secretary of External Affairs, Mick Shann advised that the Indonesian threat had diminished since the fall of Sukarno but observed that ethnic tensions could nevertheless lead to conflict.[45] Despite this more optimistic view, Gorton drew on Bailey's advice to express concern that the Guam Doctrine could be interpreted as implying that the United States would withdraw from the region. Agnew refuted this view in stating that the United States would not withdraw, and that the Nixon Administration understood the value of its alliances. Other ministers also noted it was unclear whether the United States would assist in conflict short of nuclear war. Agnew was asked whether the United States would provide military assistance to Australia if Indonesia intervened in New Guinea. Agnew, however, refused to make a firm commitment, noting that 'he could understand Australia's desire to get precise reactions but he could not say more than that a response would be determined at the particular time.'[46] Gorton was concerned that the United States would not assist Australia in credible regional contingencies, and these concerns were amplified by Agnew's vague responses. The Gorton Government had doubts about America's resolve in contingencies involving Indonesia, and this encouraged it to develop a more self-reliant defence policy.

The Gorton Government thus sought advice from External Affairs on the implications of the Guam Doctrine for Australia. In February 1970, the Australian Embassy in Washington cabled Canberra to provide an assessment of Nixon's strategic priorities. It advised that Nixon had different priorities to his predecessors, with Europe and the Western Hemisphere taking precedence over Asia and Africa.[47] The Embassy assessed that Nixon would carefully choose the location of future deployments because 'the Nixon Doctrine … rejects the assumption that the United States can commit itself to intervention anywhere in the world. Instead the emphasis is on US national interests.'[48] This

[45] Shann advised that: 'Australia did not have anything like the problems it had had some time ago. There had been visits to PNG by the Indonesian military commander in West Irian and by Australian officials to West Irian. There was a clear intent to deal with problems as sensibly as possible. There would continue to be some movement across the border, but it would be handled in a sophisticated way. The border was not yet clearly marked. The PNG administration had had occasional problems with people who had crossed the border and claimed that they should not be sent back because they would suffer for their political activities in West Irian. Such cases could lead to trouble later.' He further advised that: 'The main threat was internal, coming from law and order problems, secessionist movements, and the richer areas wanting to keep their wealth to themselves. But this had not always been the only potential threat. In the days of Sukarno's Indonesia, we had been afraid that Indonesia might make trouble. We worried about the problems which might arise out of the fact that PNG was developing at a faster rate than Indonesia could afford in West Irian – this might cause problems if PNG acted as a magnet for West Irianese. Under the present Indonesian regime, which we did not see disappearing, serious problems would not arise. After independence, if problems did arise, the United Nations would take an interest and this interest would probably not be favourable to Indonesia. Some United Nations members were not happy with aspects of the Indonesian acquisition of West Irian.' See also: Department of Foreign Affairs, 'Report of the Third Meeting of ANZUS Officials, Canberra, 1-2 March 1971. NAA: A1838, 936/30/2 PART 1.

[46] Edwards, *A Nation at War*, 242.

[47] Department of External Affairs, 'Inward Savingram: Nixon Report on Foreign Policy: An Assessment.' 24 February 1970. NAA: A1838, 250/9/1/3 PART 2.

[48] Ibid.

meant that 'Southeast Asia is not vital to the American interest.'[49] Rather, the 'principal US foreign policy objectives are the pursuit of détente with the USSR, the reaching on an understanding with China and the development of a partner relationship with Japan.'[50] It noted that 'the new doctrine heralds a very different security situation in that area' and that 'Australia does not secure a mention.'[51] America's strategic priorities had changed significantly under the Nixon Administration, and the Gorton Government started to realise it needed to develop a more self-reliant defence policy to compensate for a reduced American military presence in Southeast Asia. The assumption that Australia could invariably depend on the United States for assistance, and that it had to fight abroad in distant theatres was starting to fade. It became increasingly apparent to the Gorton Government that Australia needed to adopt a different approach, with a view to taking greater responsibility for its defence in Southeast Asia.

Gorton thus reached out to the Nixon Administration to better understand the Guam Doctrine. In April 1970, the Minister for the Army and the new Secretary of Defence, Arthur Tange, met with Secretary of State, Henry Kissinger, in Washington. Fraser asked Kissinger how Southeast Asia aligned with the Guam Doctrine as the Gorton Government had received little guidance from the Nixon Administration on its implications for Australia. Kissinger said that the United States 'had discarded the intrusive way of the fifties; and the 'apocalyptic way of the sixties.'[52] Instead, the Guam Doctrine was 'the President's way of keeping the United States involved in Southeast Asia.'[53] It appears that Fraser was not convinced by Kissinger's explanation, stating that 'it was very important for people in the countries concerned to have confidence in that same resolve.'[54] Gorton had reservations about the direction of American foreign policy, particularly in its resolve to stay in Southeast Asia. Yet, despite being advised by the bureaucracy to chart a more independent approach to defence policy, some of Gorton's ministers struggled to come to terms with the geopolitical changes that were unfolding in Australia's region. Fraser's meeting with Kissinger did not appear to allay these concerns, and Gorton went on to consider a different approach in subsequent months.

In early 1971, the Australian Embassy in Washington, gave another detailed assessment of American foreign policy to Canberra. This cable examined the implications of the Guam Doctrine for Australian defence policy in much more detail than earlier correspondence on the same topic. The Embassy advised that '[the Nixon Administration] would prefer the Australian Government to formulate its own strategic interests (Australian and regional) and seek US cooperation.'[55] It thus advised that 'it may be to our advantage to examine Australia's existing security commitments with the aim of isolating those which Australian Governments have entered into in the past on the assumption

[49] Ibid.
[50] Ibid.
[51] Ibid.
[52] Department of External Affairs, 'Record of Conversation: Henry Kissinger, John Holdridge, Malcolm Fraser, Arthur Tange, J.E Ryan.' 7 April 1970, NAA: A1838, 250/9/1/3 PART 2.
[53] Ibid.
[54] Ibid.
[55] Department of Foreign Affairs, 'Inward Savingram: President's State of the World Message – An Assessment General.' 15 March 1971, NAA: A1838, 250/9/1/3 PART 2.

that they fitted into our American ally's global strategy, but which may not meet the criteria described above.'[56] This was ground-breaking advice as it marked the first time that the diplomatic establishment encouraged the Australian Government to establish a more autonomous defence policy based on greater self-reliance. In a decade, it had shifted from supporting the deployment of Australian forces in coalitions in distant theatres to suggesting that Australia develop a more self-reliant policy focused on its region. This was due to changing perceptions of threat and allies. There was now substantial support within the Departments of Foreign Affairs, and Prime Minister and Cabinet for a reconsideration of the conceptual basis that underpinned Australian defence policy in favour of greater self-reliance.

Fortress Australia and Nuclear Capability

This call for strategic reorientation aligned with Gorton's personal views, which he began to express publicly in a major address to the Imperial Services Club. Gorton was sceptical of alliance commitments and would put his views on record in light of evolving public sentiment and departmental advice. Gorton represented a new generation of parliamentarians who had fought in the Second World War, and had experienced the failure of an alliance at Singapore, which perhaps explains why his views differed significantly from those of Menzies and Holt. He said that public debate on Australian defence policy was caught between 'support for forward defence' and 'a condemnation of some slogan called Fortress Australia.' He argued that the latter had been misunderstood as isolationist. In Gorton's view, it enabled the deployment of Australian forces abroad, and needed to be embraced more fully as a conceptual replacement to 'Forward Defence.' Gorton argued that:

> It is not a concept of isolationism. Such a concept would badly serve the future defence of Australia. It is the realisation that any operations outside Australia require that Australia itself should be a secure base, firmly defended, from which operations can be mounted and sustained.
>
> No military commander would embark on a campaign unless he had such a base and knew he was able to hold that base against attack. The Australian continent is the only firm and enduring base on which we can rely.
>
> Should we not regard the provision of strong defence for that base, for Australia, as the primary – but by no means the only – task for our defence? I think we should.[57]

Gorton's speech was a turning point as it was the first time that an Australian Prime Minister argued for a more self-reliant policy centred upon the defence of Australia. His vision was for Australia to be highly autonomous of its allies, in contrast to the policies of his predecessors. The speech also set out the basic principles for a force structure that would underpin Gorton's approach. He argued that the Army needed to remain of at least its present size, with a Navy that could interdict coastal traffic, and an Air Force that could intercept hostile aircraft and 'strike deep and hard into enemy territory.'[58] These ideas were embryonic but represented an important step in putting forward a concept of greater self-reliance, and force structure priorities that could implement it. Gorton acknowledged these were his

[56] Department of Foreign Affairs, 'Inward Savingram: President's State of the World Message – An Assessment General.' 15 March 1971, NAA: A1838, 250/9/1/3 PART 2.
[57] 'Speech by the Minister for Defence, The Right Honourable J.G Gorton, at the Annual Dinner of the Imperial Services Club, Sydney, 18 June 1971, Gorton Papers, MS 7984 NLA.
[58] Ibid.

personal views and were not necessarily reflective of government policy. Nevertheless, his views mirrored those of parts of the defence establishment and would resemble deliberations on self-reliance in the 1980s.

At around the same time, Gorton began to consider the possibility of developing the foundations of an Australian nuclear capability to enhance its deterrence posture. Substantive discussions on the acquisition of nuclear weapons in response to increasing geopolitical instability in Southeast Asia began with a report from the Defence Committee to the Acting Minister for Defence, Alan Hume, in December 1965. The report canvassed a range of options from relying on the nuclear arsenals of allied powers to multilateral agreements for the prohibition of nuclear weapons in Indian Ocean and the development of an Australian nuclear capability.[59] Hume sought advice from senior ministerial colleagues, and Hasluck advised Hume that he supported a re-examination of nuclear weapons policy, and that External Affairs would assist with analysis of the geopolitical and financial implications of acquiring a nuclear arsenal.[60] There were, however, dissenting views at the highest levels of the bureaucracy. Peter Bailey, First Assistant Secretary in the Prime Minister's Department advised against going forward on the basis that Australian lacked the expertise to develop a nuclear capability in the short term and instead recommended relying on an allied nuclear umbrella.[61] Yet, Alan Griffith advised in favour as follows:

> Australia has little interest in acquiring a national potential for strategic purposes. The race in this field is too large in expenditure and in delivery systems. We will have in the F-111 a nuclear weapon carrier. The only circumstances in which Australia would be interested in a nuclear capacity would be for its own self-defence against invasion. As far into the future as we can see, invasion of the mainland can only be by ship-borne forces. The geography of Australia lends itself uniquely to the use of a nuclear weapon in self-defence. Drop an atom bomb on Europe and you will take away millions of lives; drop an atom bomb in the Coral Sea and the only side effect will be a bit of radioactive debris. There is no other way of guaranteeing an Australian capacity to defend itself on its own resources. The large question for us is should we abandon the certain, effective, inexpensive way of ensuring our own self-defence?[62]

In May 1967, Prime Minister Holt accepted this argument and directed an assessment of Australian nuclear capability.[63] The following month, the Secretary of Foreign Affairs, James Plimsoll, wrote to Hasluck to advise that Defence had commenced a study that the External Affairs would contribute to its geopolitical assessments, the Joint Planning Committee would lead on strategic aspects, and that the Australian Atomic Energy Commission and Department of Supply would consider technological aspects.[64] External Affairs had doubts about the viability of a domestic nuclear deterrent

[59] Letter – Alan Hume to R.G Menzies, 'Nuclear Weapons Policy.' 31 December 1965. NAA: A1209, 1965/6470.
[60] Letter – Paul Hasluck to Alan Hume, 20 January 1966. NAA: A1909, 1965/6470.
[61] Prime Minster's Department, 'Nuclear Weapons Policy.' 17 August 1966, NAA: A1209, 1965/6470.
[62] Prime Minister's Department, 'Nuclear Weapons Policy.' 16 May 1967, NAA: A1209, 1965/6470.
[63] Letter – Harold Holt to Allen Fairhall, 4 May 1967, NAA: A1838, TS680/10 PART 2.
[64] Letter - James Plimsoll to Paul Hasluck, 21 June 1967, NAA: A1838, TS680/10 PART 2.

or reliance upon a nuclear umbrella, arguing instead for the ratification of the Nuclear Non-Proliferation Treaty.[65] On 6 July, the Defence Committee advised the following:

> Having regard to the present strategic circumstances and our treaty arrangements in which our most powerful allies have a nuclear capability, there is no current requirement for an Australian nuclear capability. Nevertheless … Australian forces should have as far as possible a potential capability to operate with nuclear weapons and in the face of nuclear opposition.[66]

In coming to this judgement, the Defence Committee analysed a range of geopolitical factors. The push for a nuclear deterrent was driven by the realisation that 'by the time of the final British withdrawal in the mid-70s, China [will have] a nuclear capacity sufficient to threaten the Australian and American mainlands.[67] It balanced this, however, with the realisation that the United States would likely remain a significant counterweight to any potential Chinese threat. The Defence Committee drew on recent discussions between Hasluck and Walt Rostow, Special Assistant to the President of the United States, in which the US advised that 'if there was a non-proliferation treaty, the United States nuclear commitment would harden' and 'there would be a much tighter degree of cohesion.'[68] Moreover, it assessed that Australia did not have the industrial capacity to achieve a first strike capability. Nor could it achieve a second-strike capability as it could not survive a nuclear strike due to its small population largely concentrated in six major centres. As a result, it advised that a nuclear capability could not be justified at the time.

The Defence Committee revisited the issue in early 1968 amid discussions on the non-proliferation treaty.[69] Whether or not Australia required a nuclear deterrent depended, in its view, on the contingencies it could face, including the nature of the potential threat and the role of its traditional allies. It built on previous assessments to note that nuclear weapons were not required for regional contingencies involving Indonesia and that the United States would likely assist in more significant contingencies involving China.[70] The United States was expected to be involved in contingencies involving a nuclear exchange between major powers, and it followed that Australia should align with the United States in these scenarios and not develop its own nuclear deterrent. On the contrary, the development of a nuclear deterrent had the potential to undermine its alliance obligations:

> Australia's strategy has been developed around a strong ANZUS Treaty and the United States has consistently endorsed the word and the spirit of the treaty and has indicated a thorough understanding of Australia's dependence on her protectionist role. If anything, Australia's policy has been to strive to strengthen the United States bonds of responsibility under the ANZUS Treaty. The development of an independent Australian nuclear capability would

[65] Department of External Affairs, 'Nuclear Weapons and Non-Proliferation Policy.' 16 August 1967, NAA: A1838, TS680/10 PART 2.
[66] Defence Committee, 'Acquisition by Australia of a Nuclear Capability – Strategic Considerations.' Minute No. 48/1967, Annex P. 25. NAA: A1838, TS680/10 PART 2.
[67] Ibid.
[68] Ibid.
[69] Defence Committee, 'An Independent Australian Nuclear Capability – Strategic Considerations.' Report No 8/1968, NAA: A1838, TS680/10 PART 2.
[70] Ibid.

> weaken these bonds because of the strong United States opposition to proliferation and desire for centralised control of nuclear weapons.[71]

Bill Pritchett, the Head of the Defence Liaison Branch, summarised the paper to the Secretary of External Affairs as follows:

> The paper argues that there is no requirement for an Australian nuclear capacity while America remains committed to the deterrence of China. But even were the United States not so committed, Australia could not independently develop a credible nuclear deterrent against China because of our inability to achieve a second strike capacity and the extreme vulnerability of our cities. It is unrealistic to conceive of Australia facing alone and isolated a threat of aggression. Even if we assume others are indifferent to our demise, they will not be indifferent to our conqueror's aggrandizement. So it is reasonable to assume that threats will develop in the face of a system of checks and balances that will offer prospects of containing the threat.[72]

The Australian Atomic Energy Commission argued in favour of a nuclear sector in contrast to Defence and External Affairs on the basis that it would take up to 10 years to develop such a capability and could not, therefore, delay:

> Increasing national efforts and resources should be mobilised to permit Australia within the terms of the Treaty to acquire a nuclear reactor for peaceful purposes such as the establishment of a nuclear power program. Apart from the economic benefits to be derived, the development of a national nuclear power program would put us on the road to being able to manufacture nuclear weapons at relatively short notice. A policy of this type would provide some measure of insurance against a breakdown in the Non-Proliferation Treaty.[73]

On 8 August 1969, Gorton acted on this advice and established an interdepartmental committee to establish a nuclear reactor either in Canberra or Jervis Bay.[74] One month later, on 8 September, Cabinet approved the construction of a nuclear power station in consultation with the New South Wales Government.[75] While Cabinet considered a range of options, the US Ambassador, Walter Rice, wrote to McMahon, the Minister for External Affairs, advising him against Gorton's plan to pursue nuclear infrastructure while the British High Commission advised compliance with International Atomic Energy Agency safeguards. Rice advised as follows:

> You will want to know that late last year, I had sent a more technical memorandum to senior Australian officials. I am certain you will agree with my expressed opinion that Australian acceptance of a long-term economic penalty to achieve doubtful "independence" from US uranium enrichment would appear unwarranted and inconsistent in view of strong US/Australian economic, social and military relationships which are directed toward the preservation of Australian independence.[76]

By early 1970, Cabinet was divided on the need for nuclear power and enrichment infrastructure. Gorton was pushing for a nuclear industry with support from the AAEC but others such as McMahon were opposed and were supported by Defence, External Affairs and traditional allies. On

---

[71] Ibid.
[72] Department of External Affairs, 'Defence Committee Consideration of Australian Nuclear Weapons Policy.' 14 February 1968, NAA: A1838, TS680/10 PART 2.
[73] Atomic Energy Commission, 'Nuclear Policy.' NAA: A1838, TS680/10 PART 3.
[74] Department of Defence, 'Joint Staff Directive: Development of Nuclear Power.' 8 August 1969, NAA: A1838, TS680/10 PART 2.
[75] 'Cabinet Decision No. 1257 – The Establishment of a Wholly Commonwealth-Owned Nuclear Power Station.' 8 September 1969, NAA: M3787, 10.
[76] Letter – Walter Rice to William McMahon, 19 February 1970, NAA: M3787, 10.

27 January 1970, Cabinet agreed on Jervis Bay as the site for a reactor and concluded an agreement with the New South Wales Electricity Commission.[77] Then, on 18 August, it endorsed a short list of tenders,[78] while excluding the application from IAEA regulations with which it did not agree.[79] There was growing concern within the government about the proposal, and the Federal Director of the Liberal Party, B.G Hartcher, wrote to Gorton on 15 September to raise concerns about the nuclear power station.[80] Then, on 17 November, the US Ambassador, Rice, wrote to Gorton recommending that he consider an American light water reactor and that the US Government could provide enriched uranium in lieu of the Commonwealth developing its own enrichment capability.[81] The proposed reactor had moved ahead but was facing significant opposition.

Cabinet grew increasingly divided into two camps. On the one hand, Gorton pushed heavily for a more self-reliant posture grounded in the defence of continental Australia, and including the potential for a nuclear deterrent. Yet, other such as McMahon preferred a greater focus on 'Forward Defence.' These divisions, combined with disagreements on Gorton's leadership style, led to Gorton's removal as Prime Minister later in the year. McMahon, who was sceptical of the nuclear proposal, decided to defer consideration of the tenders in June 1971,[82] and then June 1972,[83] after which it was not raised again in Cabinet. Gorton's view of self-reliance is summarised in the Table 11:

Table 11: Australian Defence Policy Under the Gorton Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Gorton (Liberal)	Defending Australia from invasion Establishing nuclear infrastructure	Australian Continent	**US:** Distrusted Nixon due to the Guam Doctrine and Vietnam **UK:** Difficulties with Wilson due to accelerated British withdrawal	Uncertainty as to Indonesian and Chinese intentions

Gorton took a continental view of self-reliance in which Australia's military forces would be structured to defeat an invasion. This view was almost certainly driven by changes in perceptions of Australia's allies. Gorton had a difficult relationship with the Wilson Government because of its announcement of an accelerated British withdrawal from Asia. In addition, he had been advised by the bureaucracy, now under the leadership of Tange and Shann, to adopt a more self-reliant posture in light of the Guam Doctrine. Gorton made significant progress in developing a more self-reliant defence policy, but his views were not shared by his colleagues and these differences would soon become

[77] 'Submission by the Minister for National Development on the Nuclear Power Station at Jervis Bay.' March 1971, NAA: M3787, 10.
[78] 'Cabinet Submission No. 489 – Nuclear Power Reactor at Jervis Bay: Review of Tenders.' 18 August 1970, NAA: M3787, 10.
[79] 'Cabinet Submission No. 597 – Safeguards and the Nuclear Power Station at Jervis Bay.' 18 August 1970, NAA: M377, 10.
[80] Letter – B.G Hartcher to J.G Gorton, 15 September 1970, NAA: M3787, 10.
[81] Letter – Walter Rice to J.G Gorton, 17 November 1970, NAA: M3797, 10.
[82] 'Cabinet Decision No. 195 – Nuclear Power Station at Jervis Bay.' 8 June 1971, NAA: M3797, 10.
[83] 'Cabinet Decision No. 1028 (AD HOC) – Nuclear Power Station at Jervis Bay.' 15 June 1972, NAA: A5908, 668.

evident in subsequent Cabinet discussions. Indeed, it was partly due to internal disagreements on defence policy that Gorton was replaced as Prime Minister by William McMahon in March 1971.

The McMahon Government considered a new *Strategic Basis* paper in May 1971 which had been developed under Gorton and reflected his vision. Although no longer Prime Minister, Gorton remained influential as Minister for Defence. In accordance with his public statements, the paper argued that Australia needed to be more flexible and less dependent on its allies. Gorton's strategic priorities can be seen in his decision to highlight a sentence that read 'more emphasis than hitherto should be given to the continuing fundamental obligation of continental defence.'[84] Gorton believed that Australia was stronger and wealthier than in the past, and that its defence policy needed to reflect these changes in its circumstances. He went on to argue this view before Cabinet on 8 June where he said that:

> The report points to the need for our foreign and defence policies to develop a more independent character consonant with our growth in wealth and strength, and accordingly to achieve the increased flexibility which is demanded if our strategic interests are to be protected and advanced in the more fluid strategic environment of the 1970s.[85]

Gorton's statement marked a clear repudiation of 'Forward Defence', in favour of greater self-reliance in the defence of Australia. Gorton's colleagues, however, did not support this approach, preferring the status quo in Australian defence policy. Cabinet records note that the ministry had 'a strong feeling that the orientation of Australia's defence policies should be sustained much as it is at present.'[86] Cabinet preferred to maintain its support for the United States as the guarantor of Australia's security rather than shifting towards greater self-reliance. Consequently, Cabinet only noted the paper, and did not take it further as the basis for subsequent decisions. Minutes from the Cabinet meeting record ministerial objections to Gorton's emphasis on continental defence as follows:

> There was a clear view in Cabinet against exaggerated emphasis on continental defence and the Cabinet indicated that it did not accept the concept of 'Fortress Australia.' On the contrary, it reflected a strong feeling that to do so would seem to be a sudden switch in policy when the Cabinet's wish was that policy should remain very much as it is – that is to say that Australia participating in forward defence where she can and maintaining an overseas presence.
>
> Referring to the concept of 'forward defence', Cabinet reflected a view that Australia should sustain a forward defence element for as long as she can and 'not be prepared to depart from a wish and a will to have defence as far away from Australia as possible.'
>
> Consistent with this position, Cabinet did not accept an emphasis suggesting that the one test in the acquisition of arms or capacity should be whether such would contribute to the defence of continental Australia.[87]

This Cabinet meeting was important because it showed that there were disagreements within the McMahon Government on how Australia should adapt to changes in its strategic

[84] Stephan Fruehling, *A History of Australian Strategic Policy Since 1945.* See also: Edwards, *A Nation at War*, 302.
[85] Department of the Prime Minister and Cabinet, 'For Cabinet: The Strategic Basis of Australian Defence Policy 1971.' NAA: A5882, CO1191.
[86] Department of the Prime Minister and Cabinet, 'Draft Decision: Strategic Basis of Australian Defence Policy 1971.' 9 June 1971. NAA: A5882, CO1191.
[87] Department of the Prime Minister and Cabinet, 'Notes: Strategic Basis of Australian Defence Policy 1971.' 8 June 1971, NAA: A5882, CO1191.

environment. Gorton believed that Australia needed to develop a more self-reliant policy based on the continental defence of Australia. Yet, figures such as McMahon were of the view that Australia needed to reinforce the status quo by continuing to depend on allies. Records from Foreign Affairs provide an insight into why McMahon was apprehensive about the move towards greater self-reliance. In a meeting with Shann, McMahon said that he had reservations about the *Strategic Basis* paper because he felt that it had too much input from civilians in Foreign Affairs, and not enough from the military. Shann, however, argued that this was necessary because greater input from Defence 'would probably produce an assessment of a much greater threat to Australia than we thought existed because of the anxiety of the Chiefs of Staff to justify their ideas about increases in the forces at their disposal.'[88] Shann advised the Minister for Foreign Affairs, Les Bury, that 'the particular worry of the Prime Minister related to his feeling that the Strategic Basis document implied the idea of a Fortress Australia devoted to continental defence along Israeli lines.'[89] Nevertheless, Foreign Affairs understood that Australian strategic policy was undergoing significant change and that Defence was also grappling with these developments. This demonstrated that the bureaucracy was increasingly uncertain as to extent to which the United States was prepared to assist Australia in the event of conflict in its immediate region. A note attached to the paper from senior official in Foreign Affairs, Peter Henderson, stated that:

> My impression from the attached paper is that Defence is putting us on notice that it now believes there is a greater degree of uncertainty about American support for Australia than is assumed in the Strategic Basis paper, and that, to obtain American support, Australia may have to accept heavier military obligations than thought previously.
>
> The Defence paper also emphasises the fact that [American policy] is by no means clear on the manner in which independent or regional responsibilities should be encouraged to develop, and provides no real assistance on a major difficultly for Australian policy – the uncertainty whether adequate US military aid will be given in all the circumstances that Australia might need it.
>
> In short, I wonder whether, when Cabinet takes the Strategic Basis paper, the Minister for Defence might not argue that in certain important respects it has been overtaken by developments in American policy. It also seems possible that he might press for early action to 'discuss partnership' with the US.[90]

During these deliberations, the bureaucracy was attempting to steer Cabinet towards a middle ground between 'Fortress Australia' and 'Forward Defence.' Neither was a realistic option for Australia because it could not afford to be totally independent but nor could it justify the forward deployment of forces without a clear threat and a guarantee of allied support. Key advisers suggested that Australia needed to develop closer ties with regional partners to ensure its security. The Secretary of Prime Minister and Cabinet, John Bunting, argued that closer ties with Malaysia, Singapore, Indonesia, and Papua New Guinea 'are the surest means of protecting Australia from any kind of land-based invasion.'[91] Similarly, Foreign Affairs also argued for a greater role for Australia in providing

[88] Department of Foreign Affairs, 'Letter – K.C.O Shann to Minister for Foreign Affairs.' 7 June 1971, NAA: A1838 677/3 PART 20.
[89] Ibid.
[90] Department of Foreign Affairs, 'Briefing Note: Peter Henderson.' 2 June 1971, A 1838, 677/3 PART 21.
[91] Department of Foreign Affairs, 'Cabinet Submission: The Strategic Basis of Australian Defence Policy 1971.' 24 May 1971, NAA: A1838/346.

training assistance to regional states.[92] Peter Bailey from Prime Minister and Cabinet supported this proposition, stating that 'a vacuum ought not to be allowed to develop – hence the continued need for military presence.'[93] There was consensus that Australia needed to be more proactive in its region, on a more self-reliant basis, to shape its environment in a way that would be favourable to its interests and reflective of its size as a regional power. Bailey articulated this view as follows:

> As a middle power, Australia can do more in the way of quiet, but steady – and steadying – influence than is open to the big powers. With the prospect of a decade without major big power confrontation, or at any rate with big power stalemate, Australia should be taking all the opportunities she can to contribute to the development of the region.
>
> The kind of programme you sketched out – of some ground and other forces on site; of military and other aid; and of training – makes sense within a concept of commitment by Australia to the region. It fits with United Nations concepts of regional association and would give Australia leadership of what are, after all, its border areas.[94]

The bureaucracy realised that Australia's environment was undergoing significant change, and that the McMahon Government could enhance its security through greater regional engagement. It had started to put forward a more self-reliant solution to the geopolitical vacuum identified by the Gorton Government. This became more important as Britain began to withdraw from Asia. In 1970, the Wilson Government decided that it would terminate the Anglo-Malayan Defence Agreement, along with its unconditional commitment to defend both Malaysia and Singapore.[95] In its place, Britain reached out to Australia and New Zealand for a Five Power Joint Declaration, which required the parties to 'consult together for the purpose of deciding what measures should be taken jointly or separately in relation to the threat.'[96] Gorton thus told Lord Carrington, the Defence Secretary, that it preferred the AMDA to continue at a meeting in Canberra.[97] Carrington advised that this was not possible because Britain had other priorities in Europe and the Persian Gulf, and that it would maintain a more modest presence in the Asia-Pacific.[98] Carrington advised that Britain would no longer have a dominant role but would have the same political commitment as the other signatories.[99] Nevertheless, Foreign Affairs advised that, 'it would be preferable to a complete cessation of British commitment.'[100] It was, however, concerned that the definition of 'armed attack' could be interpreted narrowly, and suggested that Britain be asked to publicly guarantee that it would defend Malaysia and Singapore against subversion and counterinsurgency. The experiences of Confrontation had not been forgotten and the bureaucracy sought to guard against disputes as to the interpretation of defence treaties. McMahon clearly wanted

---

[92] Ibid.
[93] Department of the Prime Minister and Cabinet, 'The Prime Minister: Strategic Basis of Australian Defence Policy 1971.' 7 June 1971, NAA: A5882, CO1191.
[94] Ibid.
[95] Department of External Affairs, 'Anglo-Malaysian Defence Agreement: British Proposal For Replacement By Five Power Declaration.' NAA: A5869, 316.
[96] Ibid.
[97] 'Cabinet Minute: Without Submission – Visit of the British Secretary of State for Defence, The Rt. Hon. Lord Carrington.' 31 July 1970. NAA: A5873/1 VOLUME 2.
[98] Ibid.
[99] Ibid.
[100] Department of External Affairs, 'Anglo-Malaysian Defence Agreement: British Proposal For Replacement By Five Power Declaration.' NAA: A5869, 316.

Britain to remain in Southeast Asia, with a guarantee that it would provide assistance in contingencies not amounting to full scale conflict. McMahon, unlike Gorton, was hesitant to embrace self-reliance and preferred to rely on allies as the basis for Australian defence policy but was nevertheless being pushed towards increased self-reliance by institutional and strategic factors beyond his control.

The Five Powers met in April 1971 to clarify the nature of their defence relationship in the aftermath of Britain's withdrawal. They agreed to establish the Five Power Defence Arrangements, which provided a weaker framework for collective security than the AMDA. The FPDA instead required the parties to consult in the event of an armed attack, or threat of attack against Malaysia or Singapore. It established a combined force, under the leadership of an Australian commander, consisting of one battalion from each country, a naval component including surface ships and an Australian submarine, and an air component including RAAF Mirages and British reconnaissance aircraft. These forces would be guided by the ANZUK Chiefs of Staff Committee, and its geographical scope was broad. The FPDA expressly included 'the defence of Australia, New Zealand and the adjacent Pacific and Indian Ocean areas' and 'the stability and security of Southeast Asia as a whole' within its remit.[101] McMahon understood that Australia's region was changing with the withdrawal of traditional allies, and that it would need to seek security in new regional associations. Although it sought to keep Britain invested in the region, it laid the foundations for a more assertive posture in the Asia-Pacific that included elements of self-reliance grounded in regional engagement.

Despite these shifts towards greater self-reliance, the McMahon Government was unable to fully distance itself from 'Forward Defence' because Australian defence policy was still based on antiquated perceptions of threat. By the early 1970s, most of Australia's allies had accepted former adversaries including China as members of the international community, yet McMahon viewed them as the overriding threat to Australia's national security. The extent to which Australian policy was out of step with conventional thinking was evident in its divergence from American diplomacy in the Asia-Pacific. Senior American officials, including Kissinger, started to engage with China but this did not appear to affect Australian policy. Indeed, Malcolm Fraser dismissed these developments in stating that 'visits to Peking alone do not alter the facts of world politics.'[102] Thus, McMahon continued to support 'Forward Defence' by maintaining close ties with Taiwan and continuing to support SEATO. The McMahon Government was unable to move on from this paradigm and thus struggled to embrace the need for greater self-reliance against credible regional threats. The substantive development of self-reliance was hampered by a lack of political will to adapt to a changing strategic environment despite widespread bureaucratic and military support for a new defence policy.

[101] Department of Defence, 'Paper for Defence Committee: Review of Five Power and ANZUK Arrangements.' 4 June 1972, NAA: 7942, F59.
[102] 'A Warning on China Dialogue.' *The Age*, 21 July 1971.

Defence Review 1972

While the McMahon Government was committed to 'Forward Defence', it announced a review of Australia's defence to provide a path ahead in a rapidly changing region. The review was driven by a recognition within the bureaucracy and the military that Australia could not necessarily rely on its allies to the extent that it once had. Senior public servants deliberated closely on how the review would articulate Australia's relationship with its allies. The idea of self-reliance was heavily promoted by the Secretary of Defence, Arthur Tange. Records from the period show that Tange wrote to the Secretary of External Territories, D.O Hay, to suggest that the review needed to state that Australia would be more self-reliant in its territorial defence and its regional engagement. Tange's advice broadly concurred with that of both Bailey and Shann from the previous year. He wrote that:

> We cannot rationally seek relief from burdens by retreating militarily from concern about the security of other countries in this external environment. Australia must make itself capable militarily of protecting its interests predominantly with its own forces, in the expectation of aid from traditional allies only if and when the burden exceeded our capacities. We can no longer expect any major ally to carry the major burden in any but the most extreme situation. Continuous and effective military self-help is in the tradition of Australian self-reliance. We have, moreover, pledged it to our allies.[103]

Tange articulated the intellectual rationale behind the push for self-reliance in Australian defence policy. He effectively dismissed Gorton's vision of 'Fortress Australia' as unrealistic, and McMahon's support for 'Forward Defence' as anachronistic. He argued that Australia needed to invest in self-reliance to protect its core strategic interests in its immediate region, and defend itself against credible regional threats against which it could not always rely on support from its allies. The implicit threat to which Australia might need to respond, in Tange's view, was the prospect of Indonesian intervention in New Guinea rather than larger scale contingencies involving major powers. Hay was supportive of the general thrust of the review but had reservations about its analysis of Australia's relationship with New Guinea. The extent to which Australia was responsible for the defence of New Guinea was always a contentious issue which had eluded a conclusive answer. This was now more topical because of tensions with Indonesia, and the prospect of independence. Hay was particularly concerned by an early draft of the paper which appeared to commit Australia to the defence of New Guinea in a range of contingencies, including internal conflict. He was concerned about the following paragraph, and wrote to the Minister for External Territories, Andrew Peacock:

> The Government's view is that this and future Governments must be provided with the means to act militarily in support of the Papua New Guinea Government if the need should arise, if our help should be sought, and if we should wish to respond.[104]

Hay had reservations about this paragraph because it appeared to commit Australia to military intervention in New Guinea in all contingencies, including those in which Australia might not want to be involved. Hay was concerned that Australia could be drawn into internal disturbances, or a conflict started by New Guinea with Indonesia due to indiscretion on its part. Defence understood his

[103] Department of Defence, 'Letter – A.H Tange to D.O Hay.' 28 February 1972, NAA: A452, 1972/837.
[104] Department of External Territories, 'Letter D.O Hay to A Peacock.' 2 March 1972, NAA: A452, 1972/837.

concerns and redrafted the paragraph in less categorical terms. Rather than committing Australia to the defence of New Guinea in all circumstances, it implied that Australia would only provide military assistance to New Guinea if it were directly attacked by a foreign state. Moreover, it deemphasised this aspect of the bilateral relationship by focusing primarily on defence cooperation in terms of training and capability development. The paragraph now read as follows:

> Australia will also need to sustain the ability of its forces to assist in the external defence of Papua New Guinea … the Government of Papua New Guinea would not be able from its own resources to sustain significant naval and air and other specialised capabilities.[105]

The *Defence Review* was tabled in Parliament in March 1972 and foreshadowed a significant change in Australian defence policy. At the heart of the paper was a realisation that Australia needed to focus more heavily on its immediate region and needed to be able to defend its territory and northern approaches from external intervention without dependence on its allies in light of the Guam Doctrine and Britain's withdrawal from Southeast Asia. These sentiments were expressed as follows:

> Australia requires military means to offset physical threats to its territory and to its maritime and other rights and interests in peacetime, and should there ever be an actual attack, to respond suitably and effectively, preferably in association with others, but, if needs be, alone.[106]

This is significant as it was the first time that the Australian Government publicly proposed a policy of greater self-reliance. The McMahon Government suggested that Australia's defence policy would no longer be grounded in dependence on allies but the defence of Australia through its military capabilities. It further articulated the requirement for greater self-reliance in following terms:

> [There is an] underlying requirement that we be capable of vigorous action unaided, to defend our interests and our territory. It would follow that Australia should not allow its expectation of external support for its defence against potentially overwhelming challenges to overshadow its obligation to assume, within its resources, the primary responsibility for its conventional defence and to accept an even greater share – if not indeed the entire burden – in circumstances of lesser challenge. The independence of our foreign relations is involved in this.[107]

The *Defence Review* articulated a need for greater self-reliance in Australian defence policy in the clearest terms to date. It charted an alternative path to both 'Forward Defence' as espoused by Menzies and Holt, and 'Fortress Australia' as proposed by Gorton. It was neither totally reliant on traditional allies nor entirely independent of them. Rather, it justified self-reliance on the basis that it would protect Australia's core interests in its immediate region and foster allied support in more serious contingencies. The *Defence Review* argued that Australia's alliance obligations required it to take a more self-reliant approach to defence. It held that 'ANZUS does not express merely an American obligation towards Australia and New Zealand. It is a treaty of collective security in which obligations are mutual.'[108] The *Defence Review* argued that 'the article is a commitment by each to develop defence capacity through its own effort – by self-help. It specifically enjoins Australia to undertake on its own

[105] Department of Defence, *Defence Review 1972* (Canberra: Australian Government Publishing Service, 1972), Paragraph 24.
[106] Ibid, Paragraph 6.
[107] Ibid, Paragraph 22.
[108] Ibid, Paragraph 24.

behalf an independent national defence effort commensurate with its interests and resources.'[109] The review was the culmination of Australian strategic thinking which recognised that Australia needed to be more self-reliant. Those involved in the drafting process had participated in many of the key turning points of the 1950s and 1960s. They understood that Australia could not always rely on its allies in less significant contingencies, and would be more likely to receive assistance if it demonstrated the ability to defend itself as best it could within its budget and capabilities. By 1972, self-reliance had undergone significant change under the McMahon Government as shown in Table 12:

Table 12: Australian Defence Policy Under the McMahon Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
McMahon (Liberal)	Defending Australia and PNG from Indonesian invasion	Australia and PNG	**US:** Uncertain about Guam Doctrine **UK:** Concerned about British withdrawal	Indonesian intervention in PNG

The final year of the McMahon Government saw significant conceptual development in Australian defence policy. Self-reliance started to be discussed in public policy for the first time. This was largely driven by the bureaucracy and received little support from the McMahon Government at the political level. This concept of self-reliance focused on the defence of Australia and its external territories from Indonesian interference. Archival records indicate that this shift in thinking was influenced by changing perceptions of allies in the region. Britain had largely withdrawn from Asia, and the Nixon Administration had announced that it expected its allies to take greater responsibility for their defence against conventional threats. The bureaucracy understood that it could no longer rely solely on allies for Australian defence and would thus need to invest in greater self-reliance.

Conclusion

This chapter has demonstrated that the Gorton-McMahon Government laid the conceptual foundations for a shift to greater self-reliance in Australian defence policy. Gorton inherited a policy based on dependence on the United States for Australia's security. Its predecessors assumed that Australia needed to support the United States in Vietnam to attract military support in contingencies involving Indonesia. The Gorton Government, however, began to question this paradigm as the Vietnam War began to shift away from the United States following the Tet Offensive. Its doubts about allies were reinforced by the Guam Doctrine and Britain's withdrawal. In response, Gorton pushed for an emphasis on 'Fortress Australia.' The bureaucracy encouraged greater self-reliance, and put this forward in *Defence Review 1972*. This was a turning point as it marked the first time that self-reliance had been publicly endorsed and, although it was not official policy, it set the conceptual groundwork for the development of self-reliance by the Whitlam Government, as shown in the following chapter.

[109] Ibid, Paragraph 25.

Chapter Four:

The Whitlam Government and the Development of Greater Self-Reliance

(1972-1975)

Introduction

The election of the Whitlam Government in 1972 marked a definitive shift in the conceptual basis of Australian defence policy from dependence on allies and towards greater self-reliance. Whitlam was elected on a reformist platform, which emphasised greater independence in foreign policy, and less reliance on allies. The Whitlam Government shifted Australian defence policy towards greater accommodation of its neighbours, while taking a more prominent role in the region as British and American influence declined. Whitlam modernised Australia's military forces and further developed self-reliance. He brought Australia out of 'Forward Defence' and laid the foundations for the formal enunciation of self-reliance in declaratory policy by subsequent governments. Whitlam's reforms, however, substantially increased the cost of defence, and left a financial burden that would interrupt the development of Australian defence policy for years to come.

A New Vision for Australian Strategic Policy

Shortly after election, the Minister for Defence, Lance Barnard, gave a series of speeches which forecast a major shift in Australian defence policy. Robert O'Neill, the then head of the SDSC recalls that Barnard played a significant role in the development of self-reliance. He notes that 'It was not until Barnard became Defence Minister that you had any serious attention given to self-reliance at the political level.'[1] Ross Babbage recalls that upon election, Barnard met with Tange to ask for 'the plans for the Defence of Australia' but that 'they hadn't done any serious work since the Second World War, and Barnard was outraged', resulting in subsequent studies.[2] Barnard's policy adviser, Derek Woolner recalls that:

> Lance wasn't a person to formulate these things in policy terms. But, as an ex-AIF person, he had experience of what had happened in World War Two and that sort of feeling of being out on a limb in 1942 and the sudden actions the government had to take to adjust to the position where we were under attack. It changed people's awareness: it was the first time where a war took place close to where we were rather than something we went overseas to fight.[3]

In retirement, Barnard recalled that:

> The government and Defence Department attitude was that it was preferable in a time of crisis to have our forces stationed overseas. There had been little thought given to the defence of Australia. No section in the Department had determined what our attitude would be where the question of the defence of Australia had to be considered. There had been no studies in this way at all. We could no longer accept a situation in which the bulk of Australian forces were stationed outside our territory and we would need to look at the question of Australian defence.[4]

This began on 15 March 1973, in a National Press Club address, in which he announced a review of the Defence organisation. Barnard argued that a conscript force deployed overseas was no

[1] Interview with Robert O'Neill, 8 July 2019.
[2] Interview with Ross Babbage, 14 August 2019.
[3] Interview with Derek Woolner, 27 March 2020.
[4] *Lance Barnard Interviewed by Ron Hurst and Brenda McAvoy, 23 July 1983 and 1 April 1987,* National Library of Australia, TRC-4900/53.

longer appropriate. Consequently, he announced that salaries would be increased as 'members of the forces must serve under financial terms and conditions of service no less favourable than those available in the community generally.' Barnard further announced a review of the Defence bureaucracy, and a study of the future size and shape of the Army as it lacked a clear purpose in the post-Vietnam era. He announced a 'new and definitive examination of where our defence bases should be deployed in this country' considering 'locations which are militarily necessary for the defence of Australia, the protection of its interests and the satisfaction of its external commitments.'[5]

Barnard gave another speech to the First Tuesday Group, a foreign policy body, outlining his view of Australia's environment and its priorities. He remarked that Australia's region had changed significantly and that the Whitlam Government sought to develop a new approach to foreign policy based on conciliation, rather than confrontation, with Australia's northern neighbours. He explained that 'we are entering … a period of history in which we have new opportunities for creating bonds of cooperation and trust between nations. Old fears have receded, and the tensions that arose from the unstable division of the world into two great blocs have almost vanished.'[6] Barnard did not believe in preparing for conflict against ideological opponents in coalition with allies as the basis for Australian defence policy but preferred a different approach as follows:

> The small and medium sized countries are finding it possible to develop new common interests with countries that were previously out of bounds, and in this situation of multipolarity, there is opportunity for greater stability, rather than lapsing into the old Cold War postures of blind confrontation between the two great armed camps.[7]

Barnard's speech marked a repudiation of the ideas that had underpinned Australian defence policy since the 1950s. The Whitlam Government did not see the Asia-Pacific in terms of Cold War rivalry but sought to engage with regional powers on a more pragmatic basis. Barnard emphasised the importance of multilateral cooperation, stating that 'the force of the United Nations resolutions must not be underestimated. Nor the effects of the good offices that the United Nations provides in creating a meeting ground, conducting enquiries, and engaging in mediation.'[8] Barnard's influence cannot be understated. O'Neill recalls that 'the most significant actor here was Barnard as he did a lot of preparation for the subject to become much more rethinkable at senior service levels.' He noted that the Whitlam Government struggled to move beyond the conceptual stage:

> They tended to be immensely enthusiastic about self-reliance as an idea. They couldn't see any other way to go but once you've got through that flush of agreement or approval, there was no follow up. You didn't have suggestions as to where you would get another percent of GDP.[9]

These ideas can be seen in the work of Whitlam's Principal Private Secretary, Peter Wilenski, who was the intellectual driving force behind many of his reformist policies. Wilenski's papers give an

[5] 'Speech by the Hon. L.H Barnard M.P Deputy Prime Minister and Minister for Defence at the National Press Club', 15 March 1973, NAA: A4087, D106/1/3 PART 1.
[6] 'Speech by the Hon Lance Barnard to the First Tuesday Group', 3 April 1973, NAA: A5931 A5931/1 LL1030.
[7] Ibid.
[8] Ibid.
[9] Interview with Robert O'Neill, 8 July 2019.

insight into his attitude towards the ANZUS Treaty. He supported ANZUS as an insurance policy but sought a more independent course within it. Wilenski wrote that 'we have been foolish to regard ANZUS as Holy Writ with a readily determined and timeless meaning. It would be equally foolish to do the same with the Nixon Doctrine.'[10] He understood, as did Barwick and Hasluck, that the ANZUS Treaty was a document whose meaning would depend on the circumstances of the time. Wilenski further questioned its utility, arguing that 'given the existing mood of congress, we cannot by any means be certain that defence aid will continue even at its present level.'[11] He was sceptical that the United States would assist Australia in all contingencies given it was reducing its regional presence. The logical conclusion of this, in Wilenski's view, was that 'local self-reliance will be more than a hope.'[12] Doubts about the reliability of the United States drove the development of self-reliance under Whitlam but it nevertheless understood the importance of ANZUS. Wilenski articulated the need for both greater self-reliance and a closer relationship with the United States in the following terms:

> Does all this mean that ANZUS is wholly useless? I think not, for three main reasons:
>
> a) Although we cannot be certain what the US will do for us if the crunch comes, neither can the enemy. And he is likely to be more uncertain if there is a 'scrap of paper' than if there is none;
> b) What will matter if the crunch comes is US congressional and public opinion. ANZUS would provide us with something to point to – something to shame the US into acting. And it would provide the US Administration with a ready-made justification for acting if it wished to do so – as even the Manila Treaty did in relation to Vietnam; and
> c) We have some reasons to hope that … some of the political and strategic importance which the Americans saw Australia as having for them in 1951 will survive into the time of future threat or attack.[13]

Australia's priorities had changed significantly under Whitlam. His government supported a more self-reliant posture, based on regional cooperation rather than ideological rivalry, but nevertheless supported ANZUS. Barnard directed the Defence Committee to develop a new *Strategic Basis* paper that reflected this conceptual shift. Foreign Affairs also delivered a report to the Minister titled *Australian Foreign Policy: New Perspectives* which clarified this new approach:

> Whereas the previous government conceived of the maintenance of Australia's security through forward defence measures and security alliances, the present government has decided, for ideological and strategic reasons, to set store rather by non-military measures, such as economic assistance and supporting neutralization proposals. Underlying the present government's approach is the notion that Australia's long-term defence interests would best be served by accepting the political realities of our region and by a determined effort to remove from it causes for tension and conflict which could directly or indirectly affect Australia's security.
>
> This is the fundamental change in Australia's defence posture introduced by the government. It assumes that social and political change in Asia will occur and is indeed desirable – and that Australia should not involve itself when the contest for power leads to violence. The government's policies are directed towards encouraging the militarily and economically

[10] Peter Wilenski, 'Australian-US Relations: Political and Military.' 2 September 1971. NAA: M3383,1/85.
[11] Ibid.
[12] Ibid.
[13] Ibid.

> dominant powers to draw back from the area – apart from providing economic assistance – in order to let social and political conflicts work themselves out in truly national solutions.[14]

Foreign Affairs provided further analysis of the need for greater self-reliance in Australian defence policy by grounding it in the Guam Doctrine:

> The Australian Government has no difficulty with the substance of the Nixon Doctrine … both the American and the Australian Governments have concluded that their objectives would best be served by matching their commitments to resources and national will rather than giving priority just to formal commitments. [This] coincides with an awakening of greater national self-interest and independence in Australia.[15]

Australian foreign policy underwent a seismic shift in the early months of the Whitlam Government, and it made these changes clear to its allies. On 24 April 1973, Whitlam travelled to London for discussions with the Foreign Secretary, Alec Douglas-Home, and Defence Secretary, Peter Carrington.[16] They were troubled by these developments and told Whitlam that Australia was moving in 'the direction of non-alignment.'[17] Whitlam remarked that 'Australia was certainly aligned. It was a member of ANZUS' but would be more independent within its alliances in response to a changing strategic environment. Whitlam further told them that 'many of the regional arrangements were due for a change [and that] SEATO [was] no longer really relevant or wholesome.'[18] By contrast, he emphasised that 'we also attached particular importance to Indonesia, which was not only our closest neighbour, but also the heart and soul of ASEAN.'[19] Whitlam favoured emerging regional forums and gave his counterparts a dismissive analysis of traditional institutions, stating that his government should 'emphasise the SEATO aspect as little as possible. It was moribund and an aftermath of the Dulles containment of China policy.'[20] Whitlam took a different view of Australia's priorities to his predecessors. He did not see either China or Indonesia as threats and did not emphasise reliance on allies as the basis for Australian defence policy. Instead, he sought to chart a more independent approach within the ANZUS alliance grounded in greater self-reliance.

The Whitlam Government thus commenced the production of a *Strategic Basis* paper to reflect this new paradigm. The paper forecast that Australia needed a more capable defence force in its region in the aftermath of the British and American withdrawal from Asia. It required Australia to maintain a 'military capability that lends credibility to our political policy' through the operation of more advanced military equipment than other regional powers.[21] As it would not depend on allies, Australia would now have to be able to defend itself from credible threats. The paper articulated this as follows:

---

[14] Department of Foreign Affairs, 'Australian Foreign Policy: New Perspectives.' 6 April 1973, NAA: M3383, 70.
[15] Ibid.
[16] Department of External Affairs, 'The Prime Minister's Talks with the Secretary of State for Foreign and Commonwealth Affairs.' 24 April 1973. NAA: M3383, 76.
[17] Ibid.
[18] Ibid.
[19] Ibid.
[20] Ibid.
[21] Department of Defence, *Strategic Basis of Australian Defence Policy 1973*. NAA: A7942, D94 PART 9.

> A fundamental change in our position is that while Australia may still look to its major allies, particularly the US, for strategic support in circumstances going beyond those they will expect us to handle ourselves, it must now assume the primary responsibility for its own defence against any neighbourhood or regional threats. This need for greater self-reliance and the ability to act independently call for the maintenance at all times of defence strength which is adequate for immediate purposes and may be expanded if necessary.[22]

This statement was a milestone in the development of self-reliance as it was the first time that the bureaucracy accepted the need for Australia to take primary responsibility in its region without recourse to allies. Australia needed to take a more proactive role because its security outlook was not severe enough to attract external support. The Defence Committee felt that 'at this time, no specific requirement arises in the development of Australia's armed forces in respect of possible military threat from Indonesia.'[23] Moreover, it assessed that Australia was unlikely to provide substantial assistance to Singapore and Malaysia in contingencies, and would focus on its territory, and interests in New Guinea.[24] This was a watershed as it demonstrated the basis of military planning had shifted decisively from 'Forward Defence' to the self-reliant defence of Australia. It acknowledged that old paradigms were no longer valid, and that Australia had to chart a new approach. The paper recognised that Australia needed to be more self-reliant because its allies expected it to be so and because its strategic outlook had become more favourable. This view was not universally shared throughout the military establishment, parts of which saw a need for Australia to guard against Indonesia as the primary threat in the region despite this assessment. This dissenting view was articulated by Air Commodore David Evans, from Air Force Headquarters as follows:

> While we agree generally with the new analysis, we should emphasise the continuing strategic importance of the Indonesian island chain to Australian defence, regardless of the intentions or capabilities of the Indonesians themselves.
>
> The new Strategic Basis also ignores the possibility that Australia could become involved in assisting Indonesia to resist aggression, a possibility that carries important implications for the nature and balance of Australian forces.
>
> In summary, our line in Indonesia should be: Indonesia will continue to be a vital factor in Australian defence considerations; therefore, regardless of the composition and intentions of Indonesian administrations or the likely capabilities of the Indonesian armed forces, we should retain the capability of intervening militarily in Indonesia.[25]

Evans sought to hedge against uncertainty. He argued that Indonesia needed to be considered in contingency planning because it was possible that Australia could be drawn into conflict with Indonesia which it could not have foreseen because its outlook had the potential to change with little warning. His concerns are understandable given that many of his contemporaries had fought in conflicts throughout the Asia-Pacific and had memories of Confrontation. He argued that, although Suharto had a favourable attitude towards Australia, it was possible that a hostile regime could emerge in Jakarta:

---

[22] Ibid.
[23] Ibid.
[24] Ibid.
[25] Department of Air, 'Brief - SB 73.' 25 May 1973, NAA: A7942, D94 PART 9.

> I have some disagreement with the statement … that a successor regime would be in 'a weak position to mobilise the support, resources and effort necessary to significant external military involvement.' Strong authoritative leaders emerge from time to time and by force of arms or personality muster the national support necessary to undertake such actions. Sukarno was a good case in point.
>
> My prime objection in this is to para 12 where it maintains that Indonesia, even with substantial support form an external power could not offer a major threat to Australia for 15 years. It not only is impractical to forecast 15 years ahead but I would dispute on military grounds a contention that an effective force could not be built up in half the time, provided the will were there.[26]

Evans took a more aggressive view of Indonesia, arguing that it could become hostile with little notice. He then assessed what forces Indonesia could mobilise in a worst-case scenario. Evans forecast that Indonesia could raise an army of 100-150 battalions, a navy with 50 to 100 patrol craft and six to eight destroyers, and an air force with four to six squadrons.[27] He then put forward a series of scenarios in which Indonesia could use these forces to apply pressure to Australia. Evans argued that the numerical strength of Indonesia's land forces could allow it to harass Australian forces in New Guinea, or insert units into Northern Australia and thereby negate Australia's air and naval capability advantages. The final draft of the *Strategic Basis* paper did not include these comments and instead endorsed the Defence Committee view that Indonesia would not pose a significant military threat to Australia or its interests in the near term. Evans' arguments, however, would inform Air Force thinking on the implementation of self-reliance in subsequent years.

By late 1973, the Whitlam Government had cemented a major shift in Australian strategic thinking in moving away from operations alongside traditional allies to greater diplomatic engagement with emerging regional powers. It had started to consider in detail how it could implement a more self-reliant defence policy. This can be seen in an address given by Barnard to the National Congress of the Returned Services League in October 1973 in which he spoke of the need for a coherent capability acquisition plan. In his view, Australia's strategic environment had changed, and it now needed a suite of new capabilities that would give effect to self-reliance.[28] He articulated this dilemma as follows:

> How do we decided what is an appropriate structure for our forces given the strategic assessment of which I have just spoken? This is a problem which did not concern our predecessors in government because until recently they did not envisage an independent role for Australian forces. Our services would always fight as a minor party to an alliance. Hence there was no need for balance. We needed only to provide forces which could make a useful contribution to a larger total force.
>
> The Guam Doctrine announced the end of that era. We should have realised before then that the world was changing in a way which would require us to be more independent, but the Guam Doctrine forces us to recognise that basic fact.
>
> The solution we are adopting to the problem of determining a force structure has a number of components. Firstly, there is geography. Australia is an island continent of large distances and

[26] Ibid.
[27] Ibid.
[28] 'Speech by the Deputy Prime Minister and Minister for Defence, Mr. Lance Barnard, at the National RSL Congress, Perth, 29 October 1973. NAA: A1838 677/3 PART 21.

> many undeveloped areas. This in itself suggests various relevant defence capabilities. Then there are some tasks which we must perform at all times – surveillance of our own environs, protection of our maritime resource areas against intrusion, assistance to neighbouring countries in the development of their own defence forces. There are also some long-range contingencies which are remote at present, but which should have some influence on our provision of capabilities, particularly for long lead times or those which will remain long in service or support.
>
> Very importantly, our defence preparations must be directed to the development of a force of sufficient size and appropriate structure to be capable of enough development to deter or defeat any attack on Australia itself.
>
> We intend to focus on the ultimate though remote contingency of an attack on Australia itself, but will not be isolationist … the Defence Committee believes that a force designed primarily as an adequate basis for expansion, ultimately for the defence of Australia itself, will contain elements which would enable us to undertake such overseas deployments as it may be in our interests to do.[29]

Barnard's speech was a turning point in the development of self-reliance. He effectively repudiated the policy of 'Forward Defence' that had defined Australian military planning since the early 1950s. Barnard acknowledged that this was due to a shift in perceptions of allies and he argued that geography was a viable foundation on which to develop a new strategic policy. More specifically, he argued that the defence of Australia would now be the main contingency for which it prepared. Barnard clarified that such an approach was not be isolationist and that Australia would continue to take an active interest in regional developments. American diplomatic reporting provides an insight into this shift in strategic thinking. The American Ambassador in Canberra, Marshall Green, briefed the Secretary of State, Henry Kissinger, on the underlying drivers of these changes in Australian defence policy. He advised that 'Whitlam has strong ideological bents, and some bias against the use of military power. He is inclined to believe that international problems can be resolved by friendship.'[30] Green then said 'the Australian perception of threat in Asia is on the decline … they value our contributions to reduced tension in Asia. Whitlam doesn't want to be overly identified with the United States.'[31] It was for these reasons that Barnard emphasised the defence of Australia and laid the foundations for the subsequent implementation of self-reliance.

On 31 July 1973, Whitlam met with State Department officials during a visit to Washington, and the record of conversation provides insights into his views of alliance commitments. As foretold by Green, Whitlam affirmed his support for ANZUS as an important aspect of Australia's planning. This reinforced an assurance from Barnard to the American Embassy in Canberra where he affirmed that both he and Whitlam attached 'high importance … to Australia's alliance with the United States' and

[29] Ibid.
[30] 'Memorandum of Conversation – Henry Kissinger and Marshall Green, 28 July 1973' in *Foreign Relations of the United States*, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 36.
[31] Ibid.

would defend it from domestic opposition, particularly in regard to the joint facilities.[32] However, he reiterated his doubts about other treaties as he had with Douglas-Home in London. Whitlam told his American counterparts that he felt SEATO was redundant because most member states had established diplomatic relations with China, negating its purpose but would not withdraw from SEATO. To reiterate these views, Barnard met with Secretary of State, James Schlesinger to state that 'there is no question of Australia's reliance on ANZUS, and the cooperation Australia has provided will continue.'[33] He qualified this by stating that 'Australia wants to accept greater responsibility for her own defence and not totally rely on an ally in this regard.'[34] The Whitlam Government had thus affirmed its broad support for ANZUS but sought to develop a more self-reliant posture within it. The following extract from the Australian record of conversation provides a summary of Barnard's views:

> The Australian Government's decision to follow a more independent direction in its foreign affairs and defence policies did not mean that it did not continue to support ANZUS and the American alliance. What the Australian Government wished was that it should not be in a position to be unduly dependent on its allies. [Barnard] pointed out that Australia was now maintaining its largest ever peacetime defence force. It was only natural that Australia's sphere of interest was in Southeast Asia and perhaps overlooked the Middle East and Europe.[35]

The Whitlam Government started to reorientate towards a more self-reliant policy as foretold in the *Strategic Basis* paper. This shift was informed by a comprehensive analysis of bilateral relations from the National Intelligence Committee (NIC). It published a report titled *US Interest in Australia* which put forward a pessimistic assessment of utility of ANZUS to Australia in the event of conflict in Southeast Asia.[36] The NIC wrote that 'Australia's strategic value to the US cannot be much more than low to moderate' in an environment in which the United States was moving towards accommodation of China and the USSR. It further assessed that 'this would be the more so, in respect of conventional military strategy, as the US reduces its overall world security role and concentrates on international economic affairs and the maintenance of its strategic position relative to the USSR.'[37] The unstated implication was that the United States was less likely to assist Australia than in the past. Consequently, the Whitlam Government needed to compensate by developing a more self-reliant defence policy.

The NIC report examined the circumstances in which the United States would provide military assistance to Australia. It assessed that the Guam Doctrine provided some guidance as to when the United States might assist Australia. The NIC held that the Guam Doctrine would result in a reduction

---

[32] 'Telegram 3139 From the Embassy in Australia to the Department of State, 6 June 1973' in *Foreign Relations of the United States*, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 32.
[33] Memorandum of Conversation – Lance Barnard and James Schlesinger. 9 January 1974 in *Foreign Relations of the United States*, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 45.
[34] Ibid.
[35] Department of Foreign Affairs, 'Record of Discussions Between the Deputy Prime Minister and Minister for Defence, Mr. L.H Barnard, and the United States Secretary of Defense, Dr. J R. Schlesinger on 9 January 1974.' NAA: A1838, 250/9/1 PART 16.
[36] National Intelligence Committee, *US Interest in Australia*, 10 April 1974. NAA: A1838, 250/9/1 PART 18.
[37] Ibid.

in American military power to the minimum necessary to ensure its survival in the event of conflict with the USSR. In contrast to NATO, it argued that ANZUS was incidental, and not essential, to American security. The NIC report implied that Australia needed to take greater responsibility for its defence because it might not receive assistance from the United States in the event of conflict in Southeast Asia, particularly against a non-aligned middle power such as Indonesia:

> It is in this general strategic context that ANZUS must be examined. If Australia as a single power, is not essential to the ultimate survival of the US in a total nuclear war situation and only of marginal value if not at times a liability in a range of other situations, the value of ANZUS itself may be open to question.[38]

The Deputy Secretary, Bill Pritchett, clarified this as follows:

> We were taking an independent Australia attitude. We weren't just going along with our great and powerful ally, doing what he wanted us to do. We were looking very closely at what the Australian interest was in associated American strategies. What was the Australian interest in all this? There was never any fundamental criticism of the ANZUS alliance. Apart from any sentiment about great and beautiful friends, quite clearly our society is very akin to American and British and European society as opposed to Soviet society. So our position was quite a natural one and one that we wholeheartedly supported. Then there were all the advantages of the American alliance in terms of supply, military doctrine, military exercises and intelligence.[39]

The realisation that the United States might not assist Australia in this strategic environment was compounded by changing assessments of threat. The NIC assessed that, although superpower conflict was unlikely, less serious regional wars were likely to be a threat in the Asia-Pacific in the short to medium term. It argued that 'minor states will themselves also continue to initiate and wage their own wars. There is in any case no reason to expect a diminution in the rate of incidents of local conflict situations, while there is every reason to expect it to continue.'[40] The NIC was of the view that Australia might have to contend with such contingencies in the region, including Indonesian aggression against its neighbours. Again, the unstated implication of this assessment was that Australia needed to prepare to operate in these situations without relying on the combat forces of its allies in a departure from the strategic policies of preceding governments.

The Whitlam Government considered these developments in subsequent months and offered guidance to senior policymakers on its strategic priorities. Whitlam read the *Strategic Basis* paper but refused to send it to Cabinet for endorsement on the basis that its conclusions were too conservative. It appears that he felt that the paper was too strong on alliance commitments and did not adequately reflect his emphasis on greater autonomy in Australian foreign policy. Nevertheless, Barnard wrote to Tange on 29 January 1974 to inform him that the Whitlam Government had accepted the paper's conclusions on 'the development of Australian defence capability' and endorsed 'the assessment of threat to Australia.'[41] He clarified that 'this Government has no intention in present and foreseen circumstances

[38] Ibid.
[39] *William Pritchett Interviewed by Garry Woodard*, 28 October 2002 and 4 February 2003, National Library of Australia, TRC-4903.
[40] National Intelligence Committee, *US Interest in Australia*, 10 April 1974. NAA: A1838, 250/9/1 PART 18.
[41] Letter – Barnard to Tange. 29 Jan 74. NAA: A7942, D94 PART 9.

of committing combat forces in a counterinsurgency role.'[42] In other words, the Whitlam Government would not provide military assistance in the Asia-Pacific. Barnard articulated this view as follows:

> The Strategic Basis paper lays considerable emphasis on the importance of internal security to the ASEAN countries. Dissidence and insurgency may lead to situations in which outside powers can intrude in such a way as to damage Australia's strategic interests. Yet in some countries, political opposition is suppressed and must either become ineffectual or operate 'outside the state and national politics.' While this Government hopes that change in the region will be peaceful and recognises that unrest may be against its strategic interests, it wishes to avoid interference in the internal affairs of other countries by deliberate support of governments against their domestic opposition. In the long run, such interference is likely to cause greater damage to our interests.[43]

Barnard gave additional guidance to Tange in relation to Australia's position on Britain's future role in Southeast Asia:

> The Government values our defence relationship with the United Kingdom and that country's role in Southeast Asia. However, the Government is opposed to the stationing of British forces in the area other than for the purpose of providing assistance in the training of indigenous forces. It is on the latter ground that we justify the presence of those Australian forces which remain in Malaysia and Singapore. The platform of the ALP states: 'Labor will seek to end the presence of military forces in countries other than their own.'[44]

With this letter, the Whitlam Government gave instructions to Defence on its strategic priorities. It effectively directed that the basis of Australian military planning would no longer be 'Forward Defence' but the defence of Australia. Consequently, Defence began planning for such contingencies. He confirmed this in a meeting with the New Zealand Defence Minister, A.J Faulkner where he said that 'in terms of defence, Australia was developing policies of and planning for a concept of continental defence. This, however, was not to be interpreted as an isolationist policy.'[45] Instead, Barnard justified this approach on the basis of changing perceptions of regional threat. He told Faulkner that 'he did not consider that China was a threat. Although China did not possess the means to attack Australia at present, he believed China was too pre-occupied with her own development.'[46] Barnard believed that Australia's outlook had changed and that it needed to adapt. He then told Faulkner that:

> As he had made clear in his discussions in the United States, Australia regarded the ANZUS Treaty as most important, and while the United States could be assured of no change in our attitude as regards that Treaty, they had to appreciate that Australia was to develop a more independent approach in her external and defence policies. Australia could no longer simply depend on the United States for her defence.[47]

The Whitlam Government had embarked on a new defence policy on the understanding that its environment had changed with respect to perceptions of allies and credible threat. Australia was no

[42] Ibid.
[43] Letter – Barnard to Tange. 29 Jan 74. NAA: A7942, D94 PART 9.
[44] Ibid.
[45] Department of Defence, 'Meeting Between the Hon. A.J Faulkner MP, Minister for Defence New Zealand and the Hon. L. Barnard MP, Deputy Prime Minister and Minister for Defence, Australia.' Parliament House – 2 April 1974, Summary of Discussion.' NAA: A1838, TS 677/3 PART 22.
[46] Ibid.
[47] Ibid.

longer faced with superpower rivalry in its region but was much more likely to contend with lower-level regional conflict at a time when its allies were withdrawing from Southeast Asia. It was in this context that the bureaucracy started to undertake military planning for an alternative to 'Forward Defence' grounded in the self-reliant defence of Australia. Tange appointed a team of two military personnel, and Bob Hamilton to undertake a review. It was shelved because, in Pritchett's words 'it was all predicated on a major attack from some unknown power. This was quite contrary to the *Strategic Basis* paper.'[48] Thus, on 31 May 1974, the Director of the Joint Staff, Rear Admiral Anthony Synnott, directed his officers to develop options in response to 'low-level confrontation' and 'active and continuing confrontation situations.'[49] Synnott focused on low-level raids, similar to those experienced during Konfrontasi. Pritchett recalled the rationale for this directive as follows:

> Southeast Asia was in a completely new situation and it was absurd to be thinking in terms of pre-war Japan. So I said, 'well, what do we do?' In Confrontation, there were minor attacks. I thought, why couldn't the Indonesians resort to that sort of tactic? There's no question of conquering us or having major fights. But with the extent of the Australian continent and the proximity of new Guinea and Timor they could make a great nuisance of themselves. Offshore installations and perhaps just a raid that didn't damage anything but just left its mark to show that they could raid. Minor interference with shipping maybe, getting in the way and that sort of thing. Now, this wasn't just imagination. Really, I was just adopting what the Indonesians had done during Konfrontasi. So was born the limited contingencies. That was accepted. Tange said 'These must be studied then' and he appointed, the joint staff was in charge of it.[50]

Synnott's scenario centred on a terrorist organisation, based on an island 500 miles North West of Darwin infiltrating up to 200 members into Northern Australia with explosives and small arms but without other substantial support.[51] In that respect, it reflected mainstream defence thinking that there were no significant threats in Australia's immediate region and thus implicitly rejected the assessments of David Evans. Synnott's plans were embryonic, and focused on unconventional warfare and low-level harassment, but were nonetheless a major step in that they demonstrated that Defence was now actively planning around the concept of self-reliance and credible contingencies in the defence of Australia rather than dependence on allies in more distant theatres. In retrospect, his colleague, Vice Admiral Ian MacDougall recalled that Synnott was amongst the first senior officers to begin to consider, from an intellectual standpoint the Defence of Australia.[52] Woolner observes that:

> It showed that this was a serious policy and it wasn't just political rhetoric. It was actually a significant rebalancing that required a completely different way of thinking about things. That's one of the things I saw as being very important about adopting a policy focused on Australia: that you needed something to trigger the sort of work that had to be done to make it work.[53]

---

[48] *William Pritchett Interviewed by Garry Woodard*, 28 October 2002 and 4 February 2003, National Library of Australia, TRC-4903.
[49] Department of Defence, 'Joint Staff Directive: Defence of Continental Australia.' 31 May 1974, NAA: A1838, TS 677/ 3 Pt 22.
[50] *William Pritchett Interviewed by Garry Woodard*, 28 October 2002 and 4 February 2003, National Library of Australia, TRC-4903.
[51] Department of Defence, 'Joint Staff Directive: Defence of Continental Australia.' 31 May 1974, NAA: A1838, TS 677/ 3 Pt 22.
[52] Interview with Ian MacDougall, 6 March 2020.
[53] Interview with Derek Woolner, 26 March 2020.

The Whitlam Government began to recalibrate its approach to Southeast Asia in accordance with this shift in direction. It had started this process, on 29 March 1973, when Cabinet considered a proposal from Barnard that Australia reduce its presence in Singapore to no more than 150 personnel by April 1975, and that the force at Butterworth Airfield in Malaysia be withdrawn in 1976. Cabinet agreed that Barnard would inform FPDA members that Australia would terminate its presence in Singapore by April 1975 and report back to Cabinet on their reactions to the proposal but did not make a decision in regard to Butterworth.[54] Barnard reported back to Cabinet on 29 June 1973, and said that New Zealand, Singapore, and Malaysia wanted Australian forces to remain in the region. He noted that Britain believed 'our views of withdrawal to be ill-advised' and that Carrington said that Australia's contribution was 'very welcome indeed' and that it should, instead provide greater support to Malaysia and Singapore.[55] Nevertheless, Barnard advised Cabinet to continue with its original plan to withdraw but said it should not yet make a decision on the Mirage aircraft at Butterworth. His reasoning was that the Mirage squadrons made a significant contribution to the development of local forces by providing realistic training, and 'was what Malaysia really valued in the Five Power Arrangements.'[56] There was, in addition, no suitable location for the Mirages in Australia until at least 1976.[57] Thus, on 2 July 1973, Cabinet agreed it would review Australia's commitment of Mirage aircraft in Malaysia no later than March 1975.[58] In these deliberations, Cabinet took some of the first substantive steps in moving away from 'Forward Defence' to a greater focus on the self-reliant defence of Australia.

Whitlam had taken the view that it was in Australia's interests to continue to provide some military support to Malaysia and Singapore. This was undoubtedly influenced by a letter from Wilson to Whitlam in November 1974, in which he wrote that Britain would soon announce a 'proposal to withdraw our forces stationed under the Five Power Defence Arrangements in Southeast Asia with the exception of a small group which we shall continue to contribute to the Integrated Air Defence System.'[59] In response, Defence advised that 'the decision to withdraw from Malaysia and Singapore is pretty much as we expected' and that Australia should not follow suit.[60] Whitlam voiced his support for this position at a speech in Kuala Lumpur on 29 January 1975, in stating that 'Australia's own defence capability is enhance by mutual defence arrangements' and that 'Australian Air Force squadrons will remain at Butterworth so long as they remain relevant to the realities of the region.'[61] In that respect, Whitlam took additional steps to move Australia away from 'Forward Defence' to greater

[54] 'Cabinet Submission No 231 – Five Power Arrangements.' 29 March 1973, NAA: A5931, CL285.
[55] 'For Cabinet: Five Power Arrangements.' 29 June 1973, NAA: NAA: A5931, CL285.
[56] Ibid.
[57] Ibid.
[58] 'Cabinet Decision No. 821 (FAD) – Five Power Arrangements.' 2 July 1973, NAA: Department of Defence, 'Future of the Mirage Squadrons at Butterworth.' December 1974. NAA: A1539, B1974/76
[59] Department of the Prime Minister and Cabinet, 'Text of Message from the Rt. Hon Harold Wilson, OBE, MP to the Hon. E.G Whitlam QC, MP.' November 1974. NAA: A1539, B1974/76
[60] Department of Defence, 'Future of the Mirage Squadrons at Butterworth.' December 1974. NAA: A1539, B1974/76.
[61] Ibid.

self-reliance by withdrawing combat forces except those that would allow it to deepen its ties with emerging regional powers by providing them with training opportunities.

The Whitlam Government began to consult with its allies in preparation for the upcoming ANZUS Council meeting. Whitlam's notes show that he was grappling with the need for greater independence from the United States while still supporting ANZUS, as he had with the FPDA. In his view, self-reliance was a path to this objective as it gave Australia autonomy without being totally independent of its alliances. Despite his disagreements with the Nixon Administration, he was not prepared to entirely distance his government from the United States. This is evident in his acknowledgment that 'it is necessary to accept the fact, however unpalatable, that United States' policies suffered a defeat and turn the page of history. It is also necessary to reject any contention that the United States let down an ally.'[62] Whitlam further wrote that 'while we have our differences from time to time, Australia remains a firm ally of the United States. This relationship goes deeper than ANZUS.'[63] Despite his objections to the Vietnam War, Whitlam saw the United States as a valuable ally and was a supporter of ANZUS, although he wanted to readjust it so that it gave greater scope for autonomy. The following extract gives an insight into his support for self-reliance within ANZUS:

> I have changed the international posture of Australia to be one of greater independence while recognizing that we live in an interdependent world. This had to be done because Australia had come to be regarded, even in Washington, as an American satellite. This served neither America's nor Australia's interest. Australia is now an ally, a good ally, never more a satellite.[64]

Whitlam believed that his policies were consistent with American expectations and he sent senior officials to the United States to reiterate this view. At a meeting on 6 March 1974, the Secretary of Foreign Affairs, Alan Renouf, and his two Deputy Secretaries, L.H Border and R.A Woolcott made this clear to their American counterparts. Border remarked that 'from the Australian Government's point of view, many of these policies had been made possible by American initiatives, specifically by the Nixon Doctrine and a revision of American policies in Asia.' He further noted that 'the Australian Government was sometimes surprised at American reactions to its policies where these policies appeared to the Australian Government to be in concert with American policies.'[65] Woolcott stated that:

> Mr. Whitlam had said that some of Australia's actions had been the result of new United States policies – a new American relationship with China, policies of détente and the ending of military involvement in Vietnam. It was fortunate historically that these American policies had coincided with the election of a new Australian Government. The Prime Minister believed that this was fortuitous but said that American policy had validated the policies of his government.[66]

[62] Department of the Prime Minister and Cabinet, 'Notes for Talks in Washington: Indo-China and After.' 1 December 1974, NAA: A1838, 625/12/2 Part 1.
[63] Ibid.
[64] Ibid.
[65] Department of Foreign Affairs, 'Meeting of Departmental Officers with Mr. R.L Sneider, Deputy Assistant Secretary of State, United States State Department and United States Officials, Wednesday, 6 March 1974, NAA:A1838, 250/9/1 PART 21.
[66] Ibid.

Whitlam's view of ANZUS had matured considerably and this is evident in subsequent American reporting. The Ambassador in Canberra, Marshall Green, advised the Secretary of Defence, James Schlesinger, on 7 February 1975 that 'when Whitlam came to into office, he had grave reservations about the US bases but had gradually come to appreciate the importance of these installations not only to the US and Australia but also to world peace.'[67] He wrote favourably of Whitlam, and reiterated his earlier support for Barnard but noted that there could be problems if Jim Cairns became Prime Minister given his frequent criticism of the Nixon Administration and American foreign policy in Southeast Asia. Growing American support for Whitlam was evident in his meeting with Gerald Ford several months later. Ford expressed his appreciation for 'the strong position you have taken on the facilities.'[68] Whitlam responded that 'it is a contribution we thought we could make to balance the feeling of détente you and the Soviets have developed.'[69] The Whitlam Government had started draw ANZUS into its concept of self-reliance. It began to support aspects of bilateral defence cooperation that fostered Australian security, such as the joint facilities, while distancing itself from coalition operations in more distant theatres. Whitlam had started to lay the foundations of self-reliance within the framework of ANZUS, an idea that would be further developed by subsequent governments.

The Whitlam Government sought to build on these developments in renegotiating its relationship with the United States. At the subsequent ANZUS Council meeting in April 1975, the three member states sought to better delineate the extent of their responsibilities in Asia-Pacific. They agreed that Australia and New Zealand would take a more self-reliant approach within ANZUS, and would focus on their immediate region. The archival record notes the parties agreed that 'the US should concentrate on the Northern Pacific. It was over to countries like Australia and New Zealand to stabilise the southern tier.'[70] These discussions aligned with American expectations under the Guam Doctrine and mirrored Whitlam's recalibration of FPDA. The participants also stressed that the initiatives agreed to were not isolationist as 'Australia's and New Zealand's job was to show our neighbours that we remained convinced of the steadfastness of the American purpose.'[71] In short, Whitlam and his counterparts in New Zealand sought to be more self-reliant in line with the Guam Doctrine while still supporting an American presence in the region through the ANZUS alliance.

American diplomatic reporting provides an insight into the reasons for this division of responsibilities in the Asia-Pacific. The key driver was that the United States saw Northeast Asia as a higher priority and wanted its allies to take greater responsibility for Southeast Asia as it reassigned its

[67] 'Memorandum of Conversation – Marshall Green and James Schlesinger. 7 February 1975' in *Foreign Relations of the United States*, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 53.
[68] 'Memorandum of Conversation – Gerald Ford and Gough Whitlam. 7 May 1975' in *Foreign Relations of the United States,* 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 56.
[69] Ibid.
[70] Department of Foreign Affairs, 'ANZUS Council: Kissinger's Statement.' 25 April 1975, NAA: 1838, 625/12/2 Part 1.
[71] Ibid.

forces from one region to another and Kissinger was quoted accordingly.[72] Although Nixon was no longer in office, Kissinger continued to reorientate American foreign policy under Ford. The political counsellor at the Australian Embassy in Washington, A.D McLennan, also wrote an insightful letter to the Secretary of Foreign Affairs, Alan Renouf, titled *Vietnam and the Future of United States Foreign Policy*.[73] McLennan advised Renouf that 'the present crisis over Vietnam is accelerating processes of change that were already at work in United States foreign policy.'[74] He wrote that:

> Under Kissinger's guidance, American foreign policy has adjusted to changed circumstances of power, principally to the fact that the Soviet Union has approached parity with the United States. Security is no longer sought in the preponderance of American power but through accommodation with major adversaries based on mutual interest in the limitation of tensions.[75]

McLennan argued that the United States was now more reluctant to resort to force to achieve its foreign policy objectives as it shifted towards greater accommodation of the USSR. He then explained the implications for Australia of this shift in American foreign policy in the following terms:

> In light of United States domestic opinion towards foreign commitments, the constitutional restraints on invoking the security provisions of ANZUS will loom increasingly large. With the defeat of Untied States policy in Indochina, the Nixon Doctrine no longer seems germane to United States interests in Southeast Asia. It can be confidently assumed that Southeast Asia will have much decreased priority in United States policy thinking.[76]

McLennan noted that Southeast Asia was now of less significant to the United States, as Kissinger affirmed during the previous ANZUS Council meeting. At around the same time, M.J McKeown at the Australian Embassy wrote to Canberra with further analysis of this policy shift:

> Kissinger's style of diplomacy and his absorption with these major themes of American policy have meant that considerably less attention is focussed on countries, such as Australia, which are neither a central preoccupation nor a particular cause of concern to the United States.
>
> The declining level of American involvement in Southeast Asia, which was foreshadowed in the Guam Doctrine, has inevitably had an impact on bilateral relations, Australia's active role in the region and its sympathetic attitude to the aspirations of the developing countries, has generally been in line with the United States' own view.
>
> The United States has been reassessing its relations with Australia and appears to have reached the conclusion that it is in its interest to continue to develop close relations to our mutual advantage. The ANZUS Treaty remains as an important statement of the common purpose of the two countries on basic security issues and of their commitment to a stable nuclear balance.[77]

Foreign Affairs published a paper titled *The Relationship Between Australia and the United States*. It built on the assessments of McLennan to provide a broader analysis of the United States under

---

[72] Kissinger was noted as stating 'the essentials of US foreign policy remain intact. These essentials … it seems, are still political and strategic (the great power balance) and in Asia these do not include Southeast Asia. American attention more than ever will shift to China, Japan and therefore also to Korea.' See also: Department of Foreign Affairs, 'ANZUS Council Meeting.' 25 April 1975, NAA: 1838, 625/12/2 Part 1.

[73] Department of Foreign Affairs, 'Letter – McLennan to Renouf: Vietnam and the Future of United States Foreign Policy.' 23 April 1975. NAA: 1838 625/12/2 Part 1.

[74] Ibid.

[75] Ibid.

[76] Ibid.

[77] Department of Foreign Affairs and Trade – M.J McKeown to A. Renouf – Australia/United States Relations.' 18 April 1975. NAA: 1838 250/9/1 PART 22.

the Ford Administration. The paper reported that American power had declined considerably, and this could be seen in the contrast that it drew between Nixon and Ford. It described the former as 'bold, confident and optimistic' and the latter as 'defensive and dispirited. Seeking to reassure others [it is] an Administration in need of reassurance itself.'[78] The report concluded that this lack of leadership had detrimental consequences for the formulation of foreign policy, and Australia's security. It noted that 'the mood of US policymaking is irritable and insecure. This is understandable, since the circumstances of policymaking area so deeply troubled on so many fronts.'[79] It was on this basis that it assessed that Australia and the United States had differing perspectives on Southeast Asia and that this could lead to problems:

> There is the contrast in our national situations. Where the US is involuntarily contracting its influence and sees its prestige waning, Australia is by contrast voluntarily expanding its influence and enjoys an increased international prestige. We should not expect a touchy ally to draw comfort from this difference in national fortune.
>
> Nevertheless, privately we should not be under any illusion that ANZUS or any other relationship remains unaffected by recent events. Americans are in a questioning mood. Even when things settle down again, there will be a sharper delineation of American willingness to intervene on behalf of others … The Americans themselves will make the decisions on when and how to support an ally. This would be an uncomfortable relationship at the best of times with a country as volatile as the United States. It will require particularly capable and thoughtful management in the present mood of disenchantment with Asia.[80]

By 1975, it was clear that America's role in Southeast Asia had changed significantly, from a position of strength to gradual withdrawal, and that its allies were grappling with these changes in the balance of power. These shifts were amplified by the fall of Saigon, which caused concern among regional countries, including Australia, about Vietnam's intentions, backed by Soviet power, and America's ability to assist. These countries wanted the United States to have a supporting role in the region but understood the need to invest in their own defence because of concerns that Congress would not authorise assistance in the event of conflict. The United States Government recognised the impact of these developments as evident in the following report from Kissinger to Ford:

> In each country, it is believed that Hanoi's success in Indochina has brought about a fundamental power shift in the region. All fear Hanoi, which they now see as a major force in the sub-region with plenty of arms, revolutionary zeal and the momentum of success. This compels [them] to explore what adjustments in their policies might help them to meet the new realities. The initial shock of the unwanted Indochina debacle has been absorbed, and now there is a second phase of a serious but not panicky search for long-range security options.
>
> With respect to the US, our affirmations of good intentions are welcomed by all. There is a uniform desire that the US play a supporting and deterrent role. There is nevertheless a deep suspicion that the US will fail to provide the type of financial and security resources that

[78] Department of Foreign Affairs, *The Relationship Between Australia and the United States*. 23 April 1975. NAA: A1838, 250/9/1 PART 22.
[79] Ibid.
[80] Ibid.

> ASEAN countries perceive as essential. ASEAN doubts are rooted in the concern that the US Congress will not join in a policy of a continued active interest and role in the region. [81]

American power had significantly declined in the Asia-Pacific and Australia would thus need to take a more self-reliant approach to its defence planning. Whitlam was not alone, in this respect, as the State Department reported that New Zealand was also of the view that 'there is a general concern on the future role of the US in the Pacific. There is belief that the US no longer has the ability or desire to control events in Asia.'[82] It was in this context that the Whitlam Government directed the Defence Committee to develop a new *Strategic Basis* paper. The Committee convened on 29 May 1975 for preliminary discussions, and it became quickly apparent that the military establishment was divided on the extent to which Australia needed to be self-reliant in a changing region. The Chairman of COSC, Admiral Victor Smith argued that the paper 'should make judgement as to how much Australia was on its own.'[83] Then, in a subsequent meeting in September, the Committee seemingly moved away from this statement when it agreed on 'the need to emphasise Australia's requirement to encourage the US to continue to support US/Australian Defence relationships.'[84] Pritchett described the situation as follows:

> The defence of Australia was very outlooking. We require capabilities for the defence of Australia. We don't know what it is. There is no immediate threat on the horizon. But there may be contingencies at short notice. Let's not develop necessarily against them but study them.
>
> The force had to be structured to meet the requirements of geography, maritime surrounds, great distances, large climatic variations, Southeast Asian population concentration. Then the lesser contingencies. The strategic guidance provided a lot of not requireds. We didn't require tanks, we didn't require an aircraft carrier. We certainly wanted inflight refuelling and things like that.
>
> The services were great on thinking of cloudy symbols of a high romance but if you asked them 'How would you handle an Indonesian incursion into New Guinea? Just a border raid, for instance, in strength, 'How would you push the Indonesians back?' No plans about that, no study of the situation, no contingency studies. It was a great weakness in defence, in the military.[85]

Similarly, the Service Chiefs disagreed on how to implement self-reliance, and the defence of Australia. While it accepted the principle of greater self-reliance, there was disagreement on the contingencies that Australia should prepare for, and how it should do so. The CGS, Lieutenant-General Frank Hassett, highlighted issues with the study commissioned by Synnot in arguing that 'such low-level studies would not throw light on major factors which needed to be considered in the study of major

---

[81] 'Memorandum From Secretary of State Kissinger to President Ford. 13 June 1975' in *Foreign Relations of the United States*, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 16.
[82] 'Memorandum From the Assistant Director East Asia and the Pacific, United States Information Agency (Payeff) to the Director (Keogh) and Deputy Director (Kopp), 9 May 1975' in *Foreign Relations of the United States*, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 105.
[83] 'Defence Committee - Minute of Meeting Held on 29 May 1975, Minute No. 8/1975.' NAA: A7942, D94 PART 10.
[84] Ibid.
[85] *William Pritchett Interviewed by Garry Woodard*, 28 October 2002 and 4 February 2003, National Library of Australia, TRC-4903.

contingencies of assault on Australia.'[86] Admiral Smith responded that 'it would be wrong to assume that military capability to deal with very unlikely, though important, contingencies would necessarily be the appropriate means of dealing with more probable, though less dangerous, contingencies.'[87] The CAS, Air Marshal James Rowland, argued that the paper needed to clarify how the military would defend Australia. Amid the interservice disagreements, COSC made an important contribution in putting forward a general statement on how it could defend Australia in a self-reliant manner:

> The Committee endorsed the addition of a strategic concept which acknowledged that because of Australia's geographic circumstances, any assault would have to come by sea and/or air and therefore Australia's strategy should be to meet the enemy in a maritime environment before they reached the shore. At the same time, Australia needed ground forces in being and appropriate air support to deal with lodgement that might occur.[88]

Strategic Basis 1975 was a turning point in Australian defence policy because it marked the first time that the military leadership had attempted to develop a concept that would implement the self-reliant defence of Australia. It accepted self-reliance as a general principle, and had started to consider the force structure that could give effect to it. These deliberations were characterised by significant disagreement among the Service Chiefs on the nature and scale of the contingencies for Australia might need to prepare. Some planners, such as Synnott and Smith had focused on lower-level contingencies, whereas others such as Evans and Hassett had considered large scale conflict, potentially with Indonesia. These debates would be a recurring theme in the development of self-reliance, and the arguments that resulted would impede the development of an effective defence policy. Yet, the Committee started to grasp the importance of geography as a basis for conceptual planning as foretold by Barnard in 1973, with the need to invest in air and maritime forces, which implicitly relegated the Army to a secondary role. The conceptual foundations of self-reliance had been laid by late 1975, but so had some disagreements that would characterise Australian defence policy in subsequent years. The Whitlam Government did not, however, consider the *Strategic Basis* paper in any detail as it became concerned with domestic economic matters, and the subsequent constitutional crisis. It was dismissed in November 1975, and these discussions would continue under the Fraser Government.

The Whitlam Government took major steps in the development of self-reliance. It was elected on a reformist platform that envisaged greater autonomy in foreign and defence policy. It wanted to move away from the deployment of forces in coalitions in more distant theatres to greater engagement with regional partners. To that end, it encouraged Britain's withdrawal from Southeast Asia and took a more active role in FPDA in Britain's absence. The Whitlam Government had some disagreements with the Nixon Administration but nevertheless valued ANZUS as an aspect of Australian defence planning and it wanted to maintain cordial relations with the United States. In the absence of significant threat, it saw self-reliance as a means by to take greater responsibility for its own region while supporting

[86] 'Defence Committee – Minute of Meetings Held on 29 August, 1st, 5th, 17th, 18th, 22nd, 25th September and 3rd October – Strategic Basis of Australian Defence Policy 1975. Minute No. 11/1975.' NAA: A7942, D94 PART 10.
[87] Ibid.
[88] Ibid.

ANZUS and instructed Defence to consider its substantive implementation. By 1975, the military establishment had started to consider how self-reliance could be put into practice. The development of self-reliance under the Whitlam Government is summarised in Table 13:

Table 13: Australian Defence Policy Under the Whitlam Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Whitlam (ALP)	More autonomous defence policy	ASEAN member states	**UK:** Support British withdrawal **US:** Distrust of Nixon	Reduced Chinese Threat Greater focus on Konfrontasi-style contingencies

Conclusion

The Whitlam Government made considerable progress in the conceptual development of self-reliance. It built on the work that had been undertaken by the Gorton-McMahon Government in developing *Defence Review 1972*, and it took steps to assert its interests in the Asia-Pacific on a more self-reliant basis. To that end, it encouraged Britain's withdrawal from the region and positioned Australia to take a more active role in FPDA in Britain's absence. The Whitlam Government also began to reorientate its relationship with the United States towards greater self-reliance. It supported ANZUS as an aspect of Australia's security posture which could assist Australia in regional contingencies but declared that it would not operate in coalitions in distant theatres. The Whitlam Government had thus established the conceptual basis for self-reliance and directed the military to consider its substantive implementation. It, however, was dismissed from government, and self-reliance would not be declared official policy or further implemented until the Fraser Government had settled into office in 1976.

Chapter Five:

The Early Fraser Years and Self-Reliance in Defence Policy

(1975-1980)

Introduction

Self-reliance had been in development throughout the 1970s, and the Fraser Government moved to enshrine it in official policy during its term in office. This chapter demonstrates that it brought together the conceptual work undertaken by its predecessors to define self-reliance in clear terms for the first time. It articulated self-reliance as the ability to undertake independent military operations in defence of Australia's strategic interests without recourse to the combat forces of allies. This recognised that its allies were now less influential, and that Australia was faced with a more benign environment than in recent decades. Fraser, however, struggled to implement this view of self-reliance due to a declining fiscal outlook, and uncertainty as to Australia's force structure priorities. The development of greater self-reliance in Australia's region, moreover, was adversely affected by Fraser's focus on Cold War rivalry, which would become a more prominent theme in later years.

Self-Reliance in Declaratory Policy

Shortly after his election in December 1975, Fraser was briefed by the Secretary of Prime Minister and Cabinet, John Menadue. The record of meeting indicates that Menadue spoke to Fraser about the direction of Australian defence policy, including the *Strategic Basis* paper and the publication of a policy document on Australian military planning. Fraser considered this advice and in March 1976, Cabinet agreed it would authorise the publication of a Defence White Paper to articulate a revised defence policy for the post-Vietnam era. It decided that the *Strategic Basis* paper and a report on Australia's defence capabilities be brought to Cabinet for consideration as soon as possible.[1] These documents would analyse emerging threats in Australia's strategic environment, and its force structure priorities to inform the White Paper.[2]

The *Strategic Basis* paper had been endorsed by the Defence Committee in October 1975 but was not considered by the Whitlam Government and was brought to Cabinet in April 1976. The paper put forward a pessimistic analysis of the role of allies in Southeast Asia. It noted that Australia's strategic environment had changed significantly due to the Vietnam War and that the balance of power had shifted away from Western powers. The paper assessed that 'it was highly unlikely that the United States would contemplate renewed involvement on the mainland of Southeast Asia.' It held that 'the withdrawal of British and New Zealand forces will leave Australia as the only significant force contributor under the Five Powers arrangements.'[3] The paper recognised the impact for Australia of the withdrawal from Southeast Asia of its allies. For the first time in decades, it contemplated the possibility that Australia would be left without allied support in an increasingly uncertain region.

The paper also noted that Australia's adversaries were becoming more active in its immediate region. The Defence Committee assessed that the Soviet Union had made significant gains

[1] 'Cabinet Minute – White Paper on Defence.' Decision No. 346 FAD, 16 March 1976, NAA: A13075, 346/FAD.
[2] O'Neill, *The Defence of Australia: Fundamental New Aspects*, 74.
[3] 'FAD Paper No 14: The Strategic Basis of Australian Defence Policy 1975.' Decision No. 448 FAD, NAA: A13075 488/FAD.

from the American withdrawal from Vietnam. It noted that the USSR had started to consolidate its regional presence, and would assist Vietnam in extending its influence. The USSR's delivery of modern armaments to Vietnam meant that the Vietnamese Armed Forces were 'the most powerful military force in Southeast Asia' and would use this to influence its neighbours, particularly Laos, Cambodia and Thailand.[4] The paper was prescient in that it forecast significant friction between China and the USSR as both vied for geopolitical influence in the absence of a strong American presence. In that respect, it noted that Soviet deployments would nevertheless need to be considered in defence planning.

In terms of threat perceptions, the paper highlighted the increasing importance of superpower rivalry in the Indian Ocean. The Soviet Union had maintained a modest naval presence in the region since 1968. In recent years, however, it had expanded to the extent that it permanently stationed major fleet units in naval bases it had established in Somalia and South Yemen. The paper noted that the USSR had acquired 'the capability …to project its naval power on a global basis' and that this had 'brought a new dimension into superpower relations.'[5] It assessed that the USSR could 'introduce a naval presence in crisis regions and hence limit the United States' military options and ability to influence events through maritime power in the traditional way.'[6] In other words, the United States no longer had uncontested supremacy in Australia's western maritime approaches. In the mid-1970s, Australia's security outlook was increasingly characterised by growing Soviet power and doubts about the reliability of allies, to which it would need to respond with greater self-reliance.

In this context, it is unsurprising that self-reliance was an important theme in the *Strategic Basis* paper. The paper argued that Australia needed to develop the ability to undertake independent operations while still supporting its alliance commitments. On the one hand, it argued that cooperation with the United States through the provision of military facilities and joint exercises was 'advantageous to Australian interests' as it allowed 'Australia to assess US strategic attitudes, policy and the reliability of US support in varying strategic circumstances.'[7] Nevertheless, the Committee held that Australia should not always 'support the United States or expect to be supported by it.'[8] The paper implied that Australia needed to look to its own interests independent of other powers 'where there could be incompatibilities of interest.'[9] It drew on experiences of alliance failure in Confrontation and an understanding of allied expectations under the Guam Doctrine in outlining the basic principles of self-reliance within the framework of ANZUS. However, Fraser did not endorse the paper on the basis that it was too radical and instead referred it back to Defence for further consideration. While Fraser understood the importance of self-reliance, he wanted a closer association with traditional allies than the Whitlam Government.

[4] Ibid.
[5] Ibid.
[6] Ibid.
[7] Ibid.
[8] Ibid.
[9] Ibid.

Later that month, the Fraser Government considered *Defence Force Capabilities 1976*, a paper developed by the Defence Force Development Committee. Its purpose was to examine Australia's future capability needs in light of changes to the strategic environment and problems in its existing arsenal. In contrast to the *Strategic Basis* paper, this document articulated the need for self-reliance in more explicit terms. It assessed that future strategic risks were likely to be middle powers in Southeast Asia rather than the USSR, and that Australia must therefore 'carry primary responsibility for its own defence against any neighbourhood or regional threat.'[10] It articulated Australia's defence needs in the post-Vietnam period in the clearest terms to date and it defined self-reliance as follows:

> Any future combat operations are likely to be in the Australian neighbourhood than in some forward theatre. Australia is essentially a neighbourhood power. The thrust of guidance is towards an Australian strategic posture and defence policies that look primarily to the responsibilities for independent national defence than to the provision of expeditionary forces or detachments to serve abroad with the navies, armies and air forces of allies.[11]

The reference to 'independent natural defence' was unprecedented in its emphasis on autonomy in defence planning and showed that the bureaucracy doubted the reliability of allies. The paper then further articulated this view of the ANZUS relationship in Australian defence policy as follows:

> While Australia can continue to look to the United States for strategic support in circumstances going beyond those we would be expected to handle ourselves, it must carry the primary responsibility for its own defence against any neighbourhood or regional threats.[12]

This was a significant shift in Australia's strategic thinking as it marked a transition away from expeditionary operations to a defensive focus in Australia's immediate region. It acknowledged the changes in Australia's environment that had been outlined in the *Strategic Basis* paper with America's withdrawal. Importantly, it cast Indonesia as a potential, if unlikely, threat around which to base its force structure in view of its annexation of East Timor and ambivalent relationship with the newly independent state of Papua New Guinea. There was uncertainty as to Indonesia's ambitions, and the paper held that Australia needed to be prepared to defend its interests without recourse to allies.

The paper attempted to put forward the beginnings of a strategy to implement this view of self-reliance in military planning. This view mirrored the discussions at the Defence Committee between May and September 1975, and emphasised the need for an air and maritime strategy with lesser emphasis on the Army. It recommended enhancements to the F-111 fleet and the Oberon Class Submarines, as well as the Jindalee Over-the-Horizon Radar Network and advanced surveillance aircraft.[13] This paper marked the beginning of a shift away from operations as part of an expeditionary strategy towards a more self-reliant approach based on regional threats that would have lasting implications for Australian policy. The document attempted to chart a way to implement self-reliance

[10] 'FAD Paper No 17: Defence Force Capabilities 1976.' Decision No. 451 FAD, NAA: A12934, FAD17.
[11] Ibid, Paragraph 8.
[12] Ibid, Paragraph 9.
[13] Ibid.

and influenced deliberations on defence policy although the paper itself did not directly lead to substantive decisions.

The growing emphasis on self-reliance was coloured by Fraser's heavy focus on Cold War rivalry demonstrated in his first major speech on foreign policy as Prime Minister in June 1976. The speech differentiated the Fraser Government from Whitlam in its strategic outlook, and stood in contrast to the emphasis on regional developments as it focused on the threat posed by the USSR. In that vein, Fraser argued that détente had failed as the USSR had acted aggressively in the Third World by assisting Arab states in 1973, as well as North Vietnam, and Cuban forces in Angola. Fraser acknowledged that 'the Vietnam War and Watergate undermined America's self-confidence and sense of purpose.'[14] In this context, his government would 'fulfil its own independent national interests and sovereignty' but would support ANZUS because 'the United States is the power with whom we have the closest links.' Fraser supported self-reliance but did so in the context of supporting traditional alliance commitments. The speech was at odds with the core argument of the *Strategic Basis* and *Defence Force Capabilities* papers as it implied that rivalry between the superpowers would be the determining factor in Australian military planning rather than credible regional threats, and showed that Fraser's personal views, rather than the bureaucracy, would define Australian defence policy.

Archival sources on the drafting of the speech provide a unique insight into how Fraser's parliamentary colleagues, ministerial advisers and senior public servants viewed his approach to foreign policy. Fraser was widely advised to ameliorate his assessment of the USSR and its intentions. The Secretary of Foreign Affairs, Alan Renouf, wrote that 'the tone of references to the Soviet Union is unduly hostile and rings too much of emotional judgement. There is nothing to suggest the Russians are intending to put troops outside of Eastern Europe – and they never have.'[15] He advised the Minister for Foreign Affairs, Andrew Peacock, to caution Fraser, particularly as it stood in contrast to internal assessments and that 'it will no doubt be contrasted by the Opposition with the Strategic Basis paper which will be described as the work of quite a conservative group.'[16] Senior diplomat, Robert Furlonger recalled Fraser's view as follows:

> Fraser had an obsession about Russia. He equated Russia with Nazi Germany –they were colts out of the same stable. He [saw] himself as a something of a latter-day Churchill. He thought that Russia was bent on the same expansionist course as Germany was and he thought that there was a great world scheme on the Russia's part underlying it. He thought that everything the Russians did was part of a great plot to dominate the world and he saw himself as a kind of Churchill warning the rest of the world against this possibility. He thought detente was a sham.[17]

[14] Malcolm Fraser, 'Statement on the World Situation.' June 1976, 2. NAA: M1278, 222 PART 3.
[15] Alan Renouf, 'Correspondence – Prime Minister's Statement on the International Situation.' 29 April 1976, NAA: M1276, 222 PART 3.
[16] 'Letter – Alan Renouf to Andrew Peacock: The Prime Minister's Foreign Affairs and Defence Speech to Parliament.' 1 April 1976. NAA: M1276, 225 PART 2.
[17] *Robert Furlonger Interviewed by Stewart Harris, 18 February, 3 December 1992*, National Library of Australia, TRC-2795.

Peacock thus wrote to Fraser that 'I don't think there is any benefit in antagonising the Soviet Union more than is necessary.'[18] He then implored Fraser to focus on Australia's region as follows:

> Given the character of the analysis, there is one glaring omission in the statement – it contains no reference whatsoever to Australia's own defence programme or intentions. A foreign policy firmly based on power considerations must, if it is to be taken seriously, be backed up by some military power. Otherwise the gap between declared policy and capability is bound to find one out. Even if only in the most general terms, and even if only to say that this is understood and will be dealt with on a future occasion, there must be some reference to defence policy.[19]

Indeed, Fraser's adviser, David Kemp noted that calls for concern were driven as much by 'the reliability of the United States as an ally' as 'Soviet action in the Third World.'[20] The Secretary of Defence, Tange later wrote that 'when the Prime Minister began publicly defining threats against which Australia should prepare, I doubt that he was much influenced by the Defence Department's focus on where we believed our essential interests lay, along with its realistic view of our capability of serving them.'[21] While Fraser moderated his language, the speech remained substantially unchanged and indicated that he viewed Australia's outlook through the prism of superpower rivalry in the Cold War rather than the threat posed by middle powers in Southeast Asia as implied in strategic guidance. The meaning of self-reliance in the early years of the Fraser Government is summarised in Table 14:

Table 14: Australian Defence Policy During the Early Fraser Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Fraser (Liberal)	Adapting to post-Vietnam era	Southeast Asia and Australian continent	**US:** Ford Admin weak on Vietnam	Soviet naval threat and Vietnamese expansion

Fraser dominated Australian strategic thinking during this period, and emphasised both self-reliance and Cold War rivalry, because there were significant differences between Defence and Foreign Affairs on Australia's priorities in regard the two superpowers. These differences were illustrated in discussions between Australian ministers and their American counterparts. In March 1976, Peacock met with Secretary of State, Henry Kissinger, and discussed cooperation against the Soviet presence in the region.[22] Peacock suggested that the United States negotiate the demilitarisation of the Indian Ocean and proposed Australia attend a meeting of the Non-Aligned Movement to advocate this position. By contrast, in June 1976, Killen met with Secretary of Defense, Donald Rumsfeld and took a more assertive approach that emphasised military cooperation rather than diplomatic action. Killen advised Rumsfeld that Australia had supported the American presence in Diego Garcia and would make

[18] Letter to the Prime Minister – Comments on 'Statement on the World Situation.' 1 April 1976, NAA: M1276, 222 PART 3.
[19] Letter – Andrew Peacock to Malcolm Fraser: Comments on 'Statement on the World Situation.' 1 April 1976, NAA: 1276, 225 PART 2.
[20] 'Statement on the World Situation – Defence Notes.' April 1976, 2. NAA: M1278, 222 PART 3.
[21] Tange, *Defence Policymaking 1950-80*, 103.
[22] 'Memorandum of Conversation – Peacock and Kissinger, Washington, March 17, 1976' in *Foreign Relations of the United States*, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 60.

Australian ports available to American ships.[23] He further suggested that Australia would consider deploying naval forces to the region. Fraser met with President Ford and offered his support for a greater American presence in the Indian Ocean, and invited the USN to use Australian facilities.[24] There were differences of opinion in how Australia should approach the alliance but Fraser favoured closer engagement rather than self-reliance as emphasised in strategic guidance as a means of ensuring Australian security.

Later that month, the Fraser Government put forward a Five Year Defence Program (FYDP) from 1976-1981 to give effect to the *Defence Force Capabilities* paper. Fraser announced that the purpose of the FYDP was to foster 'the development of a defence force of independent capacity, with the emphasis upon use in self-reliant joint operations in Australia's defence … while retaining a maximum flexibility to enable expansion to cope with demands as they arise.'[25] The FYDP put the ideas that had underpinned the *Defence Force Capabilities* paper into official policy. It emphasised investment in naval and air platforms, particularly a replacement for the Mirage fighter, the development of JORN, new frigates and a possible replacement for the aircraft carrier, HMAS *Melbourne*. The FYDP proposed funding for its capability acquisition program. It set aside $2.1 billion for 1976-77, which would increase by 6.8 percent per annum by 1981. The Fraser Government had a workable plan to implement self-reliance and had allocated funding to implement it.

In September 1976, the Defence Committee redrafted its strategic guidance after Fraser's rejection of the *Strategic Basis* paper. The new document, titled *Australian Strategic Analysis and Defence Policy Objectives 1976* (ASADPO), was broadly similar in content to the *Strategic Basis* paper but took a harder line against the USSR in accordance with Fraser's view of Australia's priorities. The ASADPO paper focused more heavily on the superpower relations in theatres beyond Australia's region. It noted that the USSR would seek to 'establish a presence in areas from which it can exert a regional influence' and will 'take the opportunity to gain access to military facilities when this is militarily or politically useful.'[26] It echoed, however, the earlier *Strategic Basis* paper, and the advice to Fraser in the development of his speech, in noting that 'this attitude by no means involves Soviet effort to penetrate every unstable situation about the globe. Soviet leadership has conducted its policy with discrimination and caution.'[27] The revised paper argued that Australia could do little in these distant theatres but could instead develop closer relations with regional powers to reduce Soviet

[23] Memorandum of Conversation – Killen and Rumsfeld, Washington, June 8, 1976' *Foreign Relations of the United States,* 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 61'.
[24] 'Memorandum of Conversation – Fraser and Ford, Washington, July 27, 1976' *Foreign Relations of the United States,* 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010) Document 62.
[25] 'Cabinet Minute – The Five Year Defence Program 1976-1981.' Decision No. 1137, 14 July 1976, NAA: A13075, 1137/FAD.
[26] Ibid Paragraph 41.
[27] Ibid, Paragraph 43.

influence in the Asia-Pacific.[28] It effectively endorsed the concept of greater self-reliance in Australia's immediate region as articulated by both the military and diplomatic establishments.

Given that the prospect of superpower conflict was negligible, the paper focused on regional threats. It concluded that an attack by a regional power 'would be limited to low-level pressures and harassments' and would be driven more by regional instability than global ideological rivalry. The paper stated that 'the possibility of deployment by those [regional] powers of the major military capabilities necessary for substantial assault on Australia is not a credible contingency for defence planning.'[29] It assessed the threat from Indonesia but noted that it would need 'substantial external aid' which would attract American interest, or 'at least ten years and would be immediately perceptible.'[30] However, the paper noted that 'there was a possible, but unlikely contingency of small-scale Indonesian military pressure against PNG' into which Australia could be drawn.[31] It noted that regional threats were more likely to drive Australia's priorities than superpower rivalry and cautioned against focusing on global considerations that would drive Australian force structure planning towards integration with allies for deployment in distant threatens. The paper implicitly forecast the need for greater self-reliance in Australia's region on the understanding that external military assistance could not be guaranteed.

The paper examined the implications of its threat assessments through the lens of greater self-reliance. It argued that Australia could expect allies to respond differently to requests for assistance depending on the threat. It assessed that the United States would assist Australia in contingencies involving the USSR but that it needed to be more self-reliant in light of the Guam Doctrine.[32] However, it noted that there was uncertainty as to how the United States would respond in a lower-level contingency, particularly those involving Indonesia or PNG.[33] This was a recurring theme in Australian defence policy and stemmed from the Eisenhower and Kennedy Administrations' ambivalence about supporting Australia under ANZUS. It summarised this approach as follows:

> Australian defence planning should ensure a substantial capability for independence in military operations regarding issues assessed as likely to be of lesser consequence to US interests. Policy for this self-reliance should be not confined, however, to contingencies in which US support is assessed as uncertain. It should [consider] also other possible requirements for complementary operations with the US, in which independent capability would be valuable.
>
> The development of independent capability should not be an indiscriminate process. It should be guided by Australia's own national requirements in the first instance, as indicated from time to time by intelligence assessments and study of contingencies. Secondly, policy for self-reliance should pay attention to the support expected from the US. The concept is complementarity. Australian defence planning should avoid development of defence capabilities which are not relevant to Australia's own requirements.[34]

[28] Ibid, Paragraph 56.
[29] Ibid, Paragraph 82.
[30] Ibid, Paragraph 202.
[31] Ibid, Paragraph 215.
[32] Ibid, Paragraph 305.
[33] Ibid, Paragraphs 320-321.
[34] Ibid, Paragraph 323-326.

Cabinet considered the paper and endorsed its conclusions with some reservations. Perhaps unsurprisingly given Fraser's worldview, Cabinet felt that threats in distant theatres in the context of Cold War rivalry were not examined in sufficient detail. Cabinet noted that the paper 'did not give credence to the fact that the USSR had exploited the [Strategic Arms Limitation Talks] agreement to build up its missile inventory' and that there was 'inadequate argumentation about the situation affecting Taiwan.'[35] Moreover, Cabinet noted that 'there was no treatment of the strained relationship between Greece and Turkey and its effect on the capabilities of NATO.'[36] Fraser endorsed the need for greater self-reliance in Australia's military planning but nevertheless maintained a strong interest in developments beyond its primary operating environment. There was tension between the focus on self-reliance in Australia's region as articulated strategic guidance, and Fraser's continued interest in superpower rivalry in more distant theatres, and this would become a defining theme of his government.

Later that month, the Fraser Government considered a draft Defence White Paper that was based on the *Strategic Basis, Defence Force Capabilities* and ASADPO papers. On 18 October 1976, it endorsed a draft of the document and announced that it would unveil the Defence White Paper the following month.[37] In November 1976, the Minister for Defence, James Killen, tabled the White Paper in Parliament, and articulated self-reliance as the official basis for Australian defence policy for the first time. The Fraser Government saw self-reliance as meaning that Australian would support its allies but not rely upon their combat forces to defend Australia's interests against credible threats within its region. *Defence White Paper 1976* articulated self-reliance as follows:

> A primary requirement emerging from our findings is for increased self-reliance. In our contemporary circumstances we no longer base our policy on the expectation that Australia's Navy or Army or Air Force will be sent abroad to fight as part of some other nation's force, supported by it. We do not rule out a contribution to operations elsewhere if the requirement arose and we felt that our contribution would be effective, and if our forces could be spared from their national tasks. But we believe that any operations are much more likely to be in our own neighbourhood than in some distant or forward theatre, and that our Armed Services would be conducting joint operations together as the Australian Defence Force.[38]

The Fraser Government declared self-reliance to be the basis for Australian defence policy in the post-Vietnam era. Self-reliance meant that Australia would defend itself and its interests in its immediate region without recourse to the combat forces of allies. Tange later wrote that *Defence White Paper 1976* 'pointed to our limited ability to operate in distant places, and to the requirement for successful defence in areas closer to home. For this we needed … substantial capability of operating independently of allies'[39] Pritchett recalled 'Tange wrote this in that there would be occasions when we were expected to look to our own defence. It would have to be pretty serious for us to expect military

[35] 'Cabinet Submission No. 696 – International Security Outlook and Australian Strategic Analysis and Defence Policy Objectives 1976', 18 October 1976, NAA: A12909, 696.
[36] Ibid.
[37] 'Cabinet Minute – Defence White Paper 1976.' Decision No. 1656 FAD, 18 October 1976, NAA: A12909, 703.
[38] *Defence White Paper 1976*.
[39] Tange, *Defence Policymaking 1950-80*, 103.

support.'[40] The American Deputy Secretary of Defense, Robert Ellsworth wrote to Killen to commend him for balancing Australian defence with the need for bilateral cooperation.[41] To give effect to this policy, the Fraser Government proposed a capability acquisition program and funding plan that mirrored the FYDP. The implementation of *Defence White Paper 1976* would be fraught with difficulty and, as Killen later recalled 'some desperate Cabinet battles lay ahead' in putting self-reliance into practice.[42]

The White Paper was a milestone in the development of self-reliance. Paul Dibb recalls that 'the Defence White Paper was the fundamental breakthrough. It wasn't a clean sheet because we had the 1972 Defence Review but it is the critical hinge white paper. Without it, self-reliance would not have gone ahead.'[43] Similarly, Ross Cottrill recalls:

> Why was it significant? Because most of the concepts that guided policy in the 1980s were enunciated in general terms in the White Paper. The area of primary strategic interest, warning time, credible contingencies. The idea that there are some contingencies that we should be prepared to deal with ourselves. The basic concepts were there, and once they'd been put in the White Paper, there was a feeling they wouldn't be taken back. Those positions were permanent and could be built on but wouldn't be rescinded. The White Paper was the keystone document.
>
> It outlined how and why the region was important to us strategically in ways that are of enduring importance. It also framed the terms in which the debate should be conducted. They were defined in terms that were applicable through many years and were very durable. It was built on an understanding that was developed through years of experience. It was very well received.[44]

Implementing Self-Reliance

The Fraser Government had declared self-reliance as policy and now faced the challenge of implementing the concept. While *Defence White Paper 1976* was being developed, Fraser was advised that the defence portfolio was under significant financial strain. In preparing the defence budget for 1976-77, Treasury had advised Killen that increases in labour costs after Whitlam's decision to end conscription, and an overall increase in wages between 1973 and 1975, had led to unsustainable financial pressures.[45] The defence budget had ameliorated some of these pressures by imposing limits on travel, as well as additional staff and overtime costs. These measures, however, provided only temporary relief to the budget and did not address underlying and systemic funding problems. Treasury again advised Killen that the FYDP was funded only 'through a deliberate pruning process' and that Defence could not sustain further budget cuts if it was to achieve its capability acquisition program and thus implement self-reliance as envisaged in *Defence White Paper 1976*.

Killen understood the budgetary challenges facing the defence portfolio and called a Cabinet meeting to examine funding pressures on 18 October. Reflecting earlier departmental advice,

[40] *William Pritchett Interviewed by Garry Woodard*, 28 October 2002 and 4 February 2003, National Library of Australia, TRC-4903.
[41] Letter – Robert Ellsworth to James Killen. 30 November 1976, NAA: M1335/1/17.
[42] Killen, *Inside Australian Politics*, 267.
[43] Interview with Paul Dibb, 3 June 2019.
[44] Interview with Ross Cottrill, 13 November 2019.
[45] 'Cabinet Minute – Defence Budget 1976/77.' Decision No. 426, 15 July 1976, NAA: A12909, 426.

he urged Cabinet not to reduce personnel numbers as that this would have adverse impacts on military capability and White Paper implementation.[46] Instead, Killen forecast that civilian personnel numbers needed to be increased to implement the FYDP. He also urged against cuts to maintenance, stores or repair facilities. Killen acknowledged that the growth of the Army to 34,000 personnel could be deferred and that the introduction of some capabilities could be delayed to offset some increases in personnel costs. Cabinet agreed with Killen's recommendations, reflecting a widespread determination in the Fraser Government to fully implement its defence program and give effect to greater self-reliance in response to declining American influence in the post-Vietnam era.

The Fraser Government, however, would soon renege on this pledge due to competing budgetary priorities. During the 1975 election, Fraser had agreed to maintain most of Whitlam's social programs, particularly Medibank, the system of universal healthcare set up in 1974-75. The cost of these reforms soon imposed a significant cost on the federal budget. Treasury advised Cabinet that the proportion of total healthcare costs funded by the Commonwealth had increased from 55 percent in 1972-73 to 73 percent by 1975-76, with further increases forecast in subsequent years.[47] The situation had become so dire that the Minister for Health, Ralph Hunt, advised Fraser that if 'no changes are made, Medibank will cost the Commonwealth $1.8 billion in the coming financial year.'[48] The cost of Whitlam's healthcare reforms necessitated a reconsideration of priorities across government. This would result in severe cuts to the defence budget and the Fraser Government's attempts to implement greater self-reliance as articulated in *Defence White Paper 1976*.

The first tranche of major capability acquisition under the FYDP had been guaranteed by the defence budget, and was considered by the Fraser Government in July 1977. Cabinet agreed to fund one replenishment vessel, as well as the modernisation of two destroyer escorts, HMAS *Swan* and HMAS *Torrens*, as well as missiles and radio systems.[49] In October 1977, it agreed to fund the acquisition of a third frigate.[50] These were important steps in developing a more self-reliant defence force as these capabilities would give Australia the maritime strike capabilities needed to better defend itself against emerging regional threats envisaged in the *Strategic Basis* and *Defence Force Capabilities* papers. Treasury advised that this assumed that the Fraser Government would increase the defence budget as outlined in *Defence White Paper 1976*. It warned that if adequate funding was not provided, the acquisition of these platforms 'would seem more likely to progressively imperil other priority expenditure.'[51] The Fraser Government had been advised that it needed to adhere to the funding

[46] 'FAD Paper No 24: The Five Year Defence Program 1976/1981, Financial Levels in 1977/1978.' Decision No. 1658 FAD, NAA: A12934, FAD 24.
[47] Ralph Hunt, Letter to the Prime Minister - Medibank Review. 28 April 1976, NAA: M1276, 123 PART 2.
[48] Ibid.
[49] 'Cabinet Minute – Acquisition of Major Items of Defence Equipment.' Decision No 3399, 19 July 1977, NAA: A12909, 1369.
[50] 'Cabinet Minute – Acquisition of a Third Guided Missile Frigate (FFG 03).' Decision No. 4221 FAD, 27 October 1977, NAA: A12909, 1725.
[51] Ibid.

program outlined in the White Paper or it would need to reprioritise its acquisition program with long-term consequences for a self-reliant posture.

Australia's fiscal outlook deteriorated significantly in subsequent months. On 22 March 1978, the Treasurer, John Howard, provided Cabinet with a bleak forecast. He noted that Australia faced a 'totally untenable budgetary picture' because of an increase in inflation and a significant reduction in revenue due to widespread unemployment.[52] Social security expenditure was set to increase by $100 million in 1977-78 as the number of unemployed persons increased by 70,000. Howard urged that 'immediate action be set in train' to reduce the expected deficit. Cabinet agreed to 'rein back the increase in total budget outlays to the order of five percent.'[53] This necessitated widespread cuts across all portfolios, including Defence and meant that the acquisition program that accompanied the White Paper would be reviewed at the expense of greater self-reliance.

Cabinet met on 8 June 1978 to consider future defence expenditure in light of Howard's proposed cuts. Finance proposed four options for the defence budget for 1978/79, each of which had significant implications for a more self-reliant posture. The first of these, Option A, was preferred by Killen and envisaged $2.5 billion in annual expenditure or an annual increase of five percent as per *Defence White Paper 1976*.[54] Option B provided an annual increase of 3.3 percent, Option C provided a one percent annual increase, and Option D provided zero annual growth in the defence budget. Cabinet agreed to Option C against Killen's wishes, which provided a net saving of $98 million to the Commonwealth but imperilled Defence's acquisition program as warned by Treasury. Finance described the consequences of the different options on acquisition and funding priorities as follows:

> The Department of Finance accepts that a zero growth Defence Budget Outlay for 1978/79 may not be a feasible proposition either presentationally or in light of the expenditure impact of previous years' major equipment decisions. For these reasons Finance suggests that a Defence Budget Outlay along the lines of Option C , which incorporates a modest 1% real increase, should provide some small flexibility to Defence in settling its priorities. It acknowledges, however, that selection of such an option would rest primarily on budgetary grounds. Among other things, it would necessitate reappraisal of the endorsed financial guidance.[55]

Finance then elaborated on the implications of proceeding with Option C for capability acquisition. It advised that this option would severely constrain the projects that it had approved since *Defence White Paper 1976*. More specifically, it would 'involve the cancellation of a substantial number of contracts and projects, notably the Third Guided Missile Frigate, the replenishment ship and the modernisation of *Swan* and *Torrens*' and 'the almost complete deferral of government programs for 1978/79.'[56] Finance noted that 'the timing of the replacement tactical fighter would be in jeopardy unless competing expenditures were severely slashed' and that 'a carrier option for the replacement of

[52] 'Cabinet Minute – Without Submission: 1978/79 Forward Estimates Report.' Decision No. 4902, 22 March 1978, NAA: A13075, 4902.
[53] 'Cabinet Minute – The Economy and Budget Strategy.' Decision No. 6043, 5 July 1978, NAA: A12909, 2488, 6.
[54] 'Cabinet Minute – Forward Estimates Review Paper No. 7 and Addendum. Defence Budget 1978/79.' 10 July 1978, NAA: A12933, 502.
[55] Ibid.
[56] Ibid.

HMAS *Melbourne* might not be possible.'[57] Cabinet's decision to approve Option C in response to deteriorating economic circumstances and competing budgetary priorities constrained the implementation of self-reliance as envisaged by *Defence White Paper 1976*. Australia's defence establishment was dismayed, and Killen wrote to Fraser arguing that 'if zero growth were applied to Defence outlay, the effect upon the Services would be disastrous. It would represent a stark repudiation of the White Paper.'[58] The Secretary of Defence, Tange, recalled the budget cuts thus:

> Unreasonable strains were being imposed on both civilian and Service officers from the expenditure controllers of Cabinet in the campaign against inflation … we had particular problems when Cabinet demands began to be directed at designated expenditure activities without an understanding of the consequences. I believe that some had more to do with pandering to popular prejudice than with achieving rational economies.[59]

The Minister for Defence, Killen, also recalled the budget cuts as follows:

> On 20 July 1978, the Secretary [of Finance], Sir William Cole, wrote to all departments informing them that two ad hoc decisions made on 13 and 18 July required an 'overall reduction of 3 percent in respect of non-wage and salary administrative expenses.' Immediately, I wrote to John Howard, emphasising that unlike other departments, administrative expenses in the Defence Department covered such things as recruitment, postings, discharges, training, medical services, running the naval dockyards, service workshops, Defence science laboratories, the salaries of academic staff at the Royal Military College and so on. I simply could not believe that decisions would be taken with such wide ramifications without consultation.[60]

These accounts indicate that there were serious differences of opinion between Finance and Defence on Australia's strategic and economic priorities in the late 1970s. Defence sought funding to implement a more self-reliant policy as envisaged in *Defence White Paper 1976* and better adapt to reduced American influence in Southeast Asia in the post-Vietnam era. By contrast, Finance prioritised fiscal considerations at a time of austerity in holding that all portfolios needed to reduce funding in response to declining revenue and an increase in spending on healthcare and social security. Finance won the debate and the subsequent reduction in defence expenditure meant that the Fraser Government could not fund *Defence White Paper 1976* or the FYDP, and this necessitated a reconsideration of Defence's priorities, including the implementation of greater self-reliance.

Cabinet met on 14 September to consider the broader implications of these cuts. Killen advised that Defence had commenced a 'complete re-examination of the objectives and priorities in the White Paper' with a focus on 'the extent to which the Defence Force can maintain the present deployment capability and enhance self-reliance.'[61] This meeting was important as it showed that the Fraser Government had started to doubt its ability to implement self-reliance as envisaged in *Defence White Paper 1976*. Killen noted that capability expenditure 'has been reduced by some 33 percent below

[57] Ibid.
[58] Killen, *Inside Australian Politics*, 269.
[59] Tange, *Defence Policymaking 1950-1980*.
[60] Killen, *Inside Australian Politics*.
[61] 'Cabinet Submission No. 2577 – Consequences of the Defence Budget for 1978/79', 14 September 1978, NAA: A12909, 2577.

the levels projected for 1976-77 to 1978-79 in the White Paper.'[62] The Fraser Government had been forced to prioritise platforms that it had deemed essential to self-reliance while discarding or delaying others. Enhancements to naval and air platforms were deferred or cancelled, and significant personnel reductions were forecast for 1979. Killen later recalled that 'there had been a slip from the White Paper objectives which could not be disguised.'[63] By the end of 1978, the innovative thinking that had shaped Australian defence policy in the early years of the Fraser Government faded in response to economic reality and shifting portfolio priorities. The Fraser Government struggled to implement self-reliance, instead largely relying on its allies in contrast to official policy.

The End of Détente

In 1979, Australia's strategic environment began to deteriorate to an extent not seen since Konfrontasi in the early 1960s. Fraser had been concerned by America's withdrawal from Southeast Asia, and the commensurate increase in the Soviet economic and strategic presence in the region. These concerns would become more pronounced, as other American allies, notably Iran, fell in the Middle East, while Russian aligned states, such as Vietnam, became increasingly active in the Asia-Pacific. As a result, the Fraser Government would reconsider the budget cuts instituted in 1978 as well as its overarching priorities. In response to its deteriorating strategic environment, Fraser would reinvest in the ADF to develop it into a more self-reliant force as envisaged in *Defence White Paper 1976*.

The prospect of Vietnamese adventurism in the aftermath of America's withdrawal had been a key focus of Australian planning during the early years of the Fraser Government. The *Strategic Basis* paper, and associated diplomatic reporting, warned that Vietnam could become more active in Southeast Asia with Soviet backing as a means of containing Chinese influence. These fears were realised in November 1978, when it signed a Treaty of Friendship with the Soviet Union, which granted it to the right to establish a naval base at Cam Rahn Bay. This complicated Australian planning as it meant that the USSR had the capacity to extend its reach into the Asia-Pacific. Leading Russian analysts Paul Dibb and Peter Bowan wrote that 'the Soviet role in Vietnam gives us greatest cause for direct concern since it increasingly evidences the projection of a Soviet military presence in Southeast Asia and the South Pacific.'[64] The Secretary of Foreign Affairs, Renouf, recalled that 'alarm bells within the Fraser Government began to sound' in response to this development,[65] a sentiment that both Fraser and Peacock expressed to President Carter shortly thereafter.[66] Australian perceptions of Vietnam had soured, and it was now viewed as a credible base for Soviet expansion into the Asia-Pacific.

---

[62] Ibid.
[63] Killen, *Inside Australian Politics*, 282.
[64] Dibb, *Australia's External Relations in the 1980s*, 168.
[65] Renouf, *Malcolm Fraser and Australian Foreign Policy*, 89.
[66] 'Memorandum of Conversation – Fraser and Carter, 2 January 1979' in *Foreign Relations of the United States*, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 259.

These perceptions of Vietnam were substantiated when it invaded Cambodia, with a view to removing its Chinese-aligned government in January 1979. The Office of National Assessments briefed Cabinet and assessed that Vietnam's invasion of Cambodia, and China's subsequent invasion of Vietnam 'had created an extremely dangerous situation which had the potential for expansion into a war involving the Soviet Union and Vietnam.'[67] Its assessment of threat was further reinforced by ambivalent views of Australia's allies. It advised that 'self-denial by Washington in the region makes it difficult for the United States, and the West generally, to prevent or help Cambodia.'[68] Moreover, the USSR had started to increase its presence at Cam Rahn Bay to the point that it became the largest Soviet naval base outside of the USSR. The balance of power in the Asia-Pacific had appeared to shift away from Australia and its allies.[69] Fraser wrote to Carter that 'the Soviet Union has sought to extend its influence … it has made a significant incremental gain in Southeast Asia that it would hope to enlarge' and implored the United States to take action.[70] This assessment highlighted the extent to which Australia's environment had deteriorated since the election of the Fraser Government and the publication of *Defence White Paper 1976*, and this would necessitate a greater focus on self-reliance.

Then, in February 1979, the Iranian Government fell in an anti-American revolution, further complicating Australian planning. During the 1970s, the government in Tehran had become an important partner in Australian attempts to balance the Soviet presence in the Indian Ocean. The Fraser Government was ambivalent about the Carter Administration, and its initiative to demilitarise the Indian Ocean on the basis that this would 'accord to the USSR relative advantage in potential to build up military capability in the Indian Ocean.'[71] Fraser's distrust of the Soviet Union did not align with Carter's preference for détente. There is also evidence that Fraser did not trust the Carter Administration to uphold its commitments under ANZUS. Indeed, Defence advised him that 'US global interests are not clearly defined in their linkage with the interests of the Pacific and Indian Oceans; the manner in which they will be pursued remains uncertain.'[72] It followed that:

> This is not to suggest that Australian defence interest requires always the largest and most permanent deployment of US forces in Australia's area of strategic interest. Rather, it argues for a demonstrable continuance of US will, as well as capability, to match the USSR's projection of power and influence into the Pacific and Indian Oceans; to sustain there a strategic posture which, irrespective of formal commitments, contributes to confidence in regional no less than global stability; and to continue to cooperate in practical matters with those regional

[67] 'Cabinet Minute – Vietnam's Invasion of Kampuchea: Chinese and Soviet Policies and Their Implications.' Decision No. 7544 FAD, 5 February 1979, NAA: A12930, 5.
[68] Ibid.
[69] Ibid.
[70] 'Letter – Fraser to Carter, 10 February 1979' in *Foreign Relations of the United States*, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 261.
[71] 'Defence Committee Minute – Australia Defence Concerns Regarding the Indian Ocean.' 19 May 1977, Agendum No. 4/1977. NAA: A7942, I95 PART 1.
[72] Department of Defence, 'United States: Strategic Policies and Perceptions.' July 1977. NAA: A1838 686/2/19 PART 1.

> powers whose pursuit of their own independent security concerns and 'national resilience' contributes to security generally in Australia's region of primary defence concern.[73]

It was in this context that Fraser later informed the US Secretary of Defense, Harold Brown, of his concern that 'a European war would entail shifting the US Navy from the Pacific to the Atlantic, thus leaving Southeast Asian sea lines of communication exposed',[74] and reiterated this to Carter in a subsequent meeting.[75] The Fraser Government sought to align with other states in the Indian Ocean and at one point, considered entering into partnership with both Iran and South Africa. Fraser sent Deputy Prime Minister, Doug Anthony to Tehran, but decided not to proceed due to the fall of the Shah and his opposition to South Africa's apartheid policies.[76] Given his relationship with Iran, it is unsurprising that Fraser felt that the Iranian Revolution had 'very serious implications for Australian interests particularly with respect to national security and trade.'[77] He decided that the government would examine what assistance 'could be provided in the event that the United States moved to establish a more significant military presence in the Indian Ocean' after the fall of a key Middle Eastern ally and thus began to move away from self-reliance as articulated in the Defence White Paper.[78]

The Fraser Government formally considered what assistance it could provide to the United States in response to the situation in Iran. Cabinet decided that it would not deploy forces to the Middle East in support of American military action but would assist in other ways.[79] Rather than direct involvement, it would seek to facilitate a greater American presence in the Indian Ocean. Fraser advised Carter to 'keep your vessels in the area. None of us saw the nature or intensity of the problem. We are concerned that the balance of power will be altered if the Shah does not survive, and are very unhappy with a difficult situation.'[80] Now that the situation had deteriorated, Fraser offered assistance with the transit of American forces, and suggested further consultations with the United States to determine whether the RAN could take a greater role in the Indian Ocean. Fraser encouraged the United States to become more active in Australia's region perhaps because of his concern that the Carter Administration had been unwilling to take a harder stance against the USSR. Fraser's reaction to these developments shows that he was predominantly concerned with strategic issues well beyond Australia's operating

---

[73] Ibid.
[74] 'Memorandum of Conversation – Fraser and Brown, 22 June 1977' in *Foreign Relations of the United States*, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 237.
[75] 'Memorandum of Conversation – Fraser and Carter, 22 June 1977' in *Foreign Relations of the United States*, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 238.
[76] 'Defence Committee Minute – Proposed Iran/Australia Cooperation on the Indian Ocean. Agendum No. 11/1976, 30 September 1976, NAA: A7942, I95 PART 1.
[77] 'Cabinet Minute – Australia and the Iran Crisis.' Decision No. 10451 FAD, 11 December 1979, NAA: A12930, 564.
[78] Ibid.
[79] 'Cabinet Minute – Possible Australian Support for Increased US Deployments in the Indian Ocean.' Decision No. 10546, 19 December 1979, NAA: A12909, 3735.
[80] 'Memorandum of Conversation – Fraser and Carter, 2 January 1979' in *Foreign Relations of the United States*, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 259.

environment and sought to integrate with allies rather than looking to a more self-reliant posture against contingencies in Australia's region.

It is important also to consider the attitude of the ALP towards Australia's defence policy during this period. During the late 1970s, it broadly supported Fraser's attempts to implement a more self-reliant policy as envisaged in *Defence White Paper 1976* while maintaining a close relationship with the United States. Senior American defence officials questioned their Australian counterparts about the ALP's defence policies and the Deputy Secretary for Strategy and Intelligence, Bill Pritchett advised that 'the Labor Party did not neglect defence and that most of the current procurement was initiated under Labor Party. The return of the Labor Party would, therefore, have little effect.'[81] The other reason the ALP supported Fraser's stance was because the party itself had changed direction under the leadership of Bill Hayden, who moved it towards the centre. A Central Intelligence Agency assessment stated that 'Under Whitlam's successor, Bill Hayden, Australian Labor has become more moderate. The firebrands of the early 1970s who railed against US policy in Vietnam are now retired or out of office.'[82] Those who questioned ANZUS, such as Rex Connor and Jim Cairns had made way for a new generation of centrist politicians, including Paul Keating and Gareth Evans. Hayden recalled that under his leadership, the ALP would 'persistently hammer away and create a credible set of measures … to demonstrate that the new management would be different and reliable.'[83] The CIA assessment concluded that the ALP had increasingly diverged from its New Zealand counterpart on defence policy, an issue that later became more pronounced.

Cabinet met in March 1979 to consider the implications of the deterioration in Australia's strategic environment. COSC advised that the documents considered in 1976: the *Strategic Basis, Defence Force Capabilities,* and *ASADPO* papers, were 'of limited relevance … as current assessments of the intentions and capabilities of regional powers would lose validity.'[84] Consequently, it advised that the ADF needed 'insurance against uncertainty' and that it should, therefore, 'retain, develop or acquire versatile offensive and defensive capabilities to deal with more serious contingencies.'[85] This included additional personnel, as well as fuel and ammunition stores. Cabinet agreed to increase funding to make up for earlier shortfalls and thus provide greater self-reliance but deferred further commitments until the subsequent defence budget. Australia's region had become more uncertain, and its allies were less influential, hence the need for greater self-reliance in Australian planning.

---

[81] 'Memorandum of Conversation – Pritchett and Douse, 8 December 1977' in *Foreign Relations of the United States,* 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 250.
[82] 'Central Intelligence Agency, 'South Pacific: Nuclear Attitudes', 14 September 1979' in *Foreign Relations of the United States,* 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 266.
[83] Hayden, *Hayden: An Autobiography*, 322.
[84] 'Chiefs of Staff Committee Minute – Minute of a Series of Meetings Held on 14, 16, 21, 28 February; 5, 19 and 30 March 1979, Minute No. 6/79, NAA: A10756, LC3015.
[85] Ibid.

Shortly afterwards, Killen delivered a major statement on defence policy. He acknowledged that Australia's environment had deteriorated due to 'recent unsettling events in the Middle East and in Indochina.' Killen on the advice of Tange, announced that the Fraser Government would increase the defence budget by two percent per annum to invest capabilities that would provide the ADF with a more self-reliant force structure.[86] The Fraser Government agreed to increase its operational readiness through greater investment in personnel, major systems and joint enablers. The speech was significant as Killen reaffirmed Australia's commitment to self-reliance. He articulated its view of self-reliance in the following terms:

> It is in respect of armed threats within our own geographic environment that our allies could be expected to look to Australia to be reasonably self-reliant, and to make a maximum effort to look after its own security. Australia's isolation, and our physical environment of sea and air space and archipelagic territories, carry a number of pointers for our defence capabilities.[87]

Killen then discussed Australia's relationship with the United States in the following terms:

> As the nation has changed, so indeed has its responsibilities. For the greater part of our national existence we depended substantially for the preservation of our national integrity upon the United Kingdom and the United States. Events have required us to meet that concern from substantially our own resources. We are doing just that. Australia today has a defence capability which is consistent with our responsibilities and our circumstances. [88]

The Fraser Government reconsidered the basis for its defence policy as Australia's environment deteriorated. It felt it could not necessarily rely on the United States and needed to invest in military capabilities to protect its interests against emerging regional threats. Importantly, Killen highlighted the importance of geography in the development of a more self-reliant force structure, although that would not be fleshed out in detail during his term in office. Killen later wrote that 'the United States expects its allies to assume greater responsibilities for their own defence. And more recently, the undisputed naval supremacy of the United States has been challenged by the phenomenal expansion of the Soviet Navy.'[89] The USSR started to increase its presence in the Asia-Pacific while the United States suffered setbacks in the Middle East, Southeast Asia and the Indian Ocean. Fraser did not trust the Carter Administration, and felt that the best way forward in those circumstances was to adopt a more self-reliant defence policy that focused on the protection of Australia's interests in its immediate region.

Although Fraser did not trust Carter, he saw engagement with the United States as a key component of self-reliance. Killen later explained that 'a more self-reliant posture implied no conflict of interest with our alliance responsibilities … the United States cannot carry alone the full burden of the security of the Western world.'[90] Indeed, Fraser sought further cooperation with the United States with a view to bolstering its presence in the Indian Ocean to balance the Soviet naval threat. To that

[86] Jim Killen, 'Letter to the Prime Minister – Defence Statement.' 29 March 1979, NAA: M1335.
[87] Commonwealth Parliamentary Debates, *Defence: Ministerial Statement*, 29 March 1979 (James Killen).
[88] Ibid.
[89] O'Neill and Horner, *Australian Defence Policy for the 1980s*, 22.
[90] Ibid., 36.

end, Fraser agreed to facilitate the transit of American personnel to the Middle East through HMAS *Stirling* in Western Australia. Killen articulated this approach as follows:

> We need a Defence Force that will protect our supply lines in the maritime areas near to Australia's principal ports or that could make some contribution to assisting allies protect our more remote sea routes should there be no significant local threats … our Defence Force should also provide the government of the day with the practical option of contributing to Pacific defence in accordance with the ANZUS Treaty.[91]

Two months after the speech, Cabinet considered the Defence budget for 1979-80. It agreed that the Fraser Government would invest in military preparedness given the deterioration in Australia's environment. It approved a seven percent increase in the Defence budget, from $2.3 billion to $2.5 billion from 1978-79 to 1979-80.[92] Most of this funding was invested in Navy's fuel reserves, Army's ammunition stores and an increase in personnel across the Services to crew and maintain capabilities that had been acquired in recent years.[93] It did not address other major capabilities at the heart of *Defence White Paper 1976*, such as a replacement for the Mirage fighter or HMAS *Melbourne*. The budget was a momentary investment in greater self-reliance in response to apparent immediate threats but did not resolve broader issues in Australia's force structure. This would cause significant problems later as examined in Chapter Seven.

On 11 December 1979, Cabinet met to consider the implications of these developments. Killen advised Cabinet that Australia was safe from major attack due to its geography but that this could change rapidly. He noted that 'by the end of the century, there will exist as well, in South and East Asia, very large concentrations of military strength. Our defence policy and military development will need to take increasing account of these developments.'[94] Killen identified Indonesia as a threat, stating that:

> Nearer to home, although at present the prospect of hostile military activity is remote, we would be imprudent not to provide against the possibility of future difficulty with Indonesia, in respect of PNG or in our bilateral relations. Indonesia already has the capability to carry out low-level politico-military harassment, and given the necessary political preconditions, this could occur with relatively little warning time.'[95]

Killen then argued that:

> Our ongoing defence effort must demonstrate to Indonesia that Australia is serious and competent in defence matters and capable of responding effectively to low-level pressures or military attacks, and of timely expansion for independent response to more substantial threat.[96]

He felt that Australia needed to be more self-reliant because, in his view, 'our planning cannot assume combat support from the United States, especially against a power of limited capability on an issue not directly involving major US interests.'[97] Killen emphasised that Australia needed to be more

[91] Commonwealth Parliamentary Debates, *Defence: Ministerial Statement*, 29 March 1979 (James Killen).
[92] 'Cabinet Minute – Defence Budget 1979-80.' Decision No. 9447, 18 July 1979, NAA: A12909, 3249.
[93] Ibid.
[94] 'Cabinet Submission – Australian Strategic Analysis and Defence Force Objectives 1979.' 11 December 1979, NAA: A12909, 3577.
[95] Ibid.
[96] Ibid.
[97] Ibid.

self-reliant in lower-level regional contingencies which would have serious consequences for its strategic interests but would not necessarily attract allied support.

Cabinet endorsed these assessments 'as the basic guidance for the formulation of defence policies and the planning of Defence Force and infrastructure development.'[98] It agreed that Defence should prioritise 'the independent combat defence of Australian territory and its direct interests' and the 'progressive enhancement of our national capacities to support this operational capability.' In practical terms, Cabinet endorsed 'the maintenance of a manifestly advantageous military capacity vis a vis our neighbours.'[99] The Fraser Government noted the need for investment in 'defence related northern infrastructure' and support for the joint facilities to keep the United States engaged in Australia's strategic interests as argued in previous guidance. The Fraser Government, on Killen's insistence, sought to involve its allies in its region but nonetheless understood the need for a more self-reliant posture for low-level contingencies on the realisation that it could not necessarily depend on other major powers. Self-reliance in Australian defence policy under the Fraser Government, as it was in 1979, is summarised in Table 15:

Table 15: Australian Defence Policy Under the Middle Fraser Government

Government (Party)	**Core Strategic Interests**	**Primary Geographic Scope**	**Perceptions of Allies**	**Perceptions of Credible Threat**
Fraser (Liberal)	Preparing for regional instability and managing fiscal uncertainty	Indian Ocean Indochina Indonesia	**US:** Distrust of Carter	Soviet Navy Vietnam Indonesia

Throughout 1979, the Fraser Government further refined the concept of self-reliance. It had defined the idea in *Defence White Paper 1976* but did not further develop it due to competing portfolio priorities and deteriorating economic circumstances. Recollections from senior figures including Renouf and Tange give credence to the assertion that Fraser did not embrace the concept, preferring instead to rely on the United States, and that it was largely driven in Cabinet by Killen with the support of the Defence and Foreign Affairs establishment.[100] Dibb also supports this assertion in recalling that 'Killen was focused on Australia's region, and did his best to implement the White Paper, as opposed to global issues like the USSR. That's where he differed from Fraser.'[101] As Australia's environment deteriorated, however, the Fraser Government articulated self-reliance as meaning that Australia would support allies but not rely upon their combat forces in defending its strategic interests against credible threats in its region. Killen later summarised this view of self-reliance as follows:

> Our future holds no guarantee that a major distant ally would be able, without constraints which could be considerable, to range the might of its conventional arms actively alongside Australia's Defence Force. To me what greater self-reliance means is acquiring the capability – intellectual as well as organisational and material – to prepare ourselves to carry out military operations on

[98] Ibid.
[99] Ibid.
[100] Tange, *Defence Policymaking 1950-1980*, 103.
[101] Interview with Paul Dibb, 3 June 2019.

> our own, and in defence of Australia's national sovereignty and interests, below a higher threshold for assistance from abroad than we have been accustomed to contemplate.[102]

In light of Killen's statement, it is worth reflecting on the circumstances in which Australia could expect assistance from allies. He declined to define what the threshold for allied intervention would be on the basis that 'no responsible Minister for Defence would do so.'[103] Recently declassified documents indicate that it would depend on whether core American interests were threatened. That had been identified as the key variable in the early 1960s and was an issue of debate well into the 1970s. It was driven by the recognition that Australia received assistance from the United States during the Second World War but not during Confrontation. The United States assisted in one situation but not the other because it was faced with a common enemy in a global war that directly affected American interests. Using the same reasoning in the 1970s, Australia expected assistance against a threat from the USSR but not against regional threats in Australia's region, particularly a resurgent Indonesia or instability in PNG. In these lower-level but still significant contingencies, Australia would need to draw on its own capabilities to defend its core interests without expectations of allied assistance.

Conclusion

This chapter has demonstrated that the Fraser Government made a significant contribution to the conceptual and practical development of the self-reliance in declaring the principle as the basis of official policy in *Defence White Paper 1976*. It defined self-reliance as the ability to defend Australia's strategic interests in its immediate region against credible threats without recourse to the combat forces of allies. However, Fraser struggled to implement self-reliance because of competing portfolio and budgetary priorities. Fraser never fully embraced the concept of self-reliance, instead viewing Australia's strategic priorities in the wider context of great power rivalry in the Cold War. The Fraser Government partly remediated these problems by reinvesting in the ADF in 1979, but this was a short-term solution in the face of broader pressures. The Fraser Government struggled to implement self-reliance, and effectively reverted to closer alignment with its allies as the basis for Australian defence policy in subsequent years as shown in the following chapter.

[102] O'Neill and Horner, *Australian Defence Policy for the 1980s*, 23.
[103] Ibid.

Chapter Six:

The Late Fraser Years and the Crisis in Australian Defence Policy

(1980-1983)

Introduction

In the second half of its term in office, the Fraser Government struggled to implement self-reliance. This chapter demonstrates that Fraser moved away from the focus in strategic guidance on self-reliance against middle powers in Australia's region to closer engagement with the United States in response to perceptions of increased Soviet aggression, and a more assertive administration under President Reagan. The economy, however, continued to stagnate and the Fraser Government further reduced expenditure with lasting consequences for the development of force structure and defence policy. Its struggle to align capability with funding and policy exposed divisions between civilians and military personnel. As a result, the Fraser Government would leave office with Australian defence policy in disarray, necessitating a fundamental reappraisal, which would lead to a return to self-reliance by its successors.

The Return to Cold War Rivalry

The Soviet Union invaded Afghanistan in December 1979 to support an allied regime that was in danger of collapse. On 15 January 1980, Cabinet requested a reassessment of the briefing from late 1979, and the Joint Intelligence Organisation (JIO) subsequently briefed Fraser on the invasion and its implications for Australia.[1] JIO assessed that détente had come to an end as the USSR had invaded a sovereign state outside of its sphere of influence, and that the superpowers were once again rivals.[2] It painted a bleak picture of Soviet intentions in the aftermath of the invasion, and suggested it would seek to enhance its influence in the Persian Gulf and Indian subcontinent, and also strengthen its position in South Yemen, Ethiopia and Syria. JIO also held that there was 'little prospect for negotiated limits to Soviet and American naval and air forces competing in the Indian Ocean', and forecast that the Soviet Navy could become active in the Pacific.[3] Australia's outlook was seen to have deteriorated significantly and was unlikely to improve in the short term. This was a significant shift from the regionally-focused assessments of the previous month to global issues in the context of the Cold War and would have significant implications for Australia's policy priorities with respect to self-reliance.

JIO blamed the Carter Administration, in part, for the USSR's aggressive foreign policy. It held that 'Moscow's confidence has been bolstered by its perception of Western disinclination to counter Soviet activities in the Third World.'[4] This assessment concurred with the ONA report to Cabinet in February 1979 on the Vietnamese invasion of Cambodia which concluded the USSR was prepared to take advantage of American disengagement with the region.[5] JIO held that aggression in the Third

[1] 'Cabinet Decision No. 10601 – Australian Strategic Analysis and Defence Policy Objectives 1979.' 15 January 1980, NAA: A13075, 10601/FAD.
[2] Joint Intelligence Organisation, *The Soviet Intervention in Afghanistan: An Interim Estimate*. 15 Jan 1980, NAA: A14036, 1/80.
[3] Ibid.
[4] Ibid.
[5] 'Cabinet Minute – Vietnam's Invasion of Kampuchea: Chinese and Soviet Policies and Their Implications.' Decision No. 7544 FAD, 5 February 1979, NAA: A12930, 5.

World 'may now be strengthened by the USSR's successful intervention in Afghanistan.'[6] The report gave a pessimistic analysis in language reminiscent of assessments from the Menzies Government in the following terms:

> Military power is perceived by the Soviets as necessary for defending their interests and leveraging crisis situations – as in Afghanistan – in directions acceptable to them. Soviet leaders are encouraged to persist by what they observe as basic trends, notably the US withdrawal from Vietnam – which they saw as a watershed, marking the end of an era in which US readiness to intervene militarily dominated Soviet risk calculations in the Third World. Soviet international behaviour in the 1980s is likely to include a purposeful testing of the political implications of the USSR's increased military strength.[7]

Such intelligence assessments fed into Fraser's perceptions of the USSR as a significant threat to Australian security. In his most recent book, *Inside the Wilderness of Mirrors*, Dibb states that Fraser had 'excessive paranoia about the Soviet military threat to Australia' and that some of these intelligence assessments fuelled responses that reflected Fraser's view of the Cold War but were not necessarily aligned with Australia's interests, budgetary constraints or military capabilities.[8] Dibb recalls that 'when the Soviets invaded Afghanistan, Fraser thought it was World War Three. This was a drive for Peter the Great's warm water ports. It was intense stuff and Fraser really was whipping it up.'[9] Cottrill similarly recalls it was argued that 'Australia's front line is the Oder-Neisse line.'[10] That was compounded by ONA reports from Robert Furlonger which argued that 'the Soviets would win.'[11] Dibb wrote that Fraser embraced these assessments and argued that the USSR would use the invasion to further entrench its influence in the Middle East despite the dissenting views of more cautious elements within the intelligence community and the defence establishment.[12] Ross Babbage, then Senior Analyst for Strategic Analysis at ONA, offers a different view. He recalls that Furlonger briefed Fraser regularly with the best information available, and Air Marshal Ray Funnell recalls that ONA had a positive impact.[13] Babbage also notes that one their analysts, Tim McLennan, had personal experience of Soviet brutality as a diplomat in Moscow.[14] Furlonger recalled the debate as follows:

> The Russians were behaving decisively in defence of what they conceived to be their interests, while the Americans, under President Carter, were going through a very indecisive period. But to feel that everything they did was an unfolding of a world plan that we had to govern our behaviour by was vastly exaggerated. Henderson shared my view closely. Pritchett generally shared it. Of course, this was the kind of thing on which Fraser didn't take advice – as far as he was concerned, he knew it all and was destined to alert the world to the dangers of Soviet expansionism.[15]

---

[6] Joint Intelligence Organisation, *The Soviet Intervention in Afghanistan: An Interim Estimate*. 15 Jan 1980, NAA: A14036, 1/80.
[7] Ibid.
[8] Dibb, *Inside the Wilderness of Mirrors*.
[9] Interview with Paul Dibb, 3 June 2019.
[10] Interview with Ross Cottrill, 13 November 2019.
[11] Interview with Paul Dibb, 3 June 2019.
[12] Dibb, *Inside the Wilderness of Mirrors*.
[13] Interview with Ray Funnell, 1 November 2019.
[14] Interview with Ross Babbage, 14 August 2019.
[15] *Robert Furlonger Interviewed by Stewart Harris, 18 February, 3 December 1992*, National Library of Australia, TRC-2795. In addition, Furlonger recalled the relationship between JIO and ONA in the following terms: 'When I was running

Fraser never embraced détente, and the invasion of Afghanistan arguably fed into his distrust of the Soviet Union and its strategic intentions. Air Marshal Ray Funnell recalls that Afghanistan 'was really significant and it energised Fraser in a way that I had not previously seen. I recall that we were conjuring up various options, including sending a naval task force into the Persian Gulf.'[16] This forced a greater focus on distant theatres to the detriment of prioritising development of capabilities focused on self-reliance in Australian defence policy.

At around this time, Cabinet considered Australia's response to the Soviet invasion. Fraser took a hard line, condemning it as 'without justification' and 'in violation of all that the UN stands for.'[17] He described it 'as a mode of behaviour which makes normal relations between states impossible.' Cabinet agreed that Australia end its scientific collaboration with the USSR, terminate civil aviation agreements, impose economic sanctions and refuse to recognise the Afghan Government. The purpose of the measures was to ensure that there was no 'extension or repetition of such behaviour.'[18] These were interim measures and Cabinet agreed it would explore options for further military cooperation with the United States as a result of the invasion. Foreign Affairs took a more cautious approach in the following advice on Australia's interests:

> Australia is a country of 14 million people and we do not imagine that we can have a major effect on limiting the Soviet Union's expansion. We are more remote from the Soviet Union, and less directly threatened than others may feel themselves to be. But we have a clear perception of the threat exemplified by the action taken in Afghanistan; this is shared by many others who have been reluctant to give voice to their concern, or to take action to seek to counter the threat. And we live in a part of the world which could become increasingly vulnerable to Soviet expansion, in the absence of timely and cooperative steps to discourage that.[19]

It is in this context that on 31 January 1980, Fraser met with Carter at the White House. Fraser reiterated his support for the United States during a time of increased tensions with the USSR. In regard to Iran and Afghanistan, Fraser told Carter that 'we believe the US is right in these situations and that it's not just the task of the US. We think the current situation is a long term one, one that might last for the decade.'[20] He then said that 'for our part we are willing to do more in our part of the world. We could make facilities available in Australia.'[21] The US Secretary of the Navy, W.G Claytor suggested the United States could make use of naval facilities on the Indian Ocean, to which Fraser agreed. Claytor

---

ONA, I think our judgements were substantially the same, certainly on matters Russia about which there was some controversy. The main intellectual contributor in JIO on that was Paul Dibb and his views of the Soviet Union and mine were close. There were a few things, I think, on which IO was a bit more conservative. I remember when the Vietnamese signed a treaty with the Russians which was about '78, they were inclined to take a more conservative view of that than we were in ONA. But on the whole, I don't think there was a big difference in outlook between the two organisations.'

[16] Interview with Ray Funnell, 1 November 2019.

[17] 'Cabinet Minute – Australian Response to Soviet Intervention in Afghanistan.' Decision No. 10552, 9 January 1980, NAA: A12909, 3748.

[18] Ibid.

[19] Department of Foreign Affairs, *Ministerial Consultations with the United States*, 18 January 1980, NAA: A10565, 11.

[20] 'Memorandum of Conversation – Fraser and Carter, 31 January 1980' in *Foreign Relations of the United States*, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 268.

[21] Ibid.

and Fraser both expressed concern about the South Pacific, agreeing that 'our objective should be to keep the Soviets from playing around in the area.'[22] Fraser offered Australian airfields but the United States did not express interest in that proposal. The Chief of the Defence Force Staff, Admiral Anthony Synnott, offered antisubmarine patrols of the Malacca Straits and the Southern Indian Ocean. Fraser also suggested that the United States offer support to states in Southeast Asia with a view to fostering goodwill and containing Soviet influence. The Fraser Government had moved away from greater self-reliance in Australia's region to towards greater integration with allied forces in response to developments in distant theatres.

These trends were reinforced by an ONA briefing to Cabinet in February 1980 on the implications of the Soviet invasion for Australian policy. This briefing was more pessimistic than the JIO report in holding that the invasion had altered the balance of power between the superpowers, and that its earlier assessments were no longer valid. Now that Australia's outlook had changed, ONA argued that 'issues relevant to the formation of allied and Australian defence policy now include an enhanced Soviet opportunity to subvert and destabilise the area extending from the Middle East to the Indian subcontinent, and the vulnerability of Western oil supplies.'[23] It suggested that 'Washington will seek from its allies and friends greater self-reliance in defence matters in their respective regions',[24] and that the United States had a strategic interest in 'greater use of Australian facilities for Indian Ocean deployments.'[25] According to ONA, Australia had a vital role as 'other United States allies including Japan and most European members of NATO, are unlikely to make a commitment to a stronger military presence in the Indian Ocean.'[26] Fraser was advised that Australia's environment had changed significantly as a superpower had become aggressive. This was at odds with Australian strategic planning from the 1970s and harsher in tone than the JIO assessment. However, it reinforced Fraser's view of Australia's priorities in the Cold War; namely, emphasising closer engagement with allies rather than prioritising self-reliance in Australia's immediate region.

The Fraser Government considered the broader implications of the ONA report later that month. Cabinet agreed that basic ideas that had underpinned Australian defence policy were fundamentally sound.[27] It did not fully embrace the ONA assessment and agreed that Defence needed to continue 'the sustained development of military capabilities for the independent defence of Australia's territory and direct interests.' It acknowledged, however, that there was 'potential for substantial change in the strategic order that supports Australian security' in light of the perceived shift in the balance of geopolitical power. Cabinet agreed that 'there was a heightened requirement to reduce the scope for

[22] Ibid.
[23] 'Cabinet Minute - The Implications of Recent Developments in Afghanistan for National Strategic Assessments and Strategic Policy.' Decision No. 10698, 11 Feb 1980, NAA: A12909, 3803.
[24] Ibid.
[25] Ibid.
[26] Ibid.
[27] Ibid.

expansion of Soviet influence, and to raise its costs.'[28] To achieve this goal, Cabinet noted that 'US plans to develop military potential and political influence in the Indian Ocean call for Australia's strong and sustained support.'[29] In the aftermath of the Soviet invasion, the Fraser Government reiterated its support for self-reliance as articulated in *Defence White Paper 1976* and by Killen in 1979. However, it began to go beyond these conceptions of self-reliance by endorsing closer arrangements with the United States in the context of Cold War rivalry.

Cabinet also examined how Defence could respond to the Soviet invasion. It agreed that the ADF would increase its preparedness levels by broadening its expansion base and reducing lead times for movement to a higher state of operational readiness.[30] It also agreed to engage in 'consultations with the authorities in other countries in the Indian Ocean littoral', as discussed by Fraser and Carter in Washington. Cabinet also agreed to 'facilitate military visits, engage in combined exercises, increase surveillance and patrolling and invest in the development of infrastructure to support Indian Ocean operations.'[31] It emphasised the importance of the Indian Ocean but also noted that Australia's strategic interest 'strongly favours the concentration of our Defence effort in our neighbouring regions: South East Asia and the South West Pacific.'[32] The Fraser Government followed this with a letter from the Acting Minister of Defence, McLeay to the US Secretary of Defence, Brown. McLeay wrote that:

> As a nation of fourteen million people, you will appreciate that we must limit the extent of our military obligations. Our first concern must be for the area of prime strategic interest to us. We fully recognise that events further afield affect our interests and influence the factors that support our national security. I think that our response to the recent events in distant Afghanistan demonstrates our sensitivity in this regard. But, there are doubts about the wisdom of a small nation like Australia sending its forces so far afield as is now being proposed.[33]

These sentiments echoed earlier discussions between Fraser and Claytor, and showed that despite its antipathy for Soviet actions, Fraser understood the need for a self-reliant posture for contingencies that might arise in Australia's immediate region. Records from Foreign Affairs indicate that Fraser was, in part, driven by a lack of trust in the Carter Administration. Ministerial Submissions from the Department indicate that Fraser saw Carter as a weak and indecisive leader who was unable to mount an effective response to Soviet aggression. It advised that 'he has been perceived by many Americans as irresolute, confused and unsuccessful in defending the national interest.'[34] Foreign Affairs reported that 'the Administration is clearly feeling the strain of current international crises and pressures. There has been a lack of coordination and clarity in their approaches to us.'[35] Reporting from the American Embassy in Canberra and the Australian Embassy in Washington also confirmed views

[28] Ibid.
[29] Ibid.
[30] Ibid.
[31] Ibid.
[32] Ibid.
[33] 'Cabinet Submission No. 4317 – Australian Strategic Analysis and Defence Policy Objectives 1979 (Supplementary Submission). 22 August 1980. NAA: A12909, 4317.
[34] Department of Foreign Affairs, *Ministerial Submission – The Afghanistan Crisis*, 16 January 1980, NAA: 10565, 1.
[35] Ibid.

of an incoherent response by the Carter Administration to the perceived Soviet threat.[36] The Fraser Government felt it could not trust its American counterpart to defend its interests and sought to take action on its own initiative. In doing so, the Fraser Government would seek to develop a more self-reliant defence policy.

In August 1980, JIO briefed Cabinet on Soviet interests and military activities in the South Pacific. Cabinet was advised that the USSR was seeking to increase 'its political and economic presence in the region in order to have greater influence.'[37] The report held that the USSR sought to consolidate its presence in Indochina because it 'sees Vietnam as the outpost of socialism in Southeast Asia.'[38] It assessed that the USSR's objectives were to encourage opposition to the American presence in the Philippines, as well as fostering greater military cooperation with Southeast Asian countries, and advocating recognition of the new Cambodian Government. JIO advised that the USSR would support these goals through senior ministerial visits and increased trade. It further assessed that the USSR was building a 'tuna fleet specifically for use in the South West Pacific' and that it 'will at least have to increase diplomatic and commercial contacts with one or more island states to operate such a fleet, and it may consider it desirable to push harder for shore-based facilities.'[39] The report further observed that such actions had 'often developed, over a period of time, into Soviet requests for naval visits.'[40] While this report was softer than the preceding ONA assessment, it nonetheless forecast a Soviet presence in Australia's region and fed into concerns about the USSR within the Fraser Government. JIO articulated Soviet interests in the South Pacific as follows:

> Although [Southeast Asia and] the Southern Pacific have a lower priority among the global interests of the USSR than Europe, North-East Asia, and the Middle East, it figures in Soviet strategic policies to a degree that has some significant ramifications for Australia. We expect the USSR to take such opportunities as offer themselves at acceptable cost to advance its interests in the region and to counter those of China and the Western powers.[41]

These assessments were taken seriously by Fraser and correspondence with the Carter Administration gives an insight into his subsequent responses. In a letter to Carter dated 30 April, Fraser emphasised the importance of closer ties with the United States and other Western states. He wrote that 'we are thankful that in the midst of the most extraordinarily difficult circumstances, the United States is providing leadership in meeting the Soviet invasion of Afghanistan.'[42] Fraser then sought to foster a better coordinated response to the Soviet invasion in remarking that 'I believe that a more visibly united alliance would enormously strengthen the United States in the containment of the Soviet Union, and

[36] Ibid.
[37] Joint Intelligence Organisation, *Soviet Strategic Interests and Military Activities in the Southern Pacific in the 1980s*, August 1980, NAA: 14036, 3/80.
[38] Ibid.
[39] Ibid.
[40] Ibid.
[41] Ibid.
[42] 'Letter – Fraser to Carter, 30 April 1980' in *Foreign Relations of the United States*, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 274.

would substantially contribute to the ultimate resolution of the difficult problems in Iran.'[43] Fraser offered to approach France, Britain and West Germany to coordinate opposition. This letter was reminiscent of his speech in 1976 and was at odds with the emphasis of greater self-reliance in Australia's region. The extent to which Fraser was concerned with the USSR as Australia's major strategic threat rather than regional is shown in the following extract from a later American intelligence assessment:

> Australia and New Zealand have maintained a Cold War stance toward the USSR since the Soviet invasion. They see Soviet backing of Vietnamese activities in Kampuchea as the major regional threat. Their deep suspicion of Moscow is also reflected in their concern over limited Soviet activity in the area of special interest to them, the neighbouring South Pacific.[44]

The Minister for Foreign Affairs, Peacock, met his American counterpart, Edmund Muskie, to discuss these emerging security concerns in June 1980. Peacock said that Australia fully supported its opposition to the Soviet invasion and had imposed sanctions on the USSR despite their impact on the Australian economy.[45] Peacock also noted that Australia had decided to recognise Democratic Kampuchea as the sole government of Cambodia. The purpose of this was to not give legitimacy to the Soviet-backed government, and also build rapport with neighbouring states by aligning Australian policies with those of ASEAN member states, which had refrained from recognising the new government.[46] Peacock suggested that Australia could work with ASEAN to facilitate a Vietnamese withdrawal from Cambodia. Muskie later discussed Australia's position in Southeast Asia with the Prime Minister of New Zealand, Robert Muldoon. Mirroring Fraser's view, Muldoon told Muskie that 'Vietnam at present is strategically more important to the Russians than Cuba and is costing them $1 billion a year.'[47] Muskie responded that he 'suspected that use of Cam Rahn Bay and access to the Malacca Strait are of great strategic advantage to the USSR.'[48] Muldoon said that New Zealand would coordinate with Australia and ASEAN to encourage Vietnam to withdraw from Cambodia. While the actual threat posed by the Soviet presence in Vietnam was minimal, it was viewed as significant by both Australia and New Zealand, and was invariably a factor in their planning. Yet the extent to which it influenced their views on self-reliance is hard to measure.

It was in this context that the Fraser Government considered how it could respond to these changes in its environment. The Fraser Government gave serious consideration to the stationing of American military capabilities in Australia. It agreed to an earlier American request for the staging of

---

[43] Ibid.
[44] Central Intelligence Agency, *East Asian Perceptions of Soviet Intentions*, 21 January 1983, CIA-RDP85T00287R000400640002-8.
[45] 'Memorandum of Conversation – Peacock and Muskie, 6 June 1980' in *Foreign Relations of the United States,* 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 277.
[45] Ibid.
[46] Ibid.
[47] 'Memorandum of Conversation – Muldoon and Muskie, 4 October 1980' in *Foreign Relations of the United States,* 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017), Document 279.
[47] Ibid.
[48] Ibid.

B-52 aircraft at RAAF facilities for operations in the Indian Ocean.[49] Cabinet decided that a greater American military presence in Australia's region would support the 'deterrence of Soviet military expansion' in line with earlier intelligence assessments.[50] However, it was adamant that any agreement would 'not affect the title of the Australian Government, or the pre-existing authority of the Australian Government in the use of the facility.'[51] It further asserted Australian sovereignty in stating that 'Australian territory should not be used by the US Government or its agencies for purposes in which the Australian Government has not concurred.'[52] It clarified this by stating that any nuclear cargo would need to be declared to the Australian Government.[53] In doing so, Fraser moved towards greater reliance on Australia's major ally but also sought to maintain a significant degree of autonomy in policymaking in a way that would provide guidance to the Hawke Government in balancing ANZUS with self-reliance, as examined in the next chapter.

Similarly, the Fraser Government sought to engage with ASEAN with a view to limiting the Soviet presence in Southeast Asia. These initiatives were driven by Foreign Affairs and were more diplomatic and cautious those in the defence and intelligence establishment. The Fraser Government would do so not 'presenting itself as a representative of the West' but rather as a 'concerned regional country, a middle power concerned with the effects of superpower behaviour on the world order, a country which has taken an active and sympathetic interest in the Third World.'[54] Foreign Affairs advised Peacock to give effect to this rhetoric through a greater 'presence in vulnerable areas, more aid, [and] declarations of support for a country that seemed under threat.'[55] To this end, the Fraser Government did not recognise the Soviet-backed Cambodian Government, did not allow Soviet vessels into Australian waters,[56] and increased aid to the South Pacific.[57] There were, however, tensions between Fraser and Peacock as to Australia's policy priorities, and Peacock resigned from the portfolio due to concerns about support for the Khmer Rouge on human rights grounds despite its opposition to the USSR. Foreign Affairs focused more closely on Australia's immediate region and thus tacitly supported Defence's view of Australia's priorities rather than those of Fraser and ONA.

Australia's environment was seen to have deteriorated significantly throughout 1980 as the Soviet Union appeared to have become more aggressive, while the United States reduced its presence in the region. There were differing views within the bureaucracy of Australia's strategic priorities and

[49] 'Cabinet Submission 4292 – Possible Provision of Staging Facilities in Australia for United States B-52 Aircraft', 14 August 1980, NAA: A12909, 4292.
[50] Ibid.
[51] Ibid.
[52] Ibid.
[53] Ibid.
[54] Department of Foreign Affairs, *Ministerial Consultations with ASEAN: The Setting*, 19 January 1980, NAA: A10565, 5
[55] Ibid.
[56] Department of Foreign Affairs, *Outward Cablegram – Suspension of Russian Cruises*, 31 January 1980, NAA: A10565, 1.
[57] Department of Foreign Affairs, *Outward Cablegram – South Pacific: Decision to Increase Aid*, 31 January 1980, NAA: A10565, 1.

policy responses. Defence, JIO and Foreign Affairs were understandably concerned by these developments, but urged the Fraser Government to focus on greater self-reliance in Australia's immediate region. By contrast, ONA, parts of the military establishment, and some of Australia's allies urged a more assertive response in more distant theatres to perceived Soviet provocation. While Peacock and Killen supported the former, Fraser was influenced by the latter and sought to review Australia's policies and funding priorities to adapt to a rapidly changing and potentially hostile security environment. After the Soviet invasion, Fraser's retained a conceptual focus on self-reliance in Australian defence policy but shifted from middle powers to superpowers, in response to the perceived Soviet threat, and a lack of trust in Carter, as summarised in Table 16:

Table 16: Self-Reliance Under the Late Fraser Government

Government (Party)	Core Strategic Interests	Core Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Fraser (Liberal)	Responding to the Soviet threat in SE Asia	Vietnam South Pacific	**US:** Distrust of Carter	Soviet expansion in Afghanistan and SE Asia

The Reagan Administration and the ANZUS Alliance

Carter lost the presidential election of November 1980 to the Republican candidate, Ronald Reagan. This had significant ramifications for Australian defence policy as Carter and Reagan had differing views on the threat posed by the USSR, and the role of America's allies. Cabinet met on 20 February 1981 to consider the implications of the Reagan Administration on Australian policy. Foreign Affairs forecast that 'there will be changes in US foreign and defence policies, which Reagan will articulate more assertively than Carter did. His main aims will be to strengthen America's military and political capacity to deal with the Soviet Union, and to revitalise relations with allies.'[58] These policies aligned with those of Fraser, and Renouf went further by stating that 'Reagan's election to the Presidency was manna from heaven for the Fraser Government. The tension in US-Australia relations evaporated overnight.'[59] With the change in leadership in Washington, a new episode had opened in Fraser's relationship with his American counterparts, which would result in a move away from self-reliance closer to home towards greater integration with allies for contingencies further afield.

The Fraser Government saw the election as an opportunity to develop a closer relationship with the new administration in light of their common interests and ideological views. To this end, the Fraser Government agreed to seek closer consultations with senior American officials and would inform Reagan that it welcomed the development of US military strength against the Soviet Union.[60] Fraser also agreed to cooperate further with Reagan on staging B-52 bombers through Australia as well as the home porting of American vessels in Western Australia.[61] Foreign Affairs advised Fraser not to offer these proposals without further consideration but Fraser effectively ignored this advice, preferring to

[58] 'Cabinet Minute –The Implications for Australia of the Reagan Administration.' Decision No. 13934 (FAD), 24 February 1981, NAA: A12909, 4565.
[59] Renouf, *Malcolm Fraser and Australian Foreign Policy*, 128.
[60] 'Cabinet Minute –The Implications for Australia of the Reagan Administration.' Decision No. 13934 (FAD), 24 February 1981, NAA: A12909, 4565.
[61] Ibid.

follow his own instincts on the Cold War.[62] The reason for Fraser's enthusiasm for the Reagan Administration, and by implication his relative apathy for Carter, was explained by Renouf as follows:

> The advent of Reagan to the presidency was a boon for Fraser. The United States had elected a President of the kind Fraser had always favoured, strong, avowedly anti-communist, determined to lead the Western Alliance, who in his view, interpreted the Soviet Union correctly and would not flinch to put her in her place.[63]

In June 1981, Fraser met with Reagan. Memorandums prepared for Reagan indicate that his administration was pleased with Fraser's response to the invasion of Afghanistan.[64] There is evidence that the Fraser Government was concerned about potential Soviet actions in Poland with the prospect of martial law in response to civil unrest and wanted to be consulted on possible American responses in such a contingency.[65] Dibb later recalled that the prevailing view within ONA at the time was that 'Australia's defence policy should begin at the Fulda Gap in West Germany, where NATO armoured forces were located, facing the prospect of war with Soviet Guards Divisions.'[66] In response, the Reagan Administration had convinced NATO officials to brief their Australian counterparts on contingency planning, and made arrangements for the Foreign Minister, Tony Street, to travel to Brussels to discuss possible Australian responses in the event of conflict in Poland.[67] As the USSR became increasingly active, the Fraser Government sought to become involved with its allies in planning for contingencies well beyond the concept of self-reliance and the geographical bounds envisaged in strategic guidance.

In subsequent months, the Fraser Government endorsed proposals that gave substance to its discussions with the Reagan Administration. After the Polish Government declared martial law in response to growing internal discord, Australia took a strong position.[68] The Fraser Government decided to reaffirm its sanctions on the USSR, supported the American position, and consulted regularly with NATO so as to better coordinate its efforts. It also decided to withhold financial assistance to the Polish Government.[69] Cabinet papers from the time indicate that these actions were not requested by the Reagan Administration but were taken unilaterally by Fraser. In contrast to its predecessors, Fraser took a serious interest in political developments far beyond Australia's environment, that were not aligned with the concept of self-reliance in strategic guidance but which were in accordance with his personal view of Australia's interests in the Cold War.

Shortly afterwards, the Fraser Government took an active interest in American weapons testing in the region. The Reagan Administration had announced that it would test the MX Missile, a new

---

[62] Ibid.
[63] Renouf, *Malcolm Fraser and Australian Foreign Policy*, 63.
[64] Department of State, 'Memorandum for the President – Your Meeting with the Australian Prime Minister Malcolm Fraser.' 23 June 1981, CIA-RDP83B00551R000100080006-5.
[65] Ibid.
[66] Dibb, *Inside the Wilderness of Mirrors*.
[67] Department of State, 'Memorandum for the President – Visit of Malcolm Fraser, Prime Minister of Australia.' 20 June 1981, CIA-RDP83B00551R000100080007-4.
[68] 'Cabinet Minute - Poland: The Implications of Martial Law.' Decision No. 17384 (FAD), 15 January 1982, NAA: A12909, 5278.
[69] Ibid.

system that would be able to withstand a Soviet nuclear attack and thus give the United States a second-strike capability. Fraser advised Cabinet that the Reagan Administration would test two MX missiles in the Tasman Sea.[70] It agreed that it had no objections to the American proposal and would work to determine suitable times for missile tests.[71] Cabinet tentatively agreed for missile tests between October 1983 and June 1984. The ALP, under Hayden, however, was less enthusiastic about the proposal on the basis that it unnecessarily increased tensions between the superpowers and did not contribute to Australia's security. Fraser had moved beyond self-reliance in Australia's region to examine how it could assist the Reagan Administration in combating the USSR in the context of the Cold War.

Two years after the Reagan Administration had settled into office, Cabinet met to consider in more detail the implications of its foreign policy for Australia. The Cabinet Submission was critical of the circumstances of his election and stated that 'President Reagan came to power at a time of severe international recession and intensified superpower competition, and he owed his victory in part to condemnation of what was seen as American impotence.' [72] It further said that 'the Reagan Administration rejected détente as a policy towards the USSR and has sought to deal from a basis of strength.' It concluded that Reagan 'stresses the involvement of allies in the management of policy towards the Soviet Union and its partners.'[73] Foreign Affairs articulated Australia's role in ANZUS under Reagan in favourable terms.[74]

The election of the Reagan Administration in the United States had serious implications for Australian foreign and defence policy. It was much more assertive towards the Soviet Union than the Carter Administration, and this aligned with ONA assessments and Fraser's view of the Cold War. The Fraser Government sensed an opportunity to develop closer ties with the United States, and built on this by facilitating weapons tests and collaborating on issues that were beyond Australia's area of strategic interest. The bureaucracy, however, was divided on Fraser's policy agenda and this would come to the fore in subsequent decisions on Australia's strategic and fiscal priorities. Defence had, with Killen's support, pushed for a more self-reliant posture in Australia's region, yet Fraser's interest in developments in more distant theatres and Reagan's election skewed Australia's priorities towards expeditionary contingencies. The Fraser Government now had to choose whether it would invest in capabilities that would support a more expeditionary approach or greater self-reliance in Australian defence policy, within its broader economic constraints and geographic boundaries.

---

[70] 'Cabinet Submission 5312 – United States Proposal Regarding Test Launch of MX Missiles.' 2 February 1982, NAA: A12909, 5312.
[71] Ibid.
[72] 'Cabinet Minute – The Foreign Policy of the Fraser Administration: Implications for Australia.' 1 December 1982, NAA A12909, 5886.
[73] Ibid.
[74] The Cabinet Submission advised that 'we are benefitting from the trend towards improved consultation with allies and the attention being given by the United States to its strategic, political and economic interests in the Pacific/Asia/Indian Ocean region, both of which contribute to serious consideration for our views. However, we need to seek opportunities to maximise our influence to avoid problems arising for Australia in areas such as the Administration's approach to the coordination of the Western Alliance and to multilateral diplomacy in view of our separate economic interests.'

Adapting to a Challenging Strategic Environment

In June 1980, Fraser unveiled a budget with a focus on defence procurement. It announced that expenditure was to increase by 10 percent in 1980-81 in response to perceptions of an increased Soviet threat.[75] In the short term, some of this funding would be allocated to fuel for the deployment of a carrier task force and P-3 Orion aircraft to the Indian Ocean, as well as a second replenishment ship and two destroyers at HMAS *Stirling*. In the longer term, it provided funding for the new tactical fighter, four more frigates, patrol boats, another replenishment ship and additional explosive ordnance.[76] Richard Brabin-Smith recalls these decisions as follows:

> Fraser was obsessed with the Soviet Union. With the benefit of hindsight, money was now less tight. Money wasn't a free good, but it was certainly more freely available. While Fraser was still Prime Minister until 1983, we had estimates of considerable annual growth in the forward estimates. Our financial planning basis was much less constrained but in practice the money didn't turn up because in practice the government still seemed to lurch from one financial crisis to another. For a while though, we thought we could spend big time. [77]

Fraser had to balance a substantial increase in the defence budget with the need for fiscal restraint. Cabinet was advised by an interdepartmental committee on economic strategy that 'the outlook for the international economy is gloomy' due to inflation and modest growth.[78] Consequently, the committee recommended that there was an 'immediate need for firm anti-inflationary policies, including significant tightening of monetary policy, continued discipline and wage restraint.'[79] All agencies were earmarked for severe budget cuts as they had been in June 1978. The Fraser Government was faced with a fiscal dilemma: it needed to increase funding to implement *Defence White Paper 1976*, and in light of Australia's deteriorating environment, but it also needed to reduce expenditure to limit inflationary pressures. Fraser needed to make difficult decisions to develop an effective defence force and implement greater self-reliance in Australian defence policy within a limited budget.

In April 1981, Cabinet met to consider the ADF's force structure priorities and its funding constraints in the FYDP 1981-86. Similar to the 1978 budget, Finance put forward multiple funding options that sought to strike a balance between investment in defence capability as urged by Killen and the fiscal restraint sought by the interdepartmental committee. Option One was supported by the Minister for Defence, and envisaged a 6.2 percent annual increase in real terms to 3.1 percent of GDP in 1985-86 largely in line with previous public statements on defence policy.[80] Option Two was supported by Treasury, which put forward a higher option of a 6.5 percent annual increase to 3.2 percent of GDP by 1985-86 to fund the FYDP and accommodate inflationary pressures. Option Three was supported by the Minister for Finance and called for a 5.2 percent annual increase to 3.0 percent of GDP

[75] 'Cabinet Minute - Defence Budget 1980-81', Decision No. 12190, 17 June 1980, NAA: A12909, 4127.
[76] Ibid.
[77] Interview with Richard Brabin-Smith, 11 April 2019.
[78] 'Cabinet Memorandum - Report on the Inter-departmental Committee on Economic Strategy.' Cabinet Memorandum No. 814, 2 June 1980, NAA: A12930, 814.
[79] Ibid.
[80] 'Cabinet Minute - Financial Guidance for the Defence Five Year Program 1981-86.' Decision No. 14501, 7 April 1981, NAA: A12909, 4648.

by 1985-86, to curtail defence expenditure in favour of anti-inflationary measures.[81] Which option would be approved would depend on the fiscal and strategic priorities of Cabinet.

Each of these funding options would have significant impacts for defence capability and the implementation of self-reliance. Option One and Option Two would accommodate all major projects announced by the Fraser Government and were broadly aligned with the Defence White Paper. This included a replacement aircraft carrier, additional destroyers and the new tactical fighter.[82] By contrast, Option Three would only provide enough funding for the new tactical fighter and would require the deferral of most other capital investment and training activities by up to twelve months.[83] This Cabinet meeting exposed serious differences of opinion between Defence and Finance on Australia's policy priorities as was the case in the federal budget of June 1978. Minutes from the meeting record Finance's support for Option Three in the following terms:

> The Minister for Finance notes that the marginally lower demands on future budgets permitted by Option Three would, whilst still accommodating all major programs announced by government to meet military and strategic requirements, provide greater budgetary flexibility during a period in which pressures to ease growing tax burdens can be expected to intensify.[84]

By contrast, Killen, articulated his support for Option One as follows:

> I cannot support Option Three. While it does enable progress to be made with all announced equipment, they would be acquired later. Further, very important equipment embodied in the program and not yet announced would be delayed; others would be deferred indefinitely. In addition, an obvious reduction in Defence activities and preparedness would result in retreating below Option One levels. Only Option One would meet and be seen to meet the Government's announced policy for sustained Defence development.[85]

The Fraser Government weighed the competing views of Defence and Finance in its deliberations. Cabinet decided that Australia's strategic interests, including support for Indian Ocean deployments, regional surveillance and exercises with allies, took precedence over the need to limit inflationary pressures. It agreed to fund these commitments while maintaining manpower and activity levels, and thus decided to proceed with Option One as requested by Killen. In contrast to the 1978 budget, Defence prevailed over Finance in discussions about Australia's priorities because the environment had changed with perceptions of increased Soviet threat in the region.

Fraser's enthusiasm for greater defence spending was short lived and was reconsidered within only a few months. On 15 July, Cabinet met again to consider how it could implement its policy platform at a time of fiscal constraint. In contrast to the April meeting, financial considerations took precedence over defence issues. Cabinet sided with Finance in acknowledging that there was a 'need for a decisive tightening of fiscal and monetary policies.'[86] It agreed that the Fraser Government 'would

[81] Ibid.
[82] 'Cabinet Memorandum - Report on the Inter-departmental Committee on Economic Strategy.' Cabinet Memorandum No. 814, 2 June 1980, NAA: A12930, 814.
[83] Ibid.
[84] Ibid.
[85] Ibid.
[86] 'Cabinet Minute - The Budget and Economic Strategy.' Decision No. 16197, 15 July 1981, NAA: A12909, 4930.

aim for an overall budget as tight as possible' and that it would seek to reduce the federal deficit 'from $862 billion to no more than $750 million in 1981-82.'[87] Cabinet agreed to reduce expenditure across all portfolios to achieve this objective. Finance had prevailed due to a significant decline in Australia's fiscal outlook. Although Cabinet had initially approved Option One, it had now effectively endorsed Option Three. For Defence, this meant capabilities that had been approved would need to be delayed or cancelled with implications for the development of a coherent policy centred on self-reliance as articulated in the Defence White Paper.

Cabinet met in October 1981 to consider the impact of these budget cuts on the implementation of the FYDP. Killen asked that Cabinet 'reconfirm its commitment to its policy of sustained development of the Defence Force and national defence infrastructure' as agreed in April.[88] This was complicated by inflationary growth which meant that the funding agreed was now worth less than planned. Killen thus asked Cabinet to 'maintain the dollar figure of guidance in April 1981 updated to August 1981 prices.'[89] Cabinet denied these requests and decided that defence expenditure would remain static. As a result, Defence would need to implement the FYDP within a budget that was originally tight and now shrinking further due to inflation. The defence budget had thus come under increasing pressure. Fraser would need to consider what capabilities were necessary to implement greater self-reliance and which were not, as shown in the deliberations of the new tactical fighter and a replacement aircraft carrier.

Capability Acquisition and Self-Reliance

There was significant uncertainty as to the ADF's force structure priorities within the Fraser Government. Killen encouraged the view that the 'priority was to be for the independent combat defence of Australia and its interests' and as agreed by Cabinet in December 1979. [90] In August 1980, he sought that Cabinet agree that 'defence resources should not be diverted to the procurement of equipment and training in skills specifically for supporting or allies and friends.'[91] The rationale was that 'our resources are not unlimited' and that 'there are many claims on these resources for the development of capabilities required for our own defence: e.g. very low-level air defence … perhaps a larger destroyer fleet.' Killen then argued that 'we really cannot afford to develop our Force other than in ways essential to meet our own national defence priorities in our own area. Even within these priorities, we must be selective to avoid dissipating assets.'[92] He acknowledged that that 'wider interest in the stability of the international order also could lead us to consider association with US operations in some remoter region' but that these 'should be met from the force we develop for our priority requirements of national defence. This,

[87] Ibid.
[88] 'Cabinet Minute - Financial Guidance for the Five Year Defence Program 1982-87.' Decision No. 16971 (FAD), 26 October 1981, NAA: A12909, 5118.
[89] Ibid.
[90] 'Cabinet Minute – Australian Strategic Analysis and Defence Policy Objectives 1979.' Decision No. 12644 (FAD), 22 August 1980, NAA: A12909, 4317.
[91] Ibid.
[92] Ibid.

and our regional interests, must come first.'[93] Killen also noted that regional arrangements such as the Manila Treaty 'cannot be expected to attract significant support from Britain, France, the Philippines or New Zealand'.[94] These 'were largely defunct as an arrangement for influencing strategic development in Southeast Asia and is not an adequate basis for Australian policy in that region.'[95] In his view, the engagement policies of Gorton and Whitlam were no longer suitable for planning purposes and Australia needed to be more self-reliant. Cabinet did not agree but instead noted that the ADF 'already has and is acquiring equipment and skills for national defence purposes that also provide Government with a practical option to make a military contribution to support friends in our region of prime concern or in support of the US in more distant places.'[96] By 1980, Cabinet had moved away from Killen's emphasis on greater self-reliance in Australia's region towards Fraser's preference for closer ties with the United States in support of contingencies further away to which Australia was likely only expected to make a niche contribution, while still recognising a role for self-reliance.

These debates would shape major procurement decisions on air and maritime capabilities. As the Mirage fighter aircraft reached the end of its life in the late 1970s, the Fraser Government began to examine replacement platforms. In March 1978, Cabinet was advised by the RAAF that the primary strategic need for such an aircraft was to maintain a capability edge to defend Australia's northern approaches from Indonesian aggression.[97] This reflected the planning assumptions that had been articulated in the 1973 *Strategic Basis* paper. The RAAF argued for a replacement aircraft on the basis of greater self-reliance, stating that it should 'aim to develop the military potential to counter enemy action unaided until there is allied intervention, or until the conflict is resolved by other means.'[98] In determining what platforms could fit this role, RAAF considered the dimensions of Australian airfields, and the range of Soviet-designed aircraft from Indonesian bases. The RAAF favoured a more self-reliant force as envisaged in *Defence White Paper 1976*, and it sought to structure its order of battle accordingly. It planned around credible regional contingencies, and sought to position units in Australia, as seen in the decision to withdraw fighter aircraft from Butterworth Airfield in Malaysia.[99] The RAAF's emphasis on self-reliance in the defence of Australia was in contrast to the expeditionary preferences of Fraser, ONA and senior officers from other parts of the military establishment, and was a precursor to later reforms to defence policy.

The Fraser Government considered a range of options for a replacement fighter aircraft. Cabinet records indicate that it was influenced by the RAAF's preference for a self-reliant capability. Economic factors also invariably played a significant role in its deliberations given the significant cuts to the

[93] Ibid.
[94] 'Cabinet Minute – Australian Strategic Analysis and Defence Policy Objectives 1979.' Decision No. 12645 (FAD), 26 August 1980, NAA: A12909, 4308.
[95] Ibid.
[96] Ibid.
[97] 'Cabinet Minute – The Further Development of the Tactical Fighter Force Project Including Mirage Refurbishment.' Decision No. 4920, 22 March 1978, NAA: A12909, 2009.
[98] Ibid.
[99] Ibid.

defence budget. Between March and April 1978, Cabinet considered a list of 14 potential aircraft, but this was quickly narrowed down to the F-15, F-16, F/A-18, the Tornado ADV and the Mirage 2000 as the others did not meet the RAAF's capability requirements or were too expensive.[100] Then, in October 1978, Cabinet removed the Tornado and the F-15 from further consideration.[101] The reason for this, according to Killen, was that the planned date for new aircraft's introduction into service had slipped from 1985 to 1986, and that two options had to be withdrawn from consideration to the reduce the amount of time that would be required for capability needs analysis.[102] The Tornado and F-15 were assessed as the most expensive options, and the least likely to meet identified capability needs and were, therefore, not further considered.[103]

By late 1978, Cabinet had narrowed down its options to three aircraft, and was carefully analysing the strategic value and financial cost of each. In its view, the F/A-18 was the leading option as it had the 'best all round potential with capacity for substantial growth.' In particular, Cabinet assessed 'its capability in the air-to-air role is expected to be generally good', had 'considerable maritime strike capacity' and was not 'unduly expensive to operate and maintain.'[104] The F-16 was next in line but had notable capability limitations. Cabinet noted it 'is currently limited to clear air conditions and there are no plans to equip it with an existing all-weather missile' while it also 'has a limited capability in the high speed, high altitude regime.'[105] Compared to the F/A-18, Cabinet concluded it had 'limited growth potential and is a tightly packed aircraft.'[106] The Mirage 2000 was third on the list as technical information on its potential capabilities was relatively limited but Cabinet did not yet discount it as it was 'priced in the lower cost bracket and offers good potential for industry involvement.' While these economic factors were important, the decision was ultimately based on strategic considerations.

On 20 November 1979, Cabinet considered the strategic rationale for these aircraft in greater detail.[107] Cabinet agreed to remove the Mirage 2000 from the selection process and would instead focus on the F/A-18 and the F-16. In doing so, it relied on technical analysis from Air Force Headquarters, which noted that the F/A-18 had an effective radius of 700 nautical miles for combat air patrol, compared to 670nm for the F-16, and 315nm for the Mirage 2000. The radius for interdiction and maritime strike were 736nm for the F/A-18, 709nm for the F-16, and 510nm for the Mirage 2000.[108] It

[100] Ibid. The initial list of capability options included the F-14A, F-5E, Viggen, Harrier, A-7, A-10, Jaguar, Tornado, F/A-18 and the Mirage 2000.
[101] 'Cabinet Minute – The Further Development of the Tactical Fighter Force Project.' Decision No. 6922, 17 October 1978, NAA: A12909, 2632.
[102] Ibid. Killen articulated this in the following terms: 'If the Tornado and the F-15 were not deleted now, the evaluation process would be extended. More importantly, scarce resources both departmental and in industry would be severely overstretched and there would be a weakening of our negotiating ability.'
[103] Ibid.
[104] Ibid.
[105] Ibid.
[106] Ibid.
[107] 'Cabinet Minute – Tactical Fighter Force – Selection of and Corrigendum – Aircraft for Further Evaluation.' Decision No. 10317, 20 November 1979, NAA: A12909, 3597.
[108] 'Cabinet Memorandum – Tactical Fighter Force Payload/Range Capabilities.' Memorandum No. 556, 16 November 1979, NAA: 12930, A556.

was on this basis that Cabinet agreed that the F/A-18 and F-16 better met the RAAF's identified capability requirement to deter and interdict hostile forces in Australia's northern approaches on a more self-reliant basis, and so excluded the Mirage from subsequent consideration.[109] In late 1980, Cabinet further considered these options in more detail and noted that 'the main advantage of the F/A-18 is that from the outset it is designed to have integrated all-weather capabilities in both air-to-air and air-to-surface roles. Also, it has more space for further equipment in the future if necessary.'[110] Nevertheless, it deferred a final decision until further information became available. In October 1981, Cabinet acknowledged that 'progress in the development of both aircraft is now sufficient to justify selection between them.'[111] It chose the F/A-18 on the basis that while both met the RAAF's capability needs, the F/A-18 was likely to be more effective and reliable in a wider range of credible contingencies.[112]

The replacement of the Mirage with the Hornet was widely accepted as it was a cost effective and technically superior solution to a strategic risk identified in Australian defence policy.[113] The decision to purchase the F/A-18 was a milestone in the development of self-reliance as the RAAF procured a capability that aligned with strategic guidance and was grounded in the concept of self-reliance. It was designed to protect the Australian mainland from regional threats without dependence on the combat forces of allies unlike other procurement decisions at the time. Richard Brabin-Smith explains the decision as follows:

> [It came down to] the F-18 [with] two engines, safer to fly over water, altogether a better aircraft. It was a more capable aircraft and buying it was consistent with giving priority to strong maritime forces in the defence of Australia. It follows as day follows night.[114]

By contrast, the replacement of the aircraft carrier was fraught with difficulty. While there was unanimous agreement on the need for a replacement tactical fighter, deliberations on the future of HMAS *Melbourne* exposed divisions within the Fraser Government on its priorities. Discussions for a replacement carrier began in earnest in the Defence Force Development Committee in July 1980. The services chiefs agreed that a carrier would provide the ADF with greater flexibility to undertake operations but disagreed as to whether it was an essential capability.[115] The CNS, Vice Admiral James Willis, argued that a carrier would provide a significant deterrent to Soviet aggression in Southeast Asia and would take 8-12 years to reintroduce if withdrawn from service.[116] By contrast, the Acting Chief of the Air Staff, Air Vice Marshal Neville McNamara, disagreed on the basis this capability could be provided by land-based aircraft. McNamara stated that 'not only were the aircraft relatively incapable,

[109] 'Cabinet Minute – Tactical Fighter Force – Selection of and Corrigendum – Aircraft for Further Evaluation.' Decision No. 10317, 20 November 1979. NAA: A12909, 3597.
[110] 'Cabinet Minute – New Tactical Fighter – Proposal for Deferment of Selection.' Decision No. 13043, 2 December 1980, NAA: A12909, 4439.
[111] 'Cabinet Minute – New Tactical Fighter: Proposal for Selection and Acquisition.' Decision No. 16922, 19 October 1981, NAA: A12909, 5117.
[112] Ibid.
[113] Ibid.
[114] Interview with Richard Brabin-Smith, 11 April 2019.
[115] 'Defence Force Development Committee Minute 19/1980.' 17 July 1980, NAA: A10756, LC3015, 225.
[116] Ibid.

but that the numbers of aircraft proposed were too limited for successful operations at a high level or to represent a credible deterrent force.'[117] He argued that the 'loss or damage of an aircraft carrier would be very significant and difficult to replace.'[118] The Committee was divided and did not make a decision but noted that it could consider other maritime capabilities if the carrier was not renewed.

Cabinet met to consider the future of HMAS *Melbourne* on 26 August 1980. Killen sided with the CNS in arguing that the ADF needed to operate well beyond Australia's shores, and the effective range of land-based aircraft. The rationale was that an aircraft carrier could provide an effective anti-submarine warfare capability in response to a perceived increasing Soviet maritime presence in the Asia-Pacific.[119] Other departments, however, were not persuaded by Killen's argument. Prime Minister and Cabinet felt that Killen's view could not be reconciled with the focus on self-reliance in Australia's immediate region as articulated in strategic guidance. The Secretary of Prime Minister and Cabinet, Sir Geoffrey Yeend bluntly articulated this view to Cabinet as follows:

> There is no proposal to replace *Melbourne* by a conventional aircraft carrier. This will require a reconstruction of thinking, planning tactics etc. It is time to face up to the hard decision … The Defence/Services view is divided. However, nothing new has been produced on overall strategy or risk assessment. It would be a mistake to linger over the expensive toys in the window rather than to encourage the Navy into a new phase of its tactical thinking.[120]

Nevertheless, Cabinet agreed to procure a replacement carrier as suggested by Killen and the CNS. In December 1981, Cabinet met to consider a new carrier and date of delivery. This was after Cabinet's decision to freeze the defence budget despite advice from Treasury that it would be difficult to fund the carrier without significant reductions elsewhere. Killen thus asked for an additional $42 million in 1981-82, followed by the redirection of $50 million in 1982-83 and 1984-86 from other capabilities.[121] Prime Minister and Cabinet questioned this proposal in the following terms:

> There is prestige in our region in having a Navy with an aircraft carrier. It puts us into the slightly bigger league. It is a Navy morale booster, and this is not to be overlooked. But in terms of strategy – guarding the sea lanes – it is a one-shot operation, and almost inevitably the decision will be that the aircraft carrier is too valuable to be risked in hot operations. A decision to acquire HMS *Invincible* would lead to an exceptionally tight situation in the Defence Budget and the national Budget. For this reason, we do not support the Minister's recommendation.[122]

Richard Brabin-Smith, explained Navy's position, and the reluctance of Air Force as follows:

> The type of aircraft carrier that we could have afforded would not have been particularly capable because you didn't get much for your money. When you look at it through the lens of operations in the defence of Australia, as opposed to going a long way offshore and fighting someone else's wars or trying to fight your own wars a long way forward, an aircraft carrier of the size

[117] Ibid.
[118] Ibid.
[119] 'Cabinet Minute - Seaborne Air Capability.' Decision No. 4305, 26 August 1980, NAA: A10756, LC3015.
[120] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 4305: Seaborne Air Capability.' 25 August 1980, NAA: A10756, LC3015.
[121] 'Cabinet Minute - New Carrier Project – Source Selection and Timing of Delivery.' Submission No. 5234, 4 December 1981, NAA: A10756, LC3015.
[122] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 5234: New Carrier Project – Source Selection and Timing of Delivery.' NAA: A10756, LC3015.

> and shape we could have afforded really didn't deliver much. So, you were looking at a small aircraft carrier flying some version of the Harrier, and it didn't give you much at all.[123]

Britain offered Australia its carrier, HMS *Invincible*, which it planned to withdraw from service as part of widespread cuts to defence expenditure. In February 1982, Prime Minister and Cabinet again implored Cabinet not to procure a replacement carrier for the following reasons:

> Even without HMS *Invincible*, the defence budget is under great strain from recent wage rises for both civilians and servicemen, price increases in existing programs and increasing operating costs. Substantial funding, additional to Budget provisions, will almost certainly be required this financial year. Acquisition of HMS *Invincible* would lead to substantial strain on the 1982/83 and subsequent budgets, when the full year effects of the wage increases will be felt.[124]

On 15 February, Cabinet met to consider the strategic need for a replacement carrier. Cabinet papers indicate that the purpose of the meeting was to examine 'the nature of the ASW capability required by Australia' and 'alternative ways of providing that capability.'[125] This is significant because it indicates that Fraser had started to consider the possibility that a replacement carrier might not be the only means of providing an ASW capability and that other platforms could do so more effectively and at reduced cost. Killen conceded that aircraft such as P-3Cs had the ability to undertake such operations, and acknowledged that the 'choice of ASW mix … is a function of the degree of protection required and the necessary amount of resources available – that is, the decision about how much insurance we are prepared to pay for.'[126] Prime Minister and Cabinet supported his argument by advising that 'the high level of investment entailed by carrier-borne ASW is not justified, especially in the present and foreseeable budgetary circumstances. The development now of our P3 capability would be fully justified.'[127] Instead, it strongly urged that Cabinet approve the purchase of 10 P-3Cs, and medium helicopters for its frigates. The Fraser Government favoured an expeditionary capability but had started to move to a more self-reliant posture focused on Australia's region in the face of economic difficulties, and in doing so had started to return to the original intent of the Defence White Paper.

The debate on Australia's carrier capability came under increasing parliamentary scrutiny due to concerns that it did not align with its strategic interests or fiscal constraints. On 25 March, the Joint Parliamentary Committee on Foreign Affairs and Defence commissioned an inquiry into 'the relevance of an aircraft carrier to Australia's current and perceived strategic environment' as well as its role 'in the defence force structure of Australia' and 'the effects of the purchase of an aircraft carrier on the future defence procurement program.'[128] The Chairman of the Committee, R.C Katter wrote to Killen requesting copies of internal documents,[129] and departmental advice used in Cabinet deliberations but

[123] Interview, Richard Brabin-Smith, 11 April 2019.
[124] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 5318: New Carrier Project – Source, Timing and Other Issues.' 6 February 1982, NAA: A10756, LC3015.
[125] 'Cabinet Submission - Aircraft Carrier Supplementary Information.' 15 February 1982, NAA: A10756, LC3015.
[126] Ibid.
[127] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 5333: Aircraft Carrier – Supplementary Information.' 15 February 1982, NAA: A10756, LC3015.
[128] 'Cabinet Minute - Possible Reference of the Purchase of HMS *Invincible* to the Joint Parliamentary Committee on Foreign Affairs and Defence.' Decision No. 17692, 15 March 1982, NAA: A10756, LC3015.
[129] Letter – Katter to Killen - Sub-Committee C: Defence Matters. 22 April 1982, NAA: A10756, LC3015.

was declined by Cabinet.[130] In August, the Committee concluded that it could not justify the acquisition of a carrier in light of Australia's declared policy of self-reliance in its immediate region.[131] These findings highlighted the divergence between Fraser's focus on expeditionary operations with allies and the emphasis on self-reliance supported by the bureaucracy and large sections of the military.[132]

Interservice Problems and Civil-Military Relations

The debate on Australia's carrier capability exposed serious divisions in decision-making within Defence. On 31 April 1981, Fraser announced a review of the higher defence organisation headed by John Utz on the insistence of the CDFS, Admiral Synnott because of concerns that existing arrangements 'were an impediment to the proper functioning of the ADF.'[133] Shortly after his appointment, Utz made clear his terms of reference in a letter to Peter Henderson, the Secretary of Foreign Affairs. He wrote that its purpose was to examine 'the suitability of the organisation to propose and implement policy for the achievement of government defence objectives including capability for independent defence, national defence preparedness, defence cooperation with allies and regional friends, and increased self-reliance in the national infrastructure supporting defence.' The other key area was the 'organisation and functions of the senior Defence Committees.' The review almost certainly stemmed from the divisions that had emerged in the development of advice for Cabinet on the carrier decision, and the way in which this affected the policymaking process.

The review was initiated by concerns within sections of the military that the Tange reforms of the early 1970s had transferred too much power away from the ADF to civilians in Defence. Many officers now felt that they had little power in the policymaking process. In the carrier debates, civilian officials from Defence, and Prime Minister and Cabinet regularly opposed the views of the CDFS and the CNS. Sections of the military felt marginalised, and COSC noted that the 'present departmental arrangements neglects the considerable experience, knowledge and skill residing in military staffs.' It further argued that 'the military contribution is largely limited to one of implementing policy, and emphasis on longer term issues essential to the proper development of national defence potential is lacking.' In essence, it felt that civilians made decisions with little consultation, and that military personnel were left with the task of implementation without input in the policymaking process. Dibb recalls an incident that illustrates the seriousness of the divisions in Defence at the time:

> I was acting director of JIO, and there was the Monday morning meeting in the Defence Committee Room, Pritchett was Secretary and Synnott was CDFS. The tension was palpable

[130] 'Cabinet Minute - Parliamentary Joint Committee on Foreign Affairs and Defence: Purchase of HMS *Invincible*.' Decision No. 17902, 3 May 1982, NAA: A10756, LC3015.
[131] Parliamentary Committee on Foreign Affairs and Defence, *An Aircraft Carrier for the Australian Defence Force* (Canberra: Australian Government Publishing Service, 1982), 51.
[132] In the meantime, HMS *Invincible* played a crucial role in the Falklands War, leading to the United Kingdom withdrawing the offer to Australia. Incidentally, the Parliamentary Committee on Foreign Affairs and Defence noted that alternatives to HMS *Invincible* were too expensive relative to the capability offer to justify the acquisition of a replacement carrier.
[133] Evans, *Down to Earth*, 222.

between those two. I remember Synnott getting up so quickly he pushed his chair over and said to Pritchett, 'I will not be talked to like that, Secretary' and he stormed out.[134]

It was in this context that Brabin-Smith, then in Force Development and Analysis Division, explains the origins of the Utz Review as follows:

> The armed forces had become sick of the way that the civilians ran the Department. Tange had changed the management of Defence, he had put in place new governance in which we now had a much stronger centre and a less divided Department of Defence. Tange had retired and Bill Pritchett was no more popular amongst the armed forces than Tange had been. So, the armed forces persuaded Fraser that now was a good time to review the governance arrangements.[135]

Bill Crews, then in Army Headquarters, articulates the military view of the situation in the following terms:

> It was something that the civilian side of the Department exploited because the CDFS wasn't seen to have the same standing as the Secretary. That lack of command authority over the Services was a handicap. So you finished up with four military heads, the Service Chiefs and CDFS, all regarded by the Government as equal advisors, and the Secretary of Defence, who topped them all. It was a difficult circumstance that the CDFS had to face.[136]

The CDFS, Admiral Synnott also articulated this in his submission to the review:

> I have no authority in the central policy areas of personnel and logistics, which directly relate to my command responsibilities, [or] in other major policy areas where I have more general responsibilities such as strategic policy, force development, and science and technology.[137]

By contrast, those civilians that were asked for comment gave positive accounts of the decision-making process in Defence.[138] On 10 September, the Secretary of Foreign Affairs, Henderson, wrote to Utz that in his view 'the organisational structure in the Department of Defence has functioned satisfactorily and has occasioned us no significant problems. I believe the amalgamation of the three service departments … has strengthened the consultative processes between the various parts of the defence machinery and this department.'[139] He advised Utz that 'the Defence Committee functions well, with a minimum of red tape and a reassuring degree of flexibility. Its composition seems to … be quite appropriate for its terms of reference.' [140] The Secretary of Defence, Bill Pritchett, supported Henderson's submission. Utz then sought an additional submission from Treasury given its key role in recent deliberations on capability acquisition. As with Foreign Affairs and Defence, it argued that 'the present defence organisation is seen as being broadly appropriate' in that it made significant decisions in an efficient manner.[141] However, it noted that the Defence Committee would need to consider more carefully 'the importance of having strong and stable growth in the economy as a prerequisite for

[134] Interview with Paul Dibb, 3 June 2019.
[135] Interview with Richard Brabin-Smith, 12 April 2019.
[136] Interview with Bill Crews, 8 November 2019.
[137] Submission, 18 December 1981 in Utz Review, 29.
[138] In subsequent correspondence with the author, David Horner noted that 'Tange told me that the *Defence Act* gave the CDFS the capacity to oppose the civilians if they wanted to, but they failed to do so. When he became CDFS, Bennett sought additional staff so that he could match the civilians.'
[139] Henderson, P.G, Letter to J.W Utz – Defence Review. 10 September 1981, NAA: A737, 1991/70475.
[140] Ibid.
[141] Department of the Treasury, *Submission to the Review of the Defence Organisation*. November 1981. NAA: A737, 1991/70475.

sustaining and improving defence capability in the long haul.' [142] The bureaucracy supported the status quo because it gave them a voice in discussions on defence capability and strategic policy. All had worked together in carrier deliberations but were at odds with sections of the military, with detrimental consequences for the implementation of a more self-reliant defence policy.

The issue at the heart of the review was the opposition within the military to the role of civilians in decision making on significant defence issues. Parts of the military had not fully accepted the Tange Reforms and sought to reduce the power of civilians in Defence. This attitude was particularly strong in the RAN, and was driven by the lack of support from the bureaucracy to Synnott and Willis for the acquisition of a replacement carrier. Synnott argued in a submission to the review that 'before selecting personnel for higher civilian promotions, the Secretary should consult with CDFS, and where concerned, the Service Chiefs of Staff.'[143] Similarly, the CNS, Vice Admiral Willis argued that 'there was a need for the CNS to be consulted and give formal agreement to the promotion and posting of senior civilian officers within, or responsive to his organisation.'[144] Officers such as Air Vice Marshal David Evans argued in their memoirs that civilians had fostered an 'antagonistic environment' and singled out the 'negative attitude almost always invariably conveyed by the Force Development and Analysis Division.'[145] There was a reluctance within parts of the military to accept civilians in decision-making roles, particularly where their views on major issues differed.

It is important to note, however, that this view was not universally shared throughout the military establishment. The CDFS at the time of the Utz Review, Air Chief Marshal McNamara, did not support the substantial changes to decision-making, and recruitment processes that were advocated by Synnott and Willis.[146] McNamara argued that he had little desire 'to be involved in the day to day administration of the Department',[147] and that the military 'should recognise the responsibilities of the Secretary.'[148] Air Marshal Ray Funnell recalled that 'McNamara got on quite well with Pritchett and was able to put a lot of oil onto troubled waters. He was a thoughtful fellow and got on well with people.'[149] McNamara later recalled in his memoirs that he did 'not know why we had to have that review because [he] never saw anything explicit in terms of precisely what deficiencies it was meant to correct.'[150] McNamara indicated that he was content with the division of responsibilities in Defence, and suspected that the Utz Review had been established by Fraser as 'an exercise in trying to harvest budgetary savings.'[151] His support for the status quo is understandable as McNamara was at the heart

[142] Ibid.
[143] Utz, John, *The Higher Defence Organisation in Australia: Final Report of the Defence Review Committee* (Canberra: Australian Government Publishing Service, 1982), Submission, 18 December 1981.
[144] Ibid.
[145] Evans, *Down to Earth*, 222.
[146] Utz, *The Higher Defence Organisation in Australia*, Submission, 21 May 1982. McNamara took over as CDFS from Synnott before the Utz Review was published.
[147] Utz, *The Higher Defence Organisation in Australia*, Submission 21 May 1982.
[148] Ibid.
[149] Interview with Ray Funnell, 1 November 2019.
[150] McNamara, *The Quiet Man*, 235
[151] Ibid, 236.

of the debates on the carrier decision in his capacity as CAS, and opposed both Synnott and Willis with the support of Pritchett, and other secretaries including Henderson and Yeend. However, Evans claimed that McNamara 'did not have intimate knowledge of the state of affairs in the Defence environment' and that Pritchett authored Cabinet Submissions on the review with little input from the military.[152] The Army did not clearly support radical change or the status quo. However, the CGS, Lieutenant-General Phillip Bennett, proposed that the position of CDFS be strengthened within the existing organisational structure through additional staffing and resources to better contribute to policy deliberations.[153] The Army was contending with significant reductions in personnel and capability and was not heavily involved in the carrier deliberations.

Utz also examined civil-military relations and organisational structures in other countries of comparable size to Australia. In November 1981, he wrote to Air Vice Marshal R.E Frost, the Head of the Australian Defence Staff in London to seek advice on 'the respective roles of the civilian and military personnel in the central policymaking and administration of Defence' in Britain.[154] Frost advised that civilians and uniformed officers had clearly delineated responsibilities, with civilians taking the lead in policy and administration while the military remained in charge of operational planning. This was similar to Australia and, in Frost's view, was an effective arrangement.[155] Utz also sought an assessment on the Canadian system from Rear-Admiral, J Davidson, the Head of the Australian Defence Staff in Washington. Davidson advised that the Canadian diarchy 'works better than any previous system in processing decisions and in meeting the Minister's demand for consensus advice' as it fostered better informed decision making through more robust deliberations.[156] Advice from overseas missions supported McNamara's views in favour of the status quo rather than Synnott's demands for organisational reform with a view to a greater role for uniformed personnel.

In November 1982, the Defence Review Committee published its report on the higher defence organisation in Australia. The report concluded that the organisational structure and the division of responsibilities between civilians and their uniformed counterparts was sound.[157] However, it acknowledged that greater involvement by CDFS with defence policy in an advisory capacity would 'foster the development of Defence Force perspectives … as distinct from single Service perspectives, and thus lead to an improvement in the policy development processes.'[158] However, it was adamant that issues remain solely under the authority of the Secretary, not CDFS.[159] It dismissed claims of excessive civilian interference in capability acquisition decisions stating that 'there is nothing wrong in principle in having the Secretary or his representative as the chairman of committees which deal with important

[152] Evans, *Down to Earth*, 222.
[153] Utz, *The Higher Defence Organisation in Australia,* Submission, 16 March 1982.
[154] Utz, J.W, 'Letter to P.G Henderson – Defence Review.' 6 November 1981, NAA: A737, 1991/70475.
[155] Ibid.
[156] Davidson, J *Defence Organisation – Canada: Powers and Responsibilities*. 8 December 1981. NAA: A737, 1991/70475.
[157] Utz, *The Higher Defence Organisation in Australia,* Submission, xi.
[158] Ibid, xii.
[159] Ibid, xv.

resource considerations.'[160] The report noted that capability procurement and development had been neglected in recent years. As a result, Utz recommended that a new organisation, the Department of Defence Support, be established to 'ensure that sufficient attention is given to the development of scientific and industrial capabilities required for defence.'[161] The Utz Review upheld the Tange reforms and reaffirmed a significant role for civilians in defence policymaking despite concerted attempts by sections of the military establishment to reverse the changes of the 1970s. Fraser was preparing for an election and did not take significant action besides establishing the Department of Defence Support.

These debates made a significant contribution to the capability framework that underpinned the later development of self-reliance. Brabin-Smith wrote that these deliberations caused a reconsideration of Australia's force structure priorities.[162] They informed 'the government's decision to choose the more capable F/A-18 fighter aircraft over the F-16 … and to the demanding parameters of what became the *Collins* class submarines, [as well as] the replacement of the 10 P-CB Orions … the upgrading of the F-111C fleet, the modernisation of the three guided missile destroyers … and the acquisition of *Adelaide* class guided missile frigates.' Although the Fraser Government encountered difficulties in implementing self-reliance, the debates that occurred towards the end of its term in office made a significant contribution to the development of the concept.

The Fraser Government called an early election for March 1983 at a time of increasingly severe economic decline. A declassified American intelligence assessment from the time notes that Fraser was faced with 'a sharp deterioration in Australia's economic performance, marked by the highest inflation in 40 years, worsening inflation and no real growth in 1982.'[163] By contrast, it noted that 'Labor is making conscious effort to reassure the public about the party's moderate position on major issues. It reaffirmed support of ANZUS … [and] Hayden is keeping Labor's often divisive left wing under control.'[164] Bob Hawke replaced Hayden and led the ALP to victory, bringing the Fraser years to an end. Hawke was elected on a reformist platform but inherited a defence organisation in disarray. The ADF's force structure diverged significantly from the concept of self-reliance, the organisation was divided on its strategic priorities, and it did not have the funding base required to implement its capability acquisition program due to budget cuts and high inflation.

Conclusion

When the Fraser Government was elected to a third term in 1980, it had promised to invest more heavily in a self-reliant defence force to protect Australia's key interests in the Asia-Pacific. This chapter has shown that these promises were short lived as it struggled to implement self-reliance due to economic difficulties, and changes in Australia's strategic circumstances that necessitated a review of

[160] Ibid, xxii.
[161] Ibid xii.
[162] Ball, *Geography, Power, Strategy and Defence Policy*, 94.
[163] Central Intelligence Agency, *Australia: The Fraser Government's Growing Political Problems*, 15 December 1982, CIA-RDP84S00554R000200100001-5.
[164] Ibid.

Australia's acquisition priorities. These funding limitations exposed rivalries between civilians and military personnel that divided Australia's defence organisation. With the election of Reagan, Fraser moved towards greater integration with the United States for contingencies further afield. Australian defence policy drifted from the concept of self-reliance towards greater dependence on allies, and this was compounded by the fact that Defence was in a state of crisis without a coherent strategic framework or adequate funding. The Hawke Government inherited a difficult situation but would start to address these issues and return to self-reliance for contingencies in the defence of Australia, as part of its reformist program as shown in the following chapter.

Chapter Seven:

The Early Hawke Years, Self-Reliance and ANZUS

(1983-1985)

Introduction

The Hawke Government was elected on a reformist platform that sought to distance itself from its predecessors. It inherited an economy in difficulty, and a defence policy in disarray due to budget cuts, institutional rivalries, and a divergence between self-reliance in strategic guidance and an interest in distant contingencies in a Cold War context in the previous government. This chapter shows that the Hawke Government took the opportunity to address these issues by recasting Australian defence policy towards greater self-reliance within ANZUS to re-establish the ALP as a credible political force after the ordeals of the 1970s. Hawke sought to reorientate Australian defence policy towards credible threats in the region. These reforms were complicated by tensions between New Zealand and the United States, and its approach to this issue laid the groundwork for the formal codification of self-reliance within ANZUS in policy later in the decade.

The Drive for Policy Reform

Upon election, Hawke put together a Cabinet that would continue the shift towards the political centre begun under Hayden's leadership. In contrast to Whitlam, Hawke appointed centrist figures to key positions that would lead his proposed reforms. These included Paul Keating and John Button in the Treasury and Industry portfolios, and Bill Hayden, Gordon Scholes and Gareth Evans to the Foreign Affairs, Defence and Attorney-General's roles. An American intelligence assessment affirms this view in concluding that 'Hawke has used the Cabinet selection process to affirm both his leadership, and his commitment to the moderate politics he espoused during the campaign.'[1] It assessed that these choices confirmed 'Hawke's intention to hold a tight rein on the party's left wing' and that his government seemed 'more competent and responsible than was the last Labor Cabinet under Whitlam.'[2] The Hawke Government wanted to distance itself from the Whitlam Government and sought to establish itself as a strong government through reforms to economic and defence policy, the two areas that had troubled Whitlam and Fraser. Hugh White articulates this as follows:

> The Hawke Government was driven by two things. The first was an intellectual commitment and a political commitment to self-reliance. Fraser had this ambivalence, and he was the dominant figure in his government. Whereas in the Hawke Government, his ministers were committed to self-reliance. For them, self-reliance was a big idea. The second is politics. One of Hawke's ambitions was to consolidate Labor's grip on power and avoid the mistakes of Whitlam by presenting Labor as a responsible party of government. That included establishing Labor's credentials on defence and foreign affairs. Hawke's colleagues realised that one of the things that had gone wrong with the Whitlam Government was that they were seen to be unreliable in managing the alliance. So, they had a big agenda to legitimise their credentials. But that required them to do something difficult. They had to show they were strong on defence, and strong supporters of the US alliance. But they had to do this in the face of the party.[3]

[1] Central Intelligence Agency, *Australia: Initial Reflections on Hawke's New Cabinet*, 14 March 1983. CIA-RDP85T00287R000400860001-5.
[2] Ibid.
[3] Interview with Hugh White, 12 April 2019.

Within weeks of taking office, the Hawke Government announced significant economic reforms. Keating declared that the Hawke Government would bring greater stability to the budget by addressing wage inflation rather than cutting expenditure. The Hawke Government would work with employers and trade unions to limit wage rises and bring an end to the rampant inflation that prevented Fraser from implementing substantial parts of his platform.[4] It threatened left-wing trade unions with expulsion from the ALP if they did not comply with its reform program and persisted with demands for significant wage rises that would increase inflationary pressures.[5] These reforms were intended to provide greater certainty to the budget and give Hawke the fiscal stability that he needed to implement its policy platform. This meant that the Defence budget was likely to be better funded than it was under Fraser, barring unexpected changes to Australia's circumstances.

The Hawke Government also announced similarly ambitious reforms to Australian defence policy. Hawke announced that he would commission a review of Australian planning on the basis that previous governments had 'relied too heavily on the strength of the United States to guarantee national security and, as a result, Australia has not fully developed its own capabilities for an effective national defence.'[6] American assessments indicated that 'these [statements] point to a more self-reliant and independent defence policy' that would 'emphasise protection of Australian territory.'[7] The ALP broadly supported the concept of a more self-reliant defence policy but was internally divided on the role of alliances within such a framework. Hawke and his inner Cabinet supported ANZUS but significant left-wing sections of the ALP had reservations about ties with allies. The Hawke Government would need to balance these considerations in developing a more coherent defence policy grounded in greater self-reliance in Australia's region.

The ALP and the ANZUS Alliance

These assessments were informed by the ALP's policy platform developed under Hayden's leadership. Between April 1981 and March 1982, the ALP's Foreign Affairs and Defence Committee published its policy platform to differentiate itself from the Fraser Government. It recognised the destabilising impact of Soviet activities, highlighting 'the invasion and continued occupation of Afghanistan' as well as the 'escalation of military activities in the Indian Ocean' and 'military incursions in Southern Africa and foreign military interference elsewhere in Africa.'[8] However, it questioned Fraser's handling of these issues, stating that it was driven by the 'growth of hysteria' and 'Cold War simplicities.'[9] It also suggested that these issues were being used 'by hawkish elements to

[4] Central Intelligence Agency, *Australia's Troubled Economy: Hawke Political Approach*, 6 June 1983. CIA-RDP85T00287R000401120001-5.
[5] Ibid.
[6] Central Intelligence Agency, *Australian Defence Policy: Labor's New Approach*, 1 June 1983. CIA-RDP85T00287R000401110001-6.
[7] Ibid.
[8] ALP National Platform Committee on Foreign Affairs and Defence, 31 March 1982, NAA: M3353, 11.
[9] Ibid.

promote their views as a means of diverting attention from unemployment and inflation.'[10] The platform argued that Fraser focused heavily on developments beyond Australia's region. Moreover, it stated that 'the Federal Government has deviated substantially from the sound groundwork done by the Whitlam Government in basing Australian Foreign and Defence policies on a course of independence and self-reliance.'[11] It contrasted this with Fraser's approach, stating that 'old doctrines of 'forward defence' have re-emerged under the guise of regional obligations and alliance associations.'[12] Minutes from relevant meetings indicate that deliberations on defence policy were driven by the Shadow Aviation Minister, Kim Beazley, with Hayden's support. White articulates the purpose of the platform as follows:

> What you had to do was produce a defence policy which at once separated you from the alliance and strengthened the alliance. How do you do that? Enter Kim Beazley, and in the end, it was a simple piece of politics and policy. You had to persuade the electorate that we could be good allies of the United States by being self-reliant. By being self-reliant, we could be independent of the United States but a good ally of the United States.[13]

Beazley recalls his philosophy as follows:

> Self-reliance is a lodestar. I don't think that any of us that advocated it ever intended for it to be achieved in its purest form. But the assumption that we all had in the 1980s was that we would be driven by that. We would minimise our level of dependency on the support and the industry of others without ever assuming that we would reach total self-reliance. So we always used to say 'self-reliance within the framework of alliances.'[14]

The ascension of Kim Beazley changed the nature of the discourse on defence policy. Vice Admiral, Ian MacDougall recalls this in the following terms:

> With the intellectual power of Kim Beazley, he was driving the train. Beazley was not only hugely respected by military and the Defence Department, but actually liked, and that's a rare combination. That combination tends to inspire trust, certainly in people and so when he would introduce things that were unpopular then there was, in part, an acceptance because 'he's a smart fellow, we trust him, so we'll do it.'[15]

The platform reaffirmed the ALP's traditional policy priorities of self-reliance in Australia's region. White recalled that 'in those days, you couldn't ignore what the party said. Hawke had to persuade the electorate that they could manage the US alliance. That meant that they had to persuade the party to accept an alliance about which the party was sceptical.'[16] The platform stated that 'Labor's defence policy is based on a self-reliant capacity to defend Australia's territory and sea and air approaches' and that the ADF should be structured to deter major threats and handle lower-level threats.[17] It singled out the carrier capability as unnecessary, stating that 'the carrier has little value outside of the context of [forward defence] and materially detracts from procurement policies related to

[10] Ibid.
[11] Ibid.
[12] Ibid.
[13] Interview with Hugh White, 12 April 2019.
[14] Interview with Kim Beazley, 8 April 2020.
[15] Interview with Ian MacDougall, 6 March 2020.
[16] Interview with Hugh White, 12 April 2019.
[17] ALP National Platform Committee on Foreign Affairs and Defence, NAA: M3353, 11.

a force structure predicated on self-reliance.'[18] The role of American facilities on Australian territory was a point of contention. It held that 'Labor is opposed to the presence on Australian territory of bases and facilities which involve a derogation of Australian sovereignty.'[19] The platform differentiated between the basing of military assets on the one hand, and intelligence facilities on the other. It clarified that 'it remained opposed to the use of Australian facilities for the permanent basing of foreign naval vessels.'[20] It was more accommodating of the joint facilities in stating that:

> Labor will ensure that Australian authority and sovereignty are unimpaired. Australian personnel must be involved in all aspects of the bases operations and have the relevant technical expertise to do so. A Labor Government will insist on effective consultation at the highest level … in strategic planning or the policies of allies.[21]

This policy statement was carefully worded so as to maintain close defence cooperation with the United States without explicitly endorsing ANZUS. While the ALP had moved considerably towards the political centre, its left wing had concerns about ANZUS and wielded considerable influence. This can be seen in the following description of the ALP's approach to self-reliance and alliance commitments by the then Shadow Defence Spokesman, Gordon Scholes:

> In the area of defence, the opposition sees the performance of governments of a conservative nature as having more to do with saying than doing, a performance that is substantially steeped in a history of a defence policy of dependence. It was dependant on the British up to 1942. It has been dependant on the United States since then. We see alliances as part of our defence deterrent, not part of our defence capacity. In the end our defence planning must be on the basis that our own forces should be capable of carrying out those tasks which we can reasonably expect to be required of them. And they should perform these tasks without outside assistance or dependence on other nations whose decision-making process will, of necessity, be governed by their best interests, just as Australia's should be governed by our best interests.[22]

As the Minister for Defence, Scholes gave insights into the ALP's views on Australia's strategic priorities in an interview on 26 March 1983. Scholes indicated that the Hawke Government preferred to focus on credible regional threats, rather than broader issues in the Cold War. A transcript of the interview notes that 'according to Mr. Scholes, Indonesia is equipped to take some part of Australia's North-West and hold it for concessions' and clarified that 'Indonesia could do it, theoretically, for it does not take a very large force. But neither Indonesia nor any other regional power could offer a threat with which Australia could not cope.'[23] Scholes then contrasted the views of the Hawke Government with those of the Fraser Government in stating that 'previous governments have suggested that in some way Vietnam or China constitute a threat. Neither country can move its forces outside its own territory very far. Neither has an across-water capability.'[24] Scholes remarked that 'the Russians could attack us

[18] Ibid.
[19] Ibid.
[20] Ibid.
[21] Ibid.
[22] O'Neill and Horner, *Australian Defence Policy for the 1980s*, 46-47.
[23] Department of Foreign Affairs, 'Outward Cablegram – Australian Defence: Press Item Mar 26', 28 March 1983, NAA:1838, 370/20 PART 11.
[24] The Hawke Government was advised by the Department of Foreign Affairs that in 1983, 'the Soviet military presence in Indochina is now relatively stable, with some 7,000 Soviet military and civilian advisers in Vietnam, 2,000 in Laos, and 600 in Cambodia. During 1983, typical ship levels at Cam Ranh Bay were 1-3 surface combatants, 3-5 submarines

but you would have to build a scenario for it. Why would they, and under what conditions?'[25] He clarified that 'in a global war, they might make the US facilities … [a target in a] major strike against the US but this would not be part of a plan to occupy, or take out, Australia as such.'[26] This was a turning point as the government had realigned its view of Australia's priorities with those of the civilian defence establishment, in favour of greater self-reliance in the context of threats in Australia's region.

In that interview, Scholes outlined his party's view on ANZUS, and indicated that the ALP saw it in a very different light to its predecessor. In line with his contribution to O'Neill and Horner's book, Scholes argued that the Hawke Government saw ANZUS as part of Australia's deterrent, not its defence capacity. Scholes then stated that 'previous governments treated it as a defence treaty but it is not … we should not be entirely dependent on it.'[27] He then evoked memories of prior issues in alliance relationships in rhetorically asking 'remember what happened when we became dependent on British promises about Singapore?'[28] To reiterate the point he stated that 'it's unlikely but possible. The drain on [American] resources would probably preclude help for us if we needed it.'[29] The underlying premise was that allies would prioritise their own interests ahead of Australia's in major contingencies, and that it therefore needed to be more self-reliant. The ALP indicated that it supported ANZUS but that it would need to be further reviewed to ensure that it conformed to Australia's key strategic interests. The Hawke Government was determined to take a different approach to Australian defence policy to the Fraser Government. It was sceptical about the Soviet threat and did not view ANZUS as the sole basis for Australia's military planning. Rather, it sought to reorientate Australian policy towards greater self-reliance in its region as envisaged in by supporting ANZUS as a deterrent but not relying on American combat forces for Australian defence.

The US Secretary of State, George Schultz wrote a letter of congratulations to Hawke shortly after election. Hayden saw this as an opportunity to articulate his views to the Reagan Administration in consultation with Hawke and Scholes. Initial drafts of Hayden's letter to Schultz supported ANZUS but spoke of 'self-sufficiency' in Australian defence policy.[30] Scholes wrote to Hayden to advise that 'the limited resources available in Australia make self-sufficiency in defence matters unattainable and our objective might, therefore, be better expressed in your letter as increased self-reliance.'[31] Scholes did not explicitly define the difference in his letter but Brabin-Smith later wrote that self-sufficiency implied 'a very high-level of strategic independence or even isolation, and is not something that

and 15-20 auxiliaries.' See also: Department of Foreign Affairs, 'ANZUS Council Thirty Third Meeting – Brief for Australian Delegation Wellington July 1984, NAA: A2539, B1984/19, 13.

[25] Department of Foreign Affairs, 'Outward Cablegram – Australian Defence: Press Item Mar 26', 28 March 1983, NAA: A1838, 370/20 PART 11.

[26] Ibid.

[27] Ibid.

[28] Ibid.

[29] Ibid.

[30] Letter – Scholes to Hayden, 'Response to Schultz', 15 April 1983, NAA: A1838, 250/11/189 PART 10.

[31] Ibid.

Australia seeks or has ever sought.'[32] In Brabin-Smith's view, self-sufficiency entailed 'research and development for' as well as the 'design, trial and build[ing] much of [Australia's] own defence equipment.'[33] Cottrill believes that the letter may have been influenced by Pritchett.[34] In emphasising self-reliance rather than self-sufficiency, Scholes then went on to highlight the importance of geography in determining how Australia would use its limited resources in the following terms:

> These limited resources together with the overriding importance to us of ensuring adequate provisions for our own defence, restrict the scope for Australian contribution in support of those wider interests we share with the US. We make our most effective contribution to ANZUS, in both present and contingent circumstances, in the area of the world of direct strategic relevance to us. We do not need to maintain capabilities in the Defence Force relevant to contingencies in more distant areas, rather than contingencies of national defence.[35]

In his letter, Scholes qualified his support for alliance commitments in Australian defence policy, and sought to differentiate the Hawke Government from its predecessor as follows:

> The US has recently been seeking to involve its allies in sharing more of the burden of defence against the Soviet Union and others which threaten Western interests. Advance commitments of military support to the alliance are part of the structure of NATO and are appropriate in an area where there is a common direct threat posed to the security of Western Europe and the US, but such commitments are not called for by current Australian circumstances. We would not want to give support to any inclination on the part of the US to regard ANZUS as a means of securing our defence involvement in regions or circumstances of limited strategic relevance to Australia or where our national interests and those of the US do not coincide.[36]

Hawke wrote to both Scholes and Hayden, agreeing with the thrust of the letter. He supported 'the emphasis given to commonality of interests and our intention to be a constructive partner to the United States.'[37] However, he noted that differences between both countries had 'perhaps been given too much emphasis.'[38] Hawke preferred an approach that was closer to the United States than proposed by either Hayden or Scholes. The final draft of Hayden's letter better articulated the Hawke Government's approach to self-reliance and ANZUS to the Reagan Administration. It suggested that greater self-reliance was consistent with declared American policy and would thus enhance ANZUS:

> In opposition, we made it clear that there was no question about our Party's fundamental commitment to ANZUS. This has been reaffirmed on several occasions by the Government, and by me personally. Within this context, we will be intensifying our efforts to develop a greater measure of self-reliance in our defence effort. This would be consistent with United States thinking in recent years and we would see such an approach as making a positive contribution to maintaining the vitality of ANZUS.[39]

[32] Dean, Fruehling and Taylor, *Australia's American Alliance*, 115.
[33] Ibid.
[34] Interview with Ross Cottrill, 20 November 2019.
[35] Letter – Scholes to Hayden, 'Response to Schultz', 15 April 1983, NAA: A1838, 250/11/189 PART 10.
[36] Ibid.
[37] Letter – Hawke to Hayden and Scholes, 'Response to Schultz', 21 April 1983, NAA: A1838, 250/11/189 PART 10.
[38] Ibid.
[39] Department of Foreign Affairs, 'Proposed Response to Secretary of State Schultz', 29 April 1983, NAA: A1838, 250/11/189 PART 10.

In these early years, Hayden was the intellectual driving force of the Hawke Government's approach to foreign and defence policy. His sentiments with regard to self-reliance were clarified in his memoirs as follows:

> Underlying my attitude was a belief that Australia must arrange and pursue its national interests with a recognition that in certain circumstances, and in spite of great goodwill from allies and friends, we might have to battle alone and hard with our own resources to defend our interests. At some given moment of difficulty, good allies and friends might have seriously different priorities to ours and this could leave us exposed and vulnerable.[40]

Within months of taking office, the Hawke Government started to orientate Australian policy towards greater self-reliance within ANZUS to establish itself as strong on defence. These reforms, however, were complicated by developments in New Zealand. Neither the Government of New Zealand nor the parliamentary opposition supported Australia's shift towards greater self-reliance but for very different reasons. The New Zealand Minister for Foreign Affairs, Warren Cooper, wrote to Hayden to state that 'my Government does not see a need for a review of the ANZUS Treaty. Its basic principles are sound and have stood the test of time and we have no problems with the text.'[41] However, the New Zealand Labour Party, then under the leadership of David Lange, actively sought to distance itself from the ANZUS alliance. It nominally supported ANZUS but proposed a ban on visits by American nuclear powered warships on that basis that there was no threat in the Pacific that justified their presence.[42] The New Zealand Labour Party had decided in 1981 'to take a more independent stance within the ANZUS Alliance' and had passed a resolution that 'New Zealand withdraw from all military alliances with nuclear weapon powers on a unilateral basis.'[43] These developments worried the Reagan Administration and the Hawke Government. On 31 March 1983, the Australian Consulate in Honolulu cabled both Pritchett and McNamara to advise that 'the US was having difficulty understanding exactly where the New Labour leader Lange stood on the issue of US nuclear armed and powered ships, and on the American alliance generally.'[44] It advised that 'US analysts were concerned about the consequences for the ANZUS alliance of a Labour victory in New Zealand if the NZ Labor Party's current policies were implemented.'[45] There was uncertainty because on the one hand, Lange questioned ANZUS in public but in private had said to American diplomats that he 'would learn from the example of the Australian Labor leaders who would 'keep their crazies' under control.'[46] Shortly afterwards, Foreign Affairs advised that Lange would side with the left to the detriment of the ANZUS.

The Hawke Government was put into a difficult position. It sought to shift Australian defence policy towards greater self-reliance in the context of credible regional threats but also wanted to

[40] Hayden, *Hayden: An Autobiography*, 394.
[41] Letter – Cooper to Hayden, 'ANZUS Review', 9 May 1983 , NAA: A1838, 250/11/189 PART 10.
[42] 'Inward Cablegram – Visit By Nuclear Vessels: NZ Labour Party Policy', 31 March 1983, NAA: A1838, 370/1/20/PART 11.
[43] Department of Foreign Affairs, 'NZ Labour Party Policy', 1 June 1983, NAA: A1838, 370/1/20/PART 11.
[44] 'Inward Cablegram – Discussion with Helble, Political Advisor CINCPAC', 31 March 1983, NAA: A1383, 370/1/20/PART 11.
[45] Ibid.
[46] Ibid.

strengthen ANZUS. In doing so, it would give Australia a measure of deterrence against large-scale threats through its association with the United States, and maintain access to American capabilities that would enable it to handle smaller scale contingencies with a greater degree of independence which had been an ongoing concern. Importantly, it would also shift the ALP towards the political centre in a move that would distance it from Whitlam and thus consolidate Hawke's leadership. Yet, Lange's defence policy had the potential to lead to the termination of ANZUS, and undo Hawke's reformist agenda. As a result, the Hawke Government announced a major review of Australia's role in ANZUS to settle the issue and to establish a strong record on defence policy, which had until then been problematic.

Archival records indicate that internal political factors were a key consideration in Hawke's decision to commission a review of ANZUS. Declassified reports indicate that Hawke was partly driven by a desire to assert his authority, to marginalise the left wing of the ALP. A declassified report states that 'Hawke's efforts to recast the ALP platform will be vigorously opposed by the party's fracturous left wing … in order to maintain some leverage and to brighten its fading image as a viable party faction.'[47] Another assessment held that Hayden 'may stage a leadership challenge if he detects weakness in Hawke's control of the party.'[48] It further argued that Hayden was 'trying to re-establish himself as a leading contender for Hawke's job. His efforts are fuelled by personal antagonism towards Hawke who in 1980 entered Parliament determined to replace Hayden as leader.'[49] The report forecast that Hawke would placate conservative elements within his party by affirming ANZUS but also mollify left wing factions by qualifying Australia's relationship with the United States. Hawke would achieve this by emphasising greater self-reliance within ANZUS and would thus resolve a divisive issue for the ALP and affirm his leadership of the party for years to come.

On 30 May 1983, Cabinet met to consider the role of ANZUS in Australian defence policy. The Defence Committee prepared a brief on the history and utility of ANZUS for Cabinet consideration. It was informed by developments from the 1960s onwards, and echoed Killen's description of Australia's alliance commitments in O'Neill and Horner's book,[50] in stating that ANZUS 'does not provide a guarantee of US military support in any conflict or potential conflict involving Australia.'[51] The report argued, however, that the treaty provides 'a basis on which US military support could be sought in the event of a major threat to Australia's security.'[52] The Committee clarified that ANZUS was 'probably applicable where US interests are affected and if there was doubt about the capacity of Australia and New Zealand to deal with the situation.'[53] It did not, however, cover regional commitments such as the deployment in Malaysia, and noted that the United States did not provide assistance under ANZUS

[47] Central Intelligence Agency, *Australia's Bob Hawke: Facing the Left at the Labor Party Conference*, 28 June 1984. CIA-RDP04T00367R000301830001-8.
[48] Central Intelligence Agency, *Australia's Bill Hayden and the Centre-Left: A New Challenge for Bob Hawke*, 14 May 1984. CIA-RDP85T00287R001000530001-4.
[49] Ibid.
[50] O'Neill and Horner, *Australian Defence Policy for the 1980s*.
[51] Defence Committee Minute, 'Review of ANZUS', 24 May 1983, NAA: A13977, 170.
[52] Ibid.
[53] Ibid.

when requested by the Menzies Government over disputes with Indonesia concerning West Papua in the 1950s and during Confrontation in the early 1960s. It further noted that 'New Zealand presents a special problem that could lead to radical change of a permanently lower peacetime budget.'[54] On a broader level, the Committee advised that ANZUS had deterrent value and did not derogate from Australian sovereignty. Overall, the advice given to Cabinet was very supportive of ANZUS and was tailored in such a way as to align with the policy platform of the Hawke Government by situating it in the context of greater self-reliance and autonomy in defence policymaking.

The Submission was well received by the bureaucracy and Hawke's staff. The Prime Minister's international relations adviser, John Bowen, advised Hawke that the Submission was generally sound but that Australia should be prepared to take different positions to the United States on contentious defence policy issues where it felt justified to do so.[55] Prime Minister and Cabinet also supported the Submission and advised that it should 'reassure most Australians of [the ANZUS Treaty's] value.'[56] It aimed to foster self-reliance by supporting ANZUS but not depending upon the combat forces of allied states for defence, and was supported by the Reagan Administration. Foreign Affairs also provided a briefing pack to Hayden for the forthcoming ANZUS Council meeting where it advised that Reagan anticipated Australian support in higher level contingencies but expected Australia to deal with lower-level issues in its region without American assistance.[57] More specifically, it quoted Reagan as stating that 'in contingencies not involving the Soviet Union, we hope to rely on friendly regional states to provide military forces. Should the threat exceed the capabilities of regional states, however, we must be prepared … to commit US forces to assist our allies.'[58] Foreign Affairs and Defence supported this emphasis on greater self-reliance in the immediate region as the basis for Australian planning, and were now fully supported by the Hawke Government, unlike its predecessor which had equivocated between regional self-reliance and more distant contingencies.

Cabinet took a positive approach to ANZUS in view of this advice, and its desire to appear strong on defence policy. The Hawke Government agreed that the 'ANZUS Treaty is still relevant today' and that it 'yields substantial benefits for Australia's defence effort and the USA.'[59] Cabinet noted that the ANZUS alliance is sustained by 'a coincidence of interest rather than treaty provisions', unlike the more formal structures of NATO. Importantly, Cabinet agreed that ANZUS 'did not derogate from Australia's right of national decision in foreign and defence policy matters, and in respect of the joint facilities.'[60] Further, the Hawke Government noted that 'it is in Australia's interests to maintain the ANZUS Treaty and to avoid initiatives that could unnecessarily put at risk the present important

[54] Ibid.
[55] Letter – Bowan to Hawke, 'Review of ANZUS.' 25 May 1983, NAA: A11116, CA308 PART 1.
[56] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 170 – Review of ANZUS', 25 May 1983, NAA: A11116, CA308 PART 1.
[57] Department of Foreign Affairs, 'ANZUS Council Thirty Second Meeting – Brief for Australian Delegation Washington 13-19 July 1983.' NAA: A2539, B1983/2978.
[58] Ibid.
[59] 'Cabinet Minute – Review of ANZUS.' Decision No. 634, 30 May 1983, NAA: A13977, 170.
[60] Ibid.

cooperation with the USA on security matters.'[61] Cabinet also agreed to inform New Zealand of its approach towards ANZUS, presumably with the hope of exerting some influence on Lange. This meeting was a landmark in the development of Australian policy because the ALP had decisively endorsed ANZUS at the highest levels while also affirming its commitment to self-reliance. In doing so, the Hawke Government distanced itself from the Whitlam Government and fostered a degree of policy continuity with the Fraser Government, but had put itself onto a collision course with its counterparts in New Zealand.

On 14 September, Cabinet met to consider ANZUS in more detail. Hayden briefed Cabinet on the outcomes of the ANZUS Council meeting in July. He said that the Hawke Government sought to reassure the United States and New Zealand, then under Muldoon, of 'Australia's fundamental commitment to the alliance' and that it 'did not intend to seek a renegotiation of the Treaty nor to propose any major changes.' [62] Hayden noted that there was significant uncertainty as to New Zealand's position as its 'attitude was very much conditioned by domestic political considerations.'[63] With regard to the scope of ANZUS, he advised that the United States would respond if Australia were directly attacked by another state but not always in lower-level contingencies. In preparing this advice, Hayden consulted with the American Embassy which had advised Foreign Affairs that the United States would respond in the event that Australia was attacked. Australian officials, however, were not entirely convinced about American assurances.[64] In response to questions about American resolve, the Reagan Administration effectively affirmed the Guam Doctrine in indicating that it expected Australia to maintain 'a decent level of defence capacity and be able to operate on [its] own in small-scale contingencies.'[65] Hayden acknowledged this in his response by stating that 'Treaty partners were sovereign and equal states that would not necessarily agree on every issue in world affairs.'[66] The Reagan Administration 'accepted this in general terms' but was wary of explicitly stating this in public.[67] Hawke accepted ANZUS as a deterrent against higher level contingencies in which American interests were affected, but differentiated itself from its predecessor by reaffirming Australian autonomy through greater self-reliance by not relying on allied combat forces in lower-level contingencies against credible threats in Australia's region. It had started to build on the work of the Fraser Government by articulating the circumstances in which Australia would to be self-reliant.

Cabinet endorsed a statement on the Hawke Government's position on ANZUS and self-reliance to be made by Hayden in Parliament. In the draft speech, Hayden stated that the Hawke Government had undertaken a comprehensive review of ANZUS and had concluded that the alliance

[61] Ibid.
[62] 'Cabinet Minute – Review of ANZUS.' Decision No. 2081, 14 September 1983, NAA: A13977, 170.
[63] Ibid.
[64] Letter – W.G Miller to M.R Ovington, 'ANZUS: US Attitudes', 9 August 1983, NAA: 1838, 250/11/18 PART 11.
[65] Ibid.
[66] 'Cabinet Minute – Review of ANZUS.' Decision No. 2081, 14 September 1983, NAA: A13977, 170.
[67] Ibid.

was 'fundamental to Australia's national security and foreign and defence policies.'[68] Hayden forecast the need for greater self-reliance in noting that ANZUS was not a guarantee of safety and cautioned against 'a posture of happy dependence that has satisfied the foreign policy ambitions of many Australians in the past.'[69] He reconciled his support for ANZUS with greater self-reliance by stating that 'the Treaty has the full support of this government; but we recognise that we must still pull our full weight in our own protection.'[70] The Hawke Government had put forward the concept of self-reliance within ANZUS as stated by Hayden in his letter to Schultz. In doing so, the Hawke Government had started to bring Australian defence policy back into alignment with strategic guidance and had distanced itself from Whitlam while building on the conceptual work undertaken by Fraser.

In the statement, Hayden outlined why the Hawke Government chose to emphasise greater self-reliance. The reason for this was that Australia could not always expect military assistance. Hayden demonstrated that this was an enduring concern in Australian military planning. He quoted Fraser stating that 'you can never automatically anticipate assistance' from the United States, Britain or New Zealand.[71] He turned to *Defence White Paper 1976* and its statement that 'it is not our policy, nor would it be prudent, to rely upon US combat help in all circumstances.'[72] Hayden argued that Australia needed to invest in its capabilities if it was to receive assistance from the United States as per the Guam Doctrine. Defence, however, had serious concerns about the tone of the speech, as elaborated in a letter in Scholes' name authored by Pritchett, the Secretary of Defence, to Hayden. Pritchett wrote that the speech was drafted by Foreign Affairs with little Defence input, and cautioned that 'the present draft is too heavy on non-automaticity of United States military response', that it was 'too strong on risks involved in hosting joint facilities' and that there was 'too much on the theme of independence.'[73] By contrast, Prime Minister and Cabinet advised that the draft speech balanced Australia's emphasis on 'defence self-reliance, and not taking US military support for granted in all contingencies' with America's emphasis on the 'reliability of its ANZUS commitment to Australia.'[74] There were differences of opinion between Defence and Foreign Affairs on the nature and utility of ANZUS.

Hayden drew on these contrasting views to explain the intellectual rationale for greater self-reliance in Australia's region and within ANZUS as the conceptual basis for Australian defence policy in his statement to Parliament. He defined self-reliance within ANZUS in the following terms:

> We cannot assume military support from our Treaty partners in every contingency; and that we should therefore develop a self-defence capability in case in a particular contingency we need to rely on our own resources. By definition, therefore, it would not be prudent to base the development of our defence force on the assumption that our forces will necessarily be

[68] Ibid.
[69] Ibid.
[70] Ibid.
[71] Ibid.
[72] Ibid.
[73] Department of the Prime Minister and Cabinet, 'ANZUS Treaty Review', 8 September 1983, NAA: 11116, CA308 PART 1.
[74] Department of the Prime Minister and Cabinet, 'Notes of Cabinet Submission No. 403 Review of ANZUS', 13 September 1983, NAA: A11116, CA308 PART 1.

> part of a superpower deployment in the event of any form of hostilities in which we are involved. It is more prudent and proper to elaborate these force structures on the basis of a self-defence capability within our regional context.
>
> Agreement was reached as to Australia's prime defence role as building our self-defence capability within our regional context, rather than as a presumed global role as some sort of appendix of a superpower. That clarification will allow more precise formulation of our defence thinking and will govern the structure that we establish for our defence force.[75]

This statement was significant as it laid the foundations for a reconsideration of Australia's force structure planning for the defence of core interests against credible threats in its region and not reliant on the combat forces of its allies. Hayden then further clarified the nature of Australia's relationship with both the United States and New Zealand in the following terms:

> It follows that not everything which Australia does in the defence field with the United States and New Zealand should be seen as part of ANZUS. All too often in the past, Australians have had a tendency to believe, or have been encouraged to believe, that ANZUS covers every conceivable association with the US and every conceivable military action that we might take together. ANZUS does not provide such limitless coverage and clearly is not the only determinant of our relationship with New Zealand and the United States. We may well undertake various activities in cooperation with the United States and New Zealand, not because such activities or actions are required ANZUS obligations – rather because of our mutual interests and perceptions and the deeper association that ANZUS represents.[76]

Hayden's statement was a landmark in the development of self-reliance as the basis for Australian defence policy. He affirmed that Australia needed to be able to protect its interests because it could not necessarily rely on the combat forces of other powers to do so. The Hawke Government was of the view that other powers would necessarily prioritise their interests in significant contingencies in Southeast Asia, as Britain did in the face of the Japanese advance on Singapore in 1942, and as the United States did during Confrontation in the early 1960s. Yet, Hayden's statement was not isolationist or totally independent of alliance commitments. Rather, it emphasised the importance of greater self-reliance as a means by which to keep the United States engaged with ANZUS. Cottrill recalls that 'We argued for self-reliance in the context of both the alliance and engagement with the region. Access to American logistics and intelligence enabled us to be more self-reliant, and self-reliance allowed us to better contribute to our alliance obligations in the region.'[77] The Hawke Government assessed that the United States would be more likely to assist if Australia had a credible defence capability as it had stressed since the Guam Doctrine under the Nixon Administration. Importantly, Hayden's decision to differentiate the bilateral relationship from ANZUS allowed the Hawke Government the opportunity to emphasise other aspects of defence cooperation with the United States on non-military grounds.

The joint facilities were cited as an example of defence cooperation that served broader objectives transcending the military aspects of ANZUS. In a brief to Hayden, Foreign Affairs noted that Hawke publicly supported the facilities on the basis of their contribution to 'a system of deterrence and

[75] 'Cabinet Minute – Review of ANZUS.' Decision No. 2081, 14 September 1983, NAA: A13977, 170.
[76] Ibid.
[77] Interview with Ross Cottrill, 20 November 2019.

verification that makes arms control and reduction feasible.'[78] However, it argued that it needed to go further 'because of public ignorance about the nature of these facilities, such criticism has tended to call ANZUS into question and erode its credibility.'[79] The important role of the joint facilities was poorly understood, and had been a source of division in the ALP which had detracted from Hawke's intention to establish a strong record on defence policy. Foreign Affairs consequently advised that:

> It is in the interest of ANZUS credibility that we seek, for public record, an agreed description of the general purpose and functions of those facilities that will not unduly compromise the security of their operations but may reassure many members of the Australian public and reduce the propaganda advantage enjoyed by the critics of ANZUS.[80]

Similarly, Cottrill recalls that:

> There was the issue of detailing publicly the purpose of the joint facilities. Hayden and Beazley were pushing that. It was a question of if, when and how. That led to a statement in Parliament by Hawke which was agreed with the Americans. Again, the Americans didn't immediately welcome that idea but when we talked it through with them and defined what we were going to do, they came to accept it and it strengthened the government's position. Hawke also worded the statement that acknowledged the left's concerns by focusing on arms treaty verification. It took a lot of pressure off that area. It was a very clever move but it wasn't easy. As far as the Americans were concerned, the alliance was materially stronger for it.[81]

Hayden agreed to explain the importance and utility of these facilities in support of broader objectives beyond ANZUS. He articulated Australia's support for the joint facilities in the Northwest Cape, Pine Gap and Nurrungar on the basis that this was 'an instance of the shared values the Treaty embodies.'[82] Moreover, he stressed that support for the joint facilities would give Australia 'moral standing' in relation to its 'support of arms control and arms reduction.'[83] He also grounded this in self-reliance by asserting that all activities occurred with the 'full knowledge and concurrence' of the Australian Government, and that they informed Australia's interests.[84] Hayden had laid out the basis for the Hawke Government's support for greater self-reliance within ANZUS as the cornerstone of Australian defence policy. At this stage, however, Hayden's view of self-reliance was only embryonic, and the Hawke Government had other issues to address before developing it more fully.

The Defence Budget and Australian Strategic Policy

On 27 July 1983, Cabinet met to consider how it could fund its policy of self-reliance within ANZUS as part of the Defence budget for 1983-84. In line with earlier advice, it decided to base its funding program on 'an assessment that we will have several years of warning of all but the most limited military threat' and that 'we will use the warning time wisely to expand the Defence Force, raise the level of its training and its war stocks, and strengthen our industry and infrastructure.'[85] Its acquisition

[78] Department of Foreign Affairs, 'Review of ANZUS.' 15 June 1983, NAA: A11116, CA308 PART 11.
[79] Ibid.
[80] Ibid.
[81] Interview with Ross Cottrill, 20 November 2019.
[82] 'Cabinet Minute – Review of ANZUS.' Decision No. 2081, 14 September 1983, NAA: A13977, 170.
[83] Ibid.
[84] Ibid.
[85] 'Cabinet Minute – Defence Budget 1983-84', Decision No. 1738 22 July 1983, NAA: A13977, 319.

program would be based on the assumption that Australia would not be threatened by major conflict but would need to focus more closely on deterrence against regional threats. Scholes rejected Fraser's investment in 'a level of preparedness appropriate to imminent hostilities' because this would 'mean vast increases in our defence budget that would have to come from reductions in other areas … that would not be justified in our present and prospective circumstances.'[86] Hawke decided to take a measured approach to capability investment than its predecessor by focusing on self-reliance against threats in Australia's region rather than expeditionary operations in the Cold War.

Investment in naval capability was an area in which the Hawke Government would differentiate itself from the Fraser Government. Scholes affirmed his commitment to not acquire a replacement carrier on the basis that 'an aircraft carrier of the kind we could not afford, and the kinds of aircraft that could operate from it were not an adequate answer to Australia's maritime needs.'[87] Instead, he announced that the Fleet Air Arm would be an all-helicopter force in line with advice from Defence, particularly Air Force, and that 'enhancement of this aspect of maritime operations is one of the highest new equipment priorities for the Defence Force.'[88] To provide a launching platform for the helicopters, the Hawke Government announced that it would fund the acquisition of new frigates from the United States, and would commence the construction of new vessels in Australia from around 1991. Scholes also announced that the Hawke Government would 'begin to implement the long-awaited naval home-porting in Western Australia' which had been announced by Fraser but not implemented due to financial constraints. Clearly, a new approach to maritime investment was to be a defining aspect of its plan to implement self-reliance as a pillar of Australian policy. Hawke started to acquire capabilities around Australia's geographic features, namely maritime defence, to implement self-reliance.

Scholes then discussed investment in air capability as an important part of his agenda. Hawke agreed to set aside funding for the introduction into service of the F/A-18 tactical fighters, and highlighted investment in new facilities at Williamtown in northern New South Wales, as well as the possibility of a new fighter base at Tindal in the Northern Territory.[89] Scholes announced that the aircraft were to be assembled in Australia, with ammunition to be locally manufactured. In support of the fighters, it had also pledged funding for the Jindalee Over-the-Horizon Radar, which it said 'offers the first practical prospect of dealing with the otherwise seemingly impossible task of monitoring Australia's vast northern approaches.'[90] The Hawke Government had started to invest in capabilities that would give effect to greater self-reliance by equipping Australia to better defend itself against credible threats in its immediate region rather than relying on the combat forces of other major powers for its defence, or undertaking expeditionary operations in coalition with allies in more distant theatres.

[86] Gordon Scholes, 'Statement by the Minister for Defence', 3 November 1983, NAA: M2726, 6.
[87] Ibid.
[88] Ibid.
[89] Ibid.
[90] Ibid.

The Hawke Government and Strategic Guidance

Shortly after the election, the Hawke Government agreed to the development of a *Strategic Basis* paper.[91] Scholes, put forward a draft paper for Cabinet deliberation on 2 September. He advised that its purpose as 'to develop a more self-reliant strategic posture, consistent with Australia's alliance and treaty obligations and in support of broad western interests, based on the principle of developing independent national defence capabilities to deter conventional attack on Australian territory.'[92] It aimed to give effect to self-reliance within ANZUS. He reiterated Hayden's earlier argument that 'both conventional and nuclear conflict between the superpowers remain improbable' but that 'stability depends on effective deterrence.'[93] Scholes argued that 'our indirect support, by reception of USN ship visits and the support of the joint facilities at North West Cape, Pine Gap and Nurrungar, is important and justifies accepting the risk of possible Soviet attack.'[94] He affirmed 'the importance of maintaining the vitality of the alliance alongside greater self-reliance, as agreed by Hawke in the ANZUS review.

Scholes then discussed the role of geography as the basis for self-reliance. He stated that there was 'no significant requirement or scope for an Australian defence role in Europe, Africa, South and East Asia and Central and South America.'[95] He argued that 'Australia … should continue to provide, support for the Western deterrent posture against further expansion of Soviet influence and lodgement in the Indian Ocean and its littoral by our making port and airfield facilities available to US ships and aircraft, by our own maritime surveillance there, and by occasional RAN deployments and visits to some littoral states.'[96] In doing so, the paper emphasised that 'Australian activity should, as far as practicable, be perceived as independent national effort in support of broad Western interests.'[97] He, therefore, explicitly stated that Australia should not be concerned with distant contingencies but focus primarily on its region. The document aligned with Cabinet's view of ANZUS and provided a useful starting point in the development and implementation of greater self-reliance in the Asia-Pacific.

Within this context, the paper identified Indonesia as the primary focus of Australian defence policy. It marked a change from the benign assessments of the 1970s and reflected some of David Evans' earlier concerns. The paper stated that 'within the region, Indonesia alone has the potential to pose a serious military threat to us, but at present lacks both the motivation and capability.'[98] Scholes noted 'that could change if tensions were to grow between us or, possibly, if internal stability deteriorated there.'[99] Regardless, he argued that 'geography and the large disparities in our populations

[91] 'Cabinet Decision No. 22 – Without Submission: Defence', 11 March 1983, NAA: A11116, CA805 PART 2.
[92] 'Cabinet Submission No. 392 – Strategic Basis of Australian Defence Policy 1983.' 2 September 1983, NAA: A11116, CA805 PART 2.
[93] Ibid.
[94] Ibid.
[95] Ibid.
[96] Ibid.
[97] Ibid.
[98] Ibid.
[99] Ibid.

and social and political perspectives support an abiding Australian defence interest in Indonesia.'[100] The paper observed that 'disputes involved PNG, particularly at the border with Irian Jaya, are arguably the single most credible basis for deteriorating security relations between Indonesia and Australia … we could be moved by a range of factors to commit major forces to the defence of PNG, and Indonesia could exploit that militarily.'[101] In this scenario, 'Indonesia already has the military capability to mount, and sustain, low-level operations that could seriously over-stretch the, and generate political pressure on an Australian Government to make political concessions or to escalate its military response, with higher military and political costs.'[102] Australian planning had shifted towards threats in its region, and this would form the basis of the Hawke Government's plans to reorientate towards greater self-reliance.

The Defence Committee advised Cabinet to balance its alliance commitments with its focus on self-reliance in Australia's region. It argued, in line with Scholes' view, that Australia could not be totally self-reliant and would need to maintain close relationships with its allies. The Committee cautioned 'against unrealistic views of the extent to which independence is feasible and to which our reliance on overseas materiel support in times of conflict can be reduced.'[103] It, therefore, suggested that Cabinet set a list of priorities for which it should prepare given that Australia did not have the resources to meet all contingencies. The Committee recommended that 'our defence posture be directed in the first place to those limited situations that could arise first' rather than more substantial but less likely contingencies. It further advised that Australia's resource limitations could be offset by 'developments in comprehensive monitoring of changes in our circumstances' which would enable the 'acquisition of larger capability' within adequate warning time.[104] The Committee recognised that Australia could not provide all capabilities required for total self-reliance and would instead only seek to be self-reliant in terms of combat forces. These recommendations, particularly in regard to warning time and force expansion, would also later form the basis of self-reliance in Australian defence policy.

Scholes' Submission was well received by stakeholders in the bureaucracy and the political establishment. Prime Minister and Cabinet recommended that Hawke agree to the Submission. It was particularly supportive of the need to focus on Indonesia while still backing the United States in the Indian Ocean.[105] The Prime Minister's international relations adviser, John Bowen wrote to Hawke to advise that it was 'generally sensible and consistent with what the Government is likely to want to do in the defence area.'[106] He agreed with the focus on self-reliance in terms of combat forces against credible, lower-level contingencies in Australia's immediate region. Bowen did, however, state that

[100] Ibid.
[101] Ibid.
[102] Ibid.
[103] Ibid.
[104] Ibid.
[105] Department of the Prime Minister and Cabinet, 'Notes on Cabinet Submission No. 392 – Strategic Basis of Australian Defence Policy 1983, NAA: A11116, CA805 PART 2.
[106] Letter – Bowan to Hawke, 'Strategic Basis of Australian Defence Policy 1983', 12 September 1983. NAA: A11116, CA805 PART 2.

ONA documents on which it was based 'worry me a little' with their focus on relations between the superpowers rather than credible threats in Australia's region. Bowen advised Hawke that:

> I believe that in future years, defence and intelligence planners should be encouraged to produce a document which reflects the centrality of Australia's defence requirements by starting from our neighbourhood and working outwards. The present format, notwithstanding the independent line which is argued, is likely to encourage us to think in terms of Western Alliance considerations ahead of our own national interests and defence requirements.[107]

He further stated that:

> I believe that our national interests, as well as our best contribution to cooperation with our intelligence partners, require that we should make our biggest assessment effort in our own neighbourhood, the Asia-Pacific region. I do not dispute that we need to ensure that we are able to make sound assessments on such issues as Superpower Strategic Competition, the Soviet Union and the Middle East, but for a country like Australia to give them the priority which they are given seems to me to run the risk of seriously distorting our effort and of giving our intelligence community an essentially Northern Hemisphere view of the world.[108]

Bowen advised Hawke to be wary of the assessments given by the ONA at the time. He was of the view that it was too heavily focused on Cold War rivalry rather than the more credible, lower-level contingencies which the Hawke Government had focused on in its efforts to be more self-reliant. Bowen recommended that ONA be directed to resubmit 'a more considered and narrower set of intelligence priorities based primarily on our own strategic situation, national interests and intelligence capability.'[109] These were to include 'South East Asia, East Asia and the South Pacific – Strategic, Political and Economic.'[110] Bowen then advised that 'all other subjects, although important, should necessarily be in a lower category.'[111] The Hawke Government had started to shift Australia's priorities from the Cold War posture of Fraser to credible threats in its region, namely Indonesian interference in neighbouring states. Hawke endorsed this as the overriding priority in strategic guidance and started to redirect the efforts of key government agencies towards that aim.

Scholes wrote an article that gave an insight into the strategic thinking of the Hawke Government. He announced that 'responsibility for Australia's defence, short of nuclear or superpower invasion, [rests] squarely upon Australian shoulders.'[112] He distanced the ALP from its predecessor by arguing that this was 'a truth that Australian conservative governments, since Federation have consistently sought to ignore.'[113] Scholes then reiterated that 'only a superpower now has the capability to invade Australia. Countries in our region could only attempt to invade Australia after a major and lengthy build up, which would alert us to expand our forces in response.'[114] He caveated this statement in arguing that 'lower-level threats, however, such as limited lodgements and raids on isolated facilities

[107] Ibid.
[108] Ibid.
[109] Ibid.
[110] Ibid.
[111] Ibid.
[112] Gordon Scholes, 'Article for Pacific Defence Reporter', 5 August 1983, NAA: M2726, 5.
[113] Ibid.
[114] Ibid.

could arise with little to no warning time.'[115] He articulated Australia's defence requirements in noting that 'the Defence Forces must be able to meet low-level threats … and have the long lead time items and skilled personnel to expand the Defence Forces to meet higher level threat.'[116] He envisaged a maritime and air strategy of denial, saying that 'the F/A-18 aircraft will provide a deterrent, as will the additional Harpoon missiles which have been recently acquired for the Orions and Oberon Class submarines.'[117] The Hawke Government was beginning to align capability and strategic guidance, with greater self-reliance against Indonesian forces as the centrepiece of this policy.

Cabinet met on 27 September to consider the Submission. It endorsed the *Strategic Basis* paper 'as guidance for the forthcoming review of defence planning and for the development of Australian defence policies.'[118] In doing so, it 'affirmed the priority of a defence posture for national defence and the requirement for selective development' of capability and international relationships that 'support Australia's regional and wider defence interests.'[119] It noted the 'particular importance to Australia's long term national defence interests of the vitality of ANZUS and a stable and influential relationship with Indonesia.'[120] Hawke accepted self-reliance within ANZUS as key to Australian policy. How this could be implemented was yet to be resolved but it had put forward the conceptual basis for a wider review of Australian defence policy.

Institutional Reforms in the Defence Organisation

Having established the foundations for a more self-reliant defence policy, the Hawke Government turned its attention to other issues that had impeded the implementation of reforms in Defence. The most pressing of these were the interservice rivalries that had plagued capability development proposals during the Fraser Government. To resolve these problems, Hawke considered broader reforms to the Defence organisation at a Cabinet meeting in April 1984. Fraser had commissioned a review into the higher Defence organisation but did not substantially implement its recommendations prior to the election. After it had concluded the review of ANZUS in its first year in government, the Hawke Government, at the behest of Scholes, took the opportunity to consider the Utz report and implement its recommendations. Cabinet focused on how the military and civilian sides of the Defence could most effectively work together to provide considered advice to government. It was hoped that by bringing the two sides of Defence together, the Hawke Government could make further progress in implementing the concept of self-reliance in Australian defence policy.

One of the issues examined by Scholes was the role and authority of the CDFS. Scholes argued that the diarchy, as established by Tange, was sound but that the CDFS required greater authority. He

[115] Ibid.
[116] Ibid.
[117] Ibid.
[118] 'Cabinet Minute – The Strategic Basis for Australian Defence Policy 1983', Decision No. 2165, 27 September 1983, NAA: A11116, CA805 PART 2.
[119] Ibid.
[120] Ibid.

reiterated Synnott's earlier argument that 'the position of CDFS was inadequately established in legislation.'[121] Scholes also noted that the services had too much power and that this had hindered policy development. He suggested that the *Defence Act 1903* be amended so that 'the CDFS commands the Service Chiefs and is the Minister's principal military advisor in the formulation of policy and the administration of the Force.'[122] To give the role greater authority, he suggested that it be given additional staff and be renamed to the 'Commander of the Defence Force.'[123] Scholes recommended that the service chiefs be defined as 'essentially single service commanders and managers' who would contribute to, but not be responsible for the development of policy.[124] He envisaged that the CDF would take primacy, and that service chiefs would have a subordinate role in policy development.

Cabinet agreed to most of Scholes' proposals for organisational reform. The role of CDFS would be given further authority to oversee the management of the ADF, and be given primacy over the service chiefs. The office would be renamed to the 'Chief of the Defence Force', and would have authority for developing a joint force that transcended the single service interests that had hindered earlier acquisition proposals. Cabinet also agreed to abolish the Department of Defence Support and reintegrate its functions into Defence in December 1984. The rationale for this reorganisation was that by reintegrating the departments, it could better align capability with policy at a time of ongoing fiscal restraint. The military side of Defence would now be better coordinated under a single authority, and this would allow the ADF to more effectively work with the civilian side in developing and implementing self-reliance in subsequent years.

ANZUS and the Lange Government

In early 1984, the Prime Minister of New Zealand, Robert Muldoon called an early election partly on the basis of defence policy. Diplomatic cables suggest that Australian leaders were concerned that the outcome of the election could have significant implications for the future of ANZUS. The Australian High Commission in Wellington reported that 'they do not seem to appreciate the strength of American feeling about the Labour Party's policy on ANZUS and ships.'[125] Lange won the election and subsequently asserted that New Zealand would no longer allow nuclear powered, and nuclear armed, ships to enter its territorial waters. Consequently, Hayden announced a review of Australia's policy on nuclear vessels. Although the Hawke Government had affirmed its commitment to self-reliance, there were still elements in the ALP that were opposed to nuclear weapons and were sceptical of Australia's relationship with the United States, particularly under the Reagan Administration.

[121] 'Cabinet Minute – Report of the Defence Review Committee 1982', Decision No. 3037, 2 April 1984, NAA: A13977, 601.
[122] Ibid.
[123] Ibid.
[124] Ibid.
[125] Department of Foreign Affairs, 'Inward Cablegram – ANZUS and the New Zealand Labour Party: Defence as an Election Issue', 21 June 1984. NAA: 1838, 370/1/20 PART 15.

The parliamentary opposition took a sceptical attitude towards the review of ANZUS undertaken by the Hawke Government. The ALP decided to oppose home porting of American ships in Australian waters as advocated by Fraser in response to Soviet activity in the Indian Ocean. The Coalition opposed this position, arguing that 'Australia's long-term security has been threatened by the Hawke Government's decision to … limit visits of US naval ships to Australian ports.'[126] John Howard, now opposition leader, and the leader of the National Party, Ian Sinclair, argued that Australian foreign policy was being driven by pacifist figures with anti-American attitudes.[127] Their public statements implied that Australian policy needed to focus on greater integration with American forces in distant theatres rather than self-reliance in the region. Archival records indicate, however, that the Hawke Government was seeking to reaffirm its commitment to ANZUS. Declassified cables show that the Australian High Commissioner in Wellington spoke to Paul Wolfowitz, the Assistant Secretary of State for East Asian and Pacific Affairs, to discuss how Australia and the United States could resolve the crisis. Wolfowitz expressed his gratitude for Australia's support and suggested that the Hawke Government should attempt to convince New Zealand of the benefits of ANZUS for its security given 'the influence which Mr Hawke could have on Lange.'[128] This view was strengthened by advice that 'Prime Minister Lange personally favours a more pragmatic approach' in dealing with the issue and that 'problems will be resolved if Lange – cast as a sensible moderate – can assert his authority over the left wing of the party.'[129] Foreign Affairs, however, was sceptical on the basis that 'many New Zealanders [are] sincerely attracted to the idea' and that 'it is difficult to pin down Lange's personal views.'[130] It was unclear where Lange stood, and this would force the Hawke Government to consider and articulate its position on ANZUS and self-reliance.

Hawke sought to balance Australia's commitment to the United States with the more independent stance taken by New Zealand. To that end, he engaged in dialogue with Lange in Port Moresby as suggested by Wolfowitz. Declassified correspondence indicates that Hawke advocated 'the view of the United States that the freedom of ports is essential to ANZUS.'[131] It further noted that Hawke was 'concerned about the encouragement that the New Zealand defiance could give to the left in Australia.'[132] Hawke was concerned that Lange's position could undermine the work that he and Hayden had done to reaffirm Australia's commitment to ANZUS. The Assistant Secretary for ANZUS Policy, Ross Babbage recalls that 'Hawke made it clear that the Labor Party in Australia was very different to the Labour Party in New Zealand. The Americans got that, and we made it clear that we

[126] Department of Foreign Affairs, 'Outward Cablegram – Press Releases by the Opposition', 31 July 1984, NAA: A1838, 370/1/20 PART 17.
[127] Ibid.
[128] Department of Foreign Affairs, 'Inward Cablegram – ANZUS: New Zealand', 3 August 1984, NAA: A1838, 370/1/20 PART 17.
[129] Department of Foreign Affairs, 'Outward Cablegram – ANZUS', 3 August 1984, NAA: A1838, 370/1/20/PART 17.
[130] Ibid.
[131] Department of Foreign Affairs, 'Outward Cablegram – Press Items, 3 August 1984: CHOGM', 3 August 1984, NAA: A1838, 370/1/20/PART 17.
[132] Ibid.

were not walking away from the alliance. On the contrary, we were going to contribute more.'[133] Hawke did not persuade Lange, and New Zealand continued to oppose American nuclear vessels in its territorial waters. Nevertheless, the Hawke Government continued to work with the United States in seeking to bring New Zealand back into ANZUS. On 3 December, Hayden met with a delegation led by the Secretary of the New Zealand Ministry of Foreign Affairs, Melwyn Norrish. Hayden informed his counterparts that 'he did not believe that New Zealand was behaving wisely' and that 'the New Zealand position would be very difficult for the Australian Government.'[134] He warned his colleagues of 'the cost [arising from] the destruction of ANZUS.'[135] However, his appeals for New Zealand to pull back were ignored. By this stage, the Hawke Government was running out of options and would soon have to choose between its relationship with the United States or the more independent path being chartered by New Zealand. The development of self-reliance within ANZUS would be a solution to this predicament.

Shortly afterwards, the Hawke Government, was informed of a significant development in the dispute between the United States and New Zealand. The Australian High Commission in Wellington wrote that the New Zealand Chief of Defence Staff had informed his American colleagues that there was 'no possibility that Lange would agree to allowing nuclear powered and armed USN visits to New Zealand.'[136] The American representative said that 'the New Zealand Government still did not seem to realise that from a global viewpoint, the US strategic relationship with New Zealand was not of overriding importance.'[137] Moreover, the 'US could not agree to make an arrangement with New Zealand which would cause an unacceptable precedent … nor one which produced political problems for Australia.'[138] As a result, 'the US would now give first priority to Australia's views in handling the problem with New Zealand.'[139] Lange put Australia in a difficult position but brought it closer with the United States in formulating a joint response. The Hawke Government felt it could not support New Zealand at the risk of jeopardising its relationship with the United States and would side with the Reagan Administration in upholding ANZUS.

Australia and the United States began to work on developing a common approach to the impasse with New Zealand. The Reagan Administration had invited Hawke to visit Washington, and Wolfowitz asked for Australian input into a communique to New Zealand, and 'possible contact with selected NATO, ASEAN and South Pacific countries, and also with Japan, designed to induce those approached

[133] Interview with Ross Babbage, 14 August 2019.
[134] Department of Foreign Affairs, 'Record of Conversation between Mr. Bill Hayden MP, Minister for Foreign Affairs and Mr. Merwyn Norrish, Secretary, New Zealand Ministry of Foreign Affairs, 3 December 1984, NAA: A1838, 370/1/20/PART 25.
[135] Ibid.
[136] Department of Foreign Affairs, 'Inward Cablegram – ANZUS: New Zealand', 6 December 1984, NAA: A1838, 370/1/20/PART 25.
[137] Ibid.
[138] Ibid.
[139] Ibid.

to be helpful in influencing the New Zealanders.'[140] The Australian High Commission gave an unfavourable assessment of Lange in its correspondence with the highest levels of Foreign Affairs, with the Deputy Head of Mission, Penelope Wensley, advising that New Zealand had created 'at best, a confusing and at times contradictory picture', with Australian representatives unable to meet with him, and being left to gauge his policies from media reporting.[141] Wensley wrote that 'my feeling at the moment is that Lange may be saying different things to different people.'[142] In response, Hawke wrote to Lange, including the following:

> When the ALP Government came to power in 1983, we made it an early objective to initiate a review of ANZUS. We had firmly concluded from that review that ANZUS continued to serve fundamental Australian security interests. In light of this unequivocal conclusion, whatever New Zealand's position or policies might be, Australia, as a sovereign nation which must protect its fundamental security interest, had its own well known and clearly expressed position on visits by United States warships and the importance of maintaining the neither confirm nor deny principle. We could not accept as a permanent arrangement that the ANZUS alliance had a different meaning, and entailed different obligations, for different members.[143]

By early 1985, Hawke decided to firmly side with the Reagan Administration on ANZUS rather than the Lange Government. He held that ANZUS served Australia's interests by enhancing self-reliance, and that Australia would adhere to its terms by not denying entry into Australian waters of nuclear armed warships. The Australian Ambassador in Washington wrote to Canberra ahead of Hawke's visit that 'overall our relationship is good and should remain so', and that it could disagree on selected issues without causing serious difficulties in the bilateral relationship.[144] He urged that Australia should seek to build 'on this by a deliberate gesture in the political defence area.'[145] The Hawke Government sent a draft statement to the Reagan Administration on its proposed approach to the New Zealand issue. American representatives replied that 'they were entirely happy with our language.'[146] The statement read as follows:

> The United States and Australia reaffirm the importance of cooperation among Pacific states to maintain secure, prosperous and democratic societies. Such cooperation is a fundamental element of ANZUS which is an important part of Western security arrangements. The strength and stability of these arrangements have been significant in leading to renewed contacts between the United States and the Soviet Union aimed at effective and verifiable arms reductions. The United States and Australia consider that close interaction among ANZUS members on political, economic and defence matters is central to the continued effectiveness of ANZUS. Continued military cooperation, including combined exercises, port and airfield visits, and logistical arrangements, is essential to maintenance of the alliance's integrity and

[140] Department of Foreign Affairs, 'Record of Conversation – Mr David Lambertson, Minister-Counsellor, American Embassy, and A.D Campbell, Acting Deputy Secretary A, 24 December 1984, NAA: A1838, 370/1/20/PART 25.
[141] Department of Foreign Affairs, 'Letter – P.A Wensley to W.G Miller: ANZUS and Nuclear Issues – New Zealand Policy', 11 December 1984, NAA: A1838, 370/1/20/PART 25.
[142] Department of Foreign Affairs, 'Letter – P.A Wensley to W.G Miller: ANZUS and Nuclear Issues – New Zealand Policy', 11 December 1984, NAA: A1838, 370/1/20/PART 25.
[143] Department of Foreign Affairs, 'Outward Cablegram – Mr Hawke's Statement 25 Jan', 25 January 1985, NAA: A1838, 370/1/20/PART 26.
[144] Ibid.
[145] Department of Foreign Affairs, 'Inward Cablegram – Prime Minister's Visit: Policy Issues.'
[146] Department of Foreign Affairs, 'Inward Cablegram – Prime Minister's Visit: ANZUS', 25 January 1985, NAA: A1838, 370/1/20/PART 26.

> strength. The United States and Australia will continue to seek ways to improve ANZUS and maintain the contribution the alliance makes to regional and international security.[147]

The Hawke Government chose to side with the United States on the basis that ANZUS was vital to Australia's security. Hawke affirmed the importance of the alliance in deterring major threats, and in contributing to Australia's ability to address lower-level contingencies in its region. It now needed to decide how to proceed to implement this approach in practical terms. On 1 March 1985, Hawke decided that the ANZUS Council meeting to be hosted by Australia later that year would not be held in light of New Zealand's decision to ban US ship visits.[148] Then, on 28 March, Cabinet met to consider how it could handle relations with both the US and New Zealand.[149] Hayden, and the new Minister for Defence, Kim Beazley, advised that relations between the two states had ruptured, meaning that 'direct trilateral consultation … such as the ANZUS Council' could not proceed, and that 'trilateral military exercises will no longer be possible.'[150] In that context, Hawke sought to limit 'damage to Australia's national interests' and preserve 'Australia's security, the Treaty itself and our bilateral relationships with the USA and New Zealand.'[151] The Hawke Government had preserved its ties with the United States but knew that New Zealand had a role to play in its self-reliant approach to regional affairs and thus also sought to maintain a good relationship with its counterparts in Wellington.

Cabinet was advised of the need to maintain a close relationship with the United States as an enabler of self-reliance. Both ministers argued that there was a need 'for association with a superpower which, despite differences, shares many of Australia's traditions and values, standing in this respect in contrast with the Soviet Union.'[152] They argued that 'there is a very substantial and often irreplaceable value in the many sided defence cooperation with the US that allows the Defence Force and Department to be more effective and professionally capable, for example in exercises, exchanges in military planning and doctrine, intelligence, defence science research, [and] weapons technology.'[153] This advice was caveated with the statement that 'Australia does not, however, encourage a United States perspective that our Defence Force should be regarded as freely available for 'burden sharing' in relation to other situations that the US might consider as in the general Western interest.'[154] Cabinet knew that Australia's limited resources meant that it needed to focus on its region rather than distant theatres. The Hawke Government sought to develop a closer relationship with the United States that gave substance to self-reliance by enhancing Australia's capabilities without drawing it into conflicts not involving threats in its region or in defence of its core interests. White later recalled that:

---

[147] Ibid.
[148] 'Cabinet Minute – Without Submission: ANZUS Council Meeting', Decision No. 4801, 1 March 1985, NAA: A13979, 4801/D.
[149] 'Cabinet Minute – ANZUS: Arrangement For Handling Relations with the USA and New Zealand', Decision No. 5164, 28 March 1985, NAA: A14039, 2635.
[150] Ibid.
[151] Ibid.
[152] Ibid.
[153] Ibid.
[154] Ibid.

> The dispute with New Zealand was both a problem and an opportunity for the Hawke Government. It used the dispute as an opportunity to develop a closer relationship with the United States. On the other hand, we wanted to maintain a relationship with New Zealand. Kim felt that we should take advantage of the loss of the alliance with the United States to bring New Zealand closer. If we were serious about self-reliance, we needed all the help we could get, and New Zealand was a potential, minor, but valuable ally and we needed to do whatever we could to encourage them. [155]

The Hawke Government demonstrated its autonomy in its relationship with the United States in other key decisions. This can be seen in Cabinet deliberations on Australian policy in regard to testing of the MX missile. The Hawke Government decided in early 1985 that it would publicly confirm that it had allowed testing to occur to honour commitments made by Fraser, but only under limited conditions.[156] It announced that the United States had agreed to transfer the missile landing zone from Australia's exclusive economic zone to international waters, and that its reluctant agreement would 'not constitute a precedent' for future requests for assistance with missile testing.[157] In considering future requests, the Hawke Government would consider 'its policies on arms control and disarmament' and would consult with the South Pacific Forum.[158] This decision showed that Hawke would seek to balance its alliance commitments with regional considerations, and would not necessarily be drawn into distant issues in developing Australian foreign policy unless they directly affected regional security or were in defence of Australia's core interests, in contrast to the alliance focus of the Fraser Government.

Cabinet examined the need to maintain a close relationship with New Zealand despite its differences with the United States. Foreign Affairs advised that 'Australia's defence interests with New Zealand are of a different and more localised kind.'[159] New Zealand had a role to play in contributing to Australia's self-reliant efforts in the region due to their shared geography. It highlighted the importance of the South Pacific and noted that:

> Australia's security interests are strengthened by a New Zealand that cooperates with Australia in its diplomatic and defence activities there. Access to New Zealand's ports and airfields, and to those in the nearby islands that have welcomed New Zealand's presence, could furthermore facilitate Australia's military reach into the region.[160]

It was advised that 'Australia and New Zealand also maintain programs of defence cooperation with the Island States … both cooperate closely in disaster relief activities.'[161] The Hawke Government realised it needed to maintain cordial relations with New Zealand because of its geographical proximity to Australia's primary area of strategic interest. Its relationship with both countries was important for different reasons: the United States helped deter major threats and could enhance Australia's self-reliant posture, while the relationship with New Zealand was of value in response to credible contingencies in

[155] Interview with Hugh White, 12 April 2019.
[156] Cabinet Minute – MX Missile Tests: Without Submission', Decision No. 4613 (SEC), 29 January 1985, NAA: A13979, 4613/SEC.
[157] Ibid.
[158] Ibid.
[159] 'Cabinet Minute – ANZUS: Arrangement For Handling Relations with the USA and New Zealand', Decision No. 5164, 28 March 1985, NAA: A14039, 2635.
[160] Ibid.
[161] Ibid.

its immediate region. Australia could support ANZUS and invest in greater self-reliance, as these were not mutually exclusive, as demonstrated in its negotiations with the United States and New Zealand.

It was in this context that Cabinet examined the impact of Lange's position on ANZUS for Australia. Cabinet concluded that his approach 'is damaging Australia's security interests' as 'doubt has arisen within Australia and countries in the South East Asia and South Pacific regions about the strength … of the ANZUS Treaty.'[162] Moreover, the cessation of trilateral cooperation had 'potential repercussions on the ability of the forces of the USA and perhaps of Australia to operate effectively with those of New Zealand in an emergency.'[163] It also assessed that 'these developments have imposed burdens on Australia, both as a lesser military partner in the alliance assuming pivotal responsibilities and as a regional power with its own direct security interests and responsibilities in the region.'[164] Foreign Affairs advised that Lange undermined ANZUS and adversely affected Australia's defence posture. New Zealand's policies had the potential to undermine the deterrent effect of ANZUS, and would reduce the effectiveness of Australian forces by limiting training opportunities. As a result, Australia would have to take a more self-reliant role in Southeast Asia and the South Pacific.

Cabinet endorsed measures to balance relations with the United States and New Zealand. It affirmed the importance of ANZUS in stating that 'as important as our defence relations with New Zealand are, those with the USA are of dominant significance for Australia's security and for the development of our defence capacity.'[165] Cabinet agreed that 'continuing stress should be publicly placed on the fact that ANZUS remains in effect.'[166] It agreed that 'the full range of defence activities with the USA should be maintained' but that 'a program of Australia/New Zealand bilateral defence activities should be maintained within available resources.'[167] Hawke sought to maintain the readiness of Australian forces while continuing to foster relations with its key partners. Cabinet agreed that 'Australia will not pass to New Zealand intelligence of United States origin that the USA denies New Zealand' but would cooperate with regard to 'material of Australian origin.'[168] It agreed to make representations to the United States to 'not take punitive economic action against New Zealand' and sought 'to encourage its treaty partners to avoid making immoderate statements which might complicate and worsen difficult political situations.'[169] Hawke understood the importance of maintaining ties with both the United States and New Zealand in support of different aspects of defence policy. He supported the Reagan Administration because of America's role in deterrence against existential threats but knew that New Zealand had an important role to play in smaller, regional contingencies, in which American

[162] Ibid.
[163] Ibid.
[164] Ibid.
[165] Ibid.
[166] Ibid.
[167] Ibid.
[168] Ibid.
[169] Ibid.

combat support could not necessarily be guaranteed. In doing so, it more clearly delineated the boundaries of self-reliance and this would assist in guiding its subsequent implementation.

Cabinet also agreed that Hayden, would make a statement in Parliament about the Hawke Government's position on ANZUS. Its final paragraph outlines how and why the Hawke Government intended to develop its policy of greater self-reliance within ANZUS in the following terms:

> In the changed circumstances, Australia is being called on to discharge an increased level of responsibility within ANZUS. Australia in many respects is now pivotal in a trilateral relationship in which some of the direct links between the other two partners are no longer in operation. We did not seek this role. It is not an easy one. It was created in circumstances which we deeply regret. Nevertheless, we will carry it out to the best of our ability. We will do so in the sincere belief that, in maintaining our firm links with the United States and New Zealand, we will be serving not only our own national interest but their interests as well.

By March 1985, Hawke had struck a compromise on balancing alliance considerations with greater self-reliance. As a result of Hayden's discussions with Wolfowitz, the Hawke Government had decided to firmly support ANZUS, despite Lange's objections. Hawke knew that the ADF needed to train with American forces to maintain its effectiveness, and that the joint facilities enhanced Australia's security in the region and contributed to Hayden's efforts in regard to arms control and verification on the global level. Yet, the Hawke Government did not agree with the United States on all issues and maintained a cordial relationship with New Zealand despite their differences. While the United States provided a capability advantage to Australia, and a significant measure of deterrence, New Zealand was arguably more likely to provide direct assistance in regional contingencies. Both the United States and New Zealand would enable greater Australian self-reliance in its primary area of strategic interest in different ways and were therefore both important in Australian defence policy. Hawke's approach to self-reliance in his first two terms is summarised in Table 17:

Table 17: Self-Reliance Under the Early Hawke Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Hawke (ALP)	Establishing credible defence policy and managing allies	Indonesia and South Pacific	Dislike of Lange Reservations about Reagan	Indonesia

Conclusion

The Hawke Government inherited a policy framework and domestic economy that were in disarray upon election. This chapter has shown that it came to office with a reformist agenda, and it took the opportunity to reshape defence policy by refocusing it on its region. It did so to establish a strong record on defence with a view to distancing itself from the Whitlam Government. Hawke invested in greater self-reliance and sought to reconcile this with ANZUS. He reorientated Australia towards its region with a focus on Indonesia, and procured capabilities that would maximise Australia's geographic advantages. The Hawke Government's support for ANZUS was tested by both the Lange Government and the Reagan Administration, and it achieved a compromise grounded in self-reliance

that allowed it to manage relations with both. It focused policy on self-reliance but still needed to align this with capability and funding. In its next term, Hawke would commission a review of Australia's defence capabilities that would chart a path to self-reliance as shown in the following chapter.

Chapter Eight:

The Late Hawke Years, and the Codification of Self-Reliance

(1985-1989)

Introduction

The Hawke Government laid the conceptual framework for a more self-reliant defence policy but had not yet began to implement it. This changed in 1985, with the elevation of Kim Beazley as Minister for Defence, and his decision to commission a review of Australia's defence capabilities under Paul Dibb. This chapter demonstrates that Dibb articulated force structure priorities that gave a workable definition of self-reliance and a pathway to its implementation. The Dibb Review sought to ensure that Australia could defend itself against credible regional threats without recourse to the combat forces of allies. It did so through a strategy of denial and a set of force structure priorities grounded in Australia's geography. Hawke faced opposition both within the military and among its allies, and later refined this concept in a subsequent White Paper. In doing so, it established self-reliance as a fundamental principle of Australian defence policy and reinforced its legacy as a reformist government.

The Dibb Review

On 12 February 1985, the Minister for Defence, Beazley, wrote to the deputy head of the ANU Strategic and Defence Studies Centre, Paul Dibb, commissioning him to prepare a report on Australia's defence capabilities within the next twelve months. Beazley later wrote that he appointed Dibb because 'my departmental secretary told me that were the department to produce a white paper, it would irrevocably destroy the always tense relationship between the civilian and military sides.'[1] Dibb recalled that Scholes had directed the Department to undertake a review of Australia's defence capabilities but it was unable to do so. He recalled his first meeting with Beazley as follows:

> I get this phone call: 'The Defence Minister wants to see you.' He said 'I want you to help us, Paul. When Scholes was Minister for Defence, he instructed the Department to undertake a review of Australia's defence capabilities in the context of the defence of Australia.' Well, they had produced nothing in a year. So I came back to Kim and he said 'I'm appointing you as my ministerial adviser.'[2]
>
> Beazley recalls the situation in the following terms:
>
> I didn't want any consultant doing that. I wanted the Department to do that but the Secretary came to me and said 'look, we can't do it. It would create too much friction between the armed forces and the civilians. So you're going to have to do it with a consultant. Now what we can do is to undertake to give your consultant absolutely all the physical help with an office and all the information he needs to complete his task.'[3]

The internal divisions that had affected the development of Australian defence policy were yet to heal. Hugh White recalled that 'it's true to say that he always had in mind getting it done independently, and he was not unhappy that the Department had failed to produce a report because it enabled him to do what he always wanted, that is to get someone from outside.'[4] Dibb believes that he was chosen because he had worked in the Department, knew its culture and could bridge these divisions to deliver outcomes to the Hawke Government. He said 'people say that I was given the role because I

[1] Ball and Lee, *Geography, Power, Strategy and Defence Policy*, 90.
[2] Interview with Paul Dibb, 3 June 2019.
[3] Interview with Kim Beazley, 8 April 2020.
[4] Interview with Hugh White, 12 April 2019.

had the clearance unlike some others. But I think Beazley also wanted it because he knew I could deliver a compromise. I achieved a compromise I knew was in the direction government wanted for the defence of Australia and increased, not total, self-reliance.'[5] Dibb was seen as impartial and his terms of reference were to 'undertake a review of the content and priorities of defence forward planning in the light of the strategic policy and financial planning guidance endorsed by the Government.'[6] He was also instructed to 'advise on present and future force capabilities' and 'that advice should indicate priorities for changes to particular defence force elements within various timeframes.'[7] Beazley's last direction to Dibb was to 'advise on whether strategic guidance can be made more explicitly for the purposes of future defence forward planning.'[8] Dibb was not permitted to review the basis of Australian defence policy but rather develop a set of clear priorities through which to implement self-reliance as endorsed by the Hawke Government.

Beazley came to office with a vision for reforming defence policy. As Peter FitzSimons notes, Beazley long sought to put self-reliance into practice and reorganise the ADF accordingly. Hawke acknowledged that he replaced Scholes with Beazley because of his 'intellectual capacity … academic ways [and] experience.'[9] Beazley's views for reform were grounded in a realisation that Australia would be potentially vulnerable and unable to rely on allies, and would need to be prepared to defend itself in certain contingencies. In an interview with FitzSimons, Beazley stated that 'you realised there was actually no-one to be 'forward' with anymore. I think this was appreciated at an intellectual level in Australia from the mid-1970s onwards, but it was yet to hit, to have an effect on the way things were organised.'[10] The reason for this, in his view, was that 'Australia had developed such a sense of dependency that it could not feel confident about its own capacity to defend itself in a way that gave independence to its foreign policy.'[11] He further articulated the need for greater self-reliance in terms of national identity, stating that 'at the end of the day the people that you can most rely upon happen to be yourselves … if you do not have that sense of self-reliance then you don't have that integrity as a nation and maybe you don't have survivability as well.'[12] He called that 'we had never defined self-reliance. Yes, we had mentioned in it 1976 but there was no force structure produced from it. We didn't know what we needed and didn't need.'[13] Beazley knew that the foundations of greater self-reliance had been laid but that more work needed to be done to implement it on a practical level.

Dibb was instructed to develop the basis for a defence policy that would align capability with funding, support for ANZUS and a greater degree of self-reliance within Australia's region. Moreover, Dibb had to contend with budgetary constraints and difficulties in relations with Australia's primary

[5] Interview with Paul Dibb, 3 June 2019.
[6] Kim Beazley, 'Review of Australia's Defence Capabilities', 12 February 1985, NAA: A9737, 1991/70475.
[7] Ibid.
[8] Ibid.
[9] FitzSimons, *Beazley*, 224.
[10] Ibid, 230.
[11] Ibid.
[12] Ibid.
[13] Interview with Kim Beazley, 8 April 2020.

allies, the United States and New Zealand. That was in addition to existing partisan political differences on the conceptual basis for Australian defence policy, and budgetary pressures. Dibb was faced with a challenge in developing a credible path to self-reliance in the face of several concurrent pressures.[14]

Despite these issues, Dibb worked with a small group, including Colonel Bill Crews, Martin Brady and Richard Brabin-Smith to develop a draft of the review for internal consideration. On 24 July 1985, Dibb met with COSC to review preliminary drafts of his paper. Dibb acknowledged that 'the system had so far been unable to formulate agreed concepts and arrive at a rational basis for force structure.'[15] Previous governments had supported greater self-reliance in official policy but had not developed a force structure that would put it into practice. Instead of focusing on credible threats in Australia's region, it was still structured for expeditionary operations in allied coalitions. Dibb later recalled that in previous years, he 'attended meetings in which only very generic and indicative force structure principles could be agreed upon: no consensus was reached on specific priorities for particular force structure elements.'[16] He attributed this to 'institutional resistance to change' and said that 'the core force concept had failed to provide a system of priorities.'[17] In determining capability priorities, COSC minutes note that 'Dibb emphasised the realistic constraints which influence force structure planning' and agreed that 'about 3 percent of GDP would be allocated to Defence, unless there was serious deterioration in our strategic circumstances.'[18] By this stage, Dibb had set the conceptual basis for the review and its financial boundaries with a view to implementing self-reliance.

The Committee considered deficiencies in policy and force structure, particularly the difficulties that Defence had faced in implementing greater self-reliance. Dibb highlighted differences between military planning in Service headquarters and ONA assessments, on the one hand, and strategic guidance on the other. He noted that 'since the fall of Vietnam and the development of a more self-reliant stance, change had been slow.'[19] Dibb further argued that 'not much seemed to have changed since the 1976 Defence White Paper and certain deficiencies stood out for low level contingencies – namely mine countermeasures, tactical mobility for the Army and close air support.'[20] He then

[14] This was recognised by Frank Cranston, a columnist with the *Canberra Times* in the following terms: 'It is difficult, in view of the position which has developed over ANZUS even as Mr Dibb's terms of reference were being thrashed out, to see a situation in which the Government will be able to save money and at the same time sound credible on defence. It is much more likely, given even Mr Dibb's own perceptions of the position, that more rather than less expenditure might be recommended in the light of the public perception that ANZUS is longer as valid as it was and that the Government's bland reassurances about national security somehow do not match the realities across the Tasman.' See: Frank Cranston, 'Investigator May Well Find More Money, Not Less, Must be Spent on Defence.' *The Canberra Times*. 14 February 1985, NAA: A9737, 1991.70475.
[15] Chiefs of Staff Committee, 'Minute of a Meeting on Wednesday, 24 July 1985, Discussions with the Ministerial Consultant, Mr P. Dibb, Concerning Parts 1 & 2 of His Draft Capabilities Review, Minute No. 53/1985', NAA: K967, 17.
[16] Huisken and Thatcher, *History as Policy*, 17.
[17] Chiefs of Staff Committee, 'Minute of a Meeting on Wednesday, 24 July 1985, Discussions with the Ministerial Consultant, Mr P. Dibb, Concerning Parts 1 & 2 of His Draft Capabilities Review, Minute No. 53/1985', NAA: K967, 17.
[18] Ibid.
[19] Ibid.
[20] Ibid.

explained that he 'had encountered widespread resistance in the Services to the concept of prolonged warning time for higher level contingencies, and a tendency to accept NATO … warning time as relevant to Australia's unique strategic circumstances, when clearly they were not.'[21] In doing so, he acknowledged that the implementation of self-reliance had been held back by economic factors, a lack of political will and major disagreements within Defence. Dibb also took issue with some of the fundamental concepts espoused by the military establishment, and its perceived reluctance to adapt to changes in Australia's environment. Instead, Dibb sought to redefine Australian defence policy by developing a force structure that would give effect to the concept of self-reliance against credible threats in Australia's region without recourse to the combat forces of allies.

The Service Chiefs had reservations about some of Dibb's views. The Chairman of the Committee and CDF, General Phillip Bennett acknowledged that there were deficiencies in force capabilities. However, he argued that this was due to external factors that were beyond the control of the military. Bennett acknowledged that 'this was not to say that requirements were not recognised, rather that existing priorities have severely restricted the availability of funds.'[22] There is some merit to Bennett's argument as the suite of capabilities promised in *Defence White Paper 1976* for lower-level contingencies were either delayed or not procured from 1978 due to changes in fiscal priorities. The CGS, Lieutenant-General Peter Gration, also took issue with Dibb's comments about warning time, saying that the Army was not unduly influenced by NATO planning and that since the 1960s 'had been on its own path.'[23] Nevertheless, archival sources indicate that other Services, particularly the Air Force, were significantly more involved than Army in the development of self-reliance in previous years.

The Committee then examined the philosophical basis for the ADF's force structure. Dibb indicated that he was not satisfied with the concept of deterrence against regional powers as argued in strategic guidance, and instead put forward the idea of 'denial' as an alternative construct. Bennett asked Dibb to elaborate, and Dibb put forward the following definition:

> This defence strategy focused on the geographical features of our strategic environment. It seeks to deny any enemy successful military operations in the sea and air gap surrounding Australia, and prevent any successful military operations on Australian soil. The enemy would be presented with a layered defence which aimed to deny him freedom of movement.[24]

Dibb argued that the ADF needed to be organised around four principles that would provide the force structure priorities lacking to that point. The first was that 'Australia should have high quality and comprehensive intelligence about military developments in our neighbourhood.'[25] The purpose of this was to ensure that 'the possibility of a surprise attack would be denied an enemy.'[26] Second, that the ADF 'must have the capability to destroy enemy forces in the sea and air gap.' This would have force

[21] Ibid.
[22] Ibid.
[23] Ibid.
[24] Ibid.
[25] Ibid.
[26] Ibid.

structure implications as it meant that maritime forces would be given priority. Dibb's third principle was that 'closer to our shores, defensive capabilities are required to prevent any successful military operations on our territory.'[27] Lastly, Dibb argued that 'if a landing on Australian soil were to occur, we need ground forces capable of denying the enemy our population centres, infrastructure and important installations' which in turn would 'require highly mobile Australian forces to prevent any widening of the conflict.'[28] Dibb envisaged a layered approach whereby maritime and air forces took priority in denying an enemy access to Australian territory, with land forces denying access inland should a hostile landing occur. There was little discussion of allies, and it was assumed that Australia would be unable to rely on their combat forces and would need to be more self-reliant in defence.

At around the same time, Foreign Affairs contacted Dibb to provide him with their view of Australia's strategic priorities, including the role of alliance commitments. Foreign Affairs provided him with copies of Cabinet submissions on the ANZUS review from 24 May 1983 and 13 September 1983. It also provided submissions from deliberations on relations with New Zealand and the United States from 21 March 1985 as well as a copy of its submission to the Joint Committee on Foreign Affairs and Defence. Foreign Affairs emphasised the importance of contributing to regional stability, and the procurement of capabilities with non-defence purposes, such as 'emergency aid deliveries and evacuation operations' as it did during deliberations on Australia's engagement with Cambodia under the Fraser Government.[29] It closed by stating 'as a general proviso, however, our posture and policy must be to avoid reliance on, or even accepting, the path of military adventurism.'[30] Foreign Affairs had in mind a broader purpose for the ADF's force structure and stood in contrast to more activist figures in Defence. As in previous years, it was sceptical of a focus on expeditionary operations within larger coalitions and instead more inclined to support greater self-reliance in Australia's region.

On 25 July, the Secretary of Defence, William Cole, wrote to Dibb with comments co-authored with Deputy Secretary, Alan Wrigley. Both Cole and Wrigley agreed that Defence struggled to align capability with funding and strategy and attributed this to organisational issues within the Defence establishment. Cole argued that 'many of the shortfalls you have noted between theory and application of planning guidance are faults, not so much of the guidance per se, but of the institutional processes within Defence.'[31] He further elaborated that 'despite the … Defence Organisation of the mid-1970s … the Services have managed to preserve independent force development planning staffs.'[32] Their argument has merit as the concept of self-reliance had been articulated in policy but was held back by competing service priorities. Cole and Wrigley then argued that 'the result is that there are perhaps five separate centres of direction … each dedicated to the pursuit of specialised interests.'[33] This observation

[27] Ibid.
[28] Ibid.
[29] Letter – R Percival to P Dibb, 'Review of Australia's Defence Capabilities', 7 June 1985, NAA: K967, 17.
[30] Ibid.
[31] Letter – R.W Cole to P Dibb, 'Defence Capabilities Review', 24 July 1985, NAA: K967, 17.
[32] Ibid.
[33] Ibid.

struck Dibb, who wrote in the margins 'need to raise this in the review.'[34] The Hawke Government had started to remediate this issue by giving the CDF greater authority but would later undertake further reform, at the urging of a later CDF, General John Baker, to turn the ADF into a joint force.

Cole then examined the definition of self-reliance in the Dibb Review. His correspondence with Dibb indicates that Cole had reservations about the utility and meaning of self-reliance in declaratory policy. This is evident as he posed a series of rhetorical questions on the scope of self-reliance, such as 'is it combat independence, support independence or what?'[35] Cole then raised concerns about the financial implications of a shift to greater self-reliance as envisaged by Beazley and Dibb. He noted that 'our industrial self-sufficiency is presently very low, and the cost of lifting it even modestly would be enormous. What is the basis of the 'balance' … that must be struck?'[36] Coles then suggested that Dibb consider a narrower view of self-reliance in stating that 'experience has shown that it can be a costly banner to wave, and analysis has supported its value only in quite particular applications.'[37] Indeed, Cole later warned Dibb that he should be careful about making assumptions about the financial aspects of his review as 'funds are not 'promised' beyond the Budget year.'[38] In putting this view forward, Cole echoed the concerns of Scholes to Hayden in their draft letter to Schultz in 1983, and suggested that the concept of self-reliance needed to be better defined in Australian defence policy. Self-reliance was still poorly understood at the highest levels and would need to be clarified.

Cole then questioned the strategy that Dibb was seeking to develop. It appears that Cole was not convinced about the utility of Dibb's review as he questioned 'whether a 'strategy' can and should be evolved for the defence of Australia.'[39] He justified his position by arguing that 'it has long seemed to the Department that in Australia's circumstances, a single strategy … is not possible at any useful level.'[40] Cole argued that 'given there is no perceptible threat … the Department has favoured, and successive governments have endorsed, the core force concept. This does not purport to be a strategy but simply a disciplined framework for establishing force development priorities.'[41] Cole's view was flawed as it assumed that Hawke was working within the confines of self-reliance as defined by Fraser rather than expanding that concept. Dibb made this clear to Cole in stating that 'the Government has a different view: self-reliance',[42] and reiterated that the core force concept did not allow for the prioritisation of capabilities. Parts of the Defence establishment still clung to outdated conceptions of Australia's priorities, and it is unsurprising that Dibb encountered barriers in undertaking his review.

[34] Ibid.
[35] Ibid.
[36] Ibid.
[37] Ibid.
[38] Ibid.
[39] Ibid.
[40] Ibid.
[41] Ibid.
[42] Ibid.

Lastly, Cole offered advice on Australia's foreign relations in its contingency planning. In his letter, Cole discussed the role of PNG, Indonesia and ANZUS. He was concerned that Dibb's focus on contingencies in PNG were 'too easily beginning to drive force development without an adequate exposure of their wider implications.'[43] He built on this by casting doubt on some of Australia's other strategic partnerships in the region. More specifically, he argued that 'the discussion of FPDA seems to me to lack appreciation of the political element which entirely drives our role.'[44] In that respect, he echoed the ambivalent attitude towards regional agreements that Killen had put to Cabinet in August 1980. Cole also felt that Dibb was too equivocal on ANZUS. Similar to Pritchett, he had reservations about the assumption that the United States would not always provide military assistance to Australia in lower-level contingencies and that it, therefore, needed a force structure that would enable it to be more self-reliant in defence.[45] The Defence establishment felt that Dibb was asserting self-reliance too strongly in the same way that it felt Hayden did in his speech on ANZUS in 1983. Large sections of Defence felt that his review needed to consider the role of the United States in a more positive light as an enabler of Australian security rather than a power that might not assist in some contingencies.

Cole wrote to Dibb again on 9 October to outline his views on a draft of the review paper. His feedback was positive and noted that it 'accords very closely with departmental views and reflects an approach which has much in common with Government endorsed strategic guidance.'[46] However, he suggested that Dibb clarify which contingencies were to take priority in force structure planning. Cole felt that Dibb's priorities were not yet clear and that 'your treatment of operational aspects seems capable of being interpreted to mean that the requirements of higher-level contingencies should take priority.'[47] He then argued that lower-level contingencies needed to be given higher priority because Australia would have significantly less warning time:

> When referring to the priority to be accorded longer term possibilities as against the requirements of more credible lesser situations, there appears to be an important omission as to why weight should be given to lesser contingencies. Of course, this is because lesser contingencies could emerge with less warning time. That is, it is the time in which they could emerge which is the factor of importance – that they would be lesser also reflects reality.[48]

This was a breakthrough as it highlighted the importance of strategic warning time as a factor that could determine Australia's strategic planning priorities. Dibb had not intended that all contingencies be given equal weighting, and the Hawke Government had clearly sought to reorientate Australian defence policy towards credible threats in its region. Cole had given Dibb a conceptual justification for better articulating Australia's priorities in a more self-reliant posture. He then built on this to suggest that Australia did not need to choose between structuring the ADF for either lower or

[43] Ibid.
[44] Ibid.
[45] Ibid.
[46] Letter – R.W Cole to P Dibb, 'Defence Capability Review: Draft of Part 3', 9 October 1985, NAA: K967, 17.
[47] Ibid.
[48] Ibid.

higher-level contingencies. Instead, Cole argued that it needed to achieve both and could do so by developing its force structure around warning time as follows:

> I don't believe that the 'unresolved issue' is whether forces should be structured for lower or higher levels of conflict. We need in the core force both a capability to respond with limited warning to credible contingencies and an expansion base for higher-level contingencies. Neither is primary – we need both. But given that credible contingencies could arise with limited warning, any deficiencies in our force structure or our organisation to respond to credible contingencies should command attention now.[49]

Having outlined the concept of force expansion for higher-level contingencies, Cole then discussed Australia's expansion base requirements. Cole had concerns about recruitment in higher-level contingencies. He suggested that the ADF needed to better manage its reserves because it could have difficulty in recruiting specialist personnel in higher-level contingencies as 'it is not clear that many of those in the Reserves would be needed to carry out essential services in support of an expanded war effort.'[50] He then concluded that 'whether we should introduce greater selectivity in recruitment is a question that needs addressing.'[51] While Cole and Dibb agreed on the concept of force expansion as the basis for the development of a force structure for higher-level contingencies, they had not resolved how this could be implemented. Nevertheless, this was a milestone as Defence had developed a conceptual basis for responding to various levels of contingencies in a self-reliant manner.

The CGS, Lieutenant-General Gration offered his views from the Army's perspective on 15 October. Unsurprisingly, Gration disagreed with Dibb and Cole on their proposals on force expansion for higher-level contingencies. He argued that 'forces structured specifically for low-level contingencies would not be capable of fighting at higher levels without major redevelopment.'[52] Gration then questioned their support for reserves, stating that 'reserves have inherent limitations due to their limited training.'[53] Instead, he argued that it would be better to structure the ADF for medium-level conflict as this would allow it to respond more effectively to shorter warning time contingencies, and more serious strategic threats.[54] Gration also wrote that 'COSC considers that standardisation, or at least interoperability, with major allies is of greater importance than stated in the paper.'[55] Army had concerns about Dibb's focus on lower-level contingencies and force expansion for more serious threats with a greater focus on alliance commitments. It nevertheless offered feedback on how it could contribute to greater self-reliance as envisaged by the Hawke Government.

At around the same time, the CNS, Vice Admiral Michael Hudson wrote to Beazley with Navy's views. Hudson was supportive of the emphasis on maritime capability, articulating 'the

[49] Ibid.
[50] Ibid.
[51] Ibid.
[52] Letter – P.C Gration to P Dibb, 'Comments on Defence Capability Review: Part 3.', 15 October 1985, NAA: K967, 17.
[53] Ibid.
[54] Ibid.
[55] Ibid.

maritime environment in terms of controlling the strategic situation and influencing the region.'[56] In his view, Dibb's emphasis on geography lent itself to investment in surface combatants with 'multi-role capabilities, national self-sufficiency, and flexibility.'[57] He suggested that the Hawke Government procure new surface combatants in which 'the ability to carry a helicopter is essential.'[58] These would be developed in Australia, alongside submarines to replace the existing Oberon Class. Hudson argued that a new destroyer could undertake both lower-level and higher-level tasks and was ideal for the defence of the sea-air gap because no other platforms could undertake as many tasks as effectively. In contrast to Army under Gration's leadership, Navy at the behest of Hudson, embraced the emphasis on the denial on Australia's northern approaches. It had shifted away from expeditionary operations to regional concerns, and thus saw the Dibb Review as an opportunity to contribute more constructively to the development of a more self-reliant defence policy.

On 20 December, Bennett wrote to Dibb to offer a senior leadership perspective. He noted that COSC 'has studied your work and supports it subject to several major exceptions.'[59] The military's biggest objection was the notion that the ADF should maintain a permanent presence in Northern Australia. In Dibb's view, the ADF needed to be permanently deployed there because it would better enable it to deter and defeat enemies in the sea-air gap. Bennett acknowledged the importance of that region but pushed back on permanent deployment, instead suggesting that 'familiarity with likely areas of operations and the testing of deployability can be better achieved through exercising in the north of Australia' rather than permanent basing.[60] The military did not see basing in Northern Australia as important to defence planning. Nevertheless, Dibb was undaunted by the military's objections and pressed ahead with this recommendation, seeing it as critical to the implementation of self-reliance.

In another letter to Dibb, Bennett offered further comment on the ADF's views on Army's role in the proposed strategy of denial. He noted that COSC agreed with Dibb's argument that 'the primary responsibility of ground forces is to prepare to counter the potential threat of military forces; and that low-level contingencies are not the only matters that should shape our force structure.'[61] However, he expressed concern that Army would be relegated to a lesser role than the other Services and that Dibb's review 'chooses quite a low-level of threat as a benchmark against which to develop a force.'[62] Bennett was of the view that this was not appropriate and that 'the ADF must be structured to provide a response to any credible level of threat in the short as well as longer term.'[63] As with Gration, Bennett was of the view that Army took precedence and that it should still be structured for higher intensity combat operations alongside allies rather than self-reliance in Australia's region.

[56] Letter – M.W Hudson to K.C Beazley, 'Dibb Review', 9 October 1985, NAA: K967, 17.
[57] Ibid.
[58] Ibid.
[59] Letter – P.H Bennett to P Dibb, 'Defence Capability Review: Draft of Part 6', 20 December 1985, NAA: K967, 17.
[60]Ibid.
[61]Ibid.
[62]Ibid.
[63] Ibid.

Bennett then turned his attention to the concept of air defence in Australia's northern approaches as articulated in the draft review paper. Dibb had initially argued that the ADF's ability to intercept and control hostile air forces 'is proportional to the level of conflict' and that it would be targeted towards higher-level contingencies. Bennett argued that this view was 'not accepted and is operationally unsound.' Instead, he suggested that 'even in low levels of conflict, an effective, albeit limited, capacity to detect and intercept intruders throughout Australia must exist.' This suggestion would influence the Dibb Review as it argued for an air defence system that would meet both levels of conflict rather than just higher-level contingencies as initially argued by Dibb.

In January 1986, Cole offered his thoughts on Dibb's most recent draft. By this stage, Cole agreed with Dibb's view of Australia's capability priorities. He stated that 'I agree with the priority that you accord the Over-the-Horizon Radar' but cautioned that he was unable to make recommendations on the number of radars until Defence had complete its studies of the technology.[64] He also questioned Dibb's views on Australia's future submarine capability. Cole stated that 'as the draft now stands, it would not provide strong support for six new submarines' and that 'you might also want to consider whether options for basing other than in Western Australia merit discussion.'[65] Dibb was receptive to this view, noting that 'we need to say more' on Australia's future submarine capability and its basing options.[66] Clearly, the emphasis on maritime strike capability as a fundamental aspect of self-reliance was not yet fully developed in the Dibb Review and required further articulation.

Bennett wrote to Dibb to express reservations about the review within the military. He stated that 'there are a number of important areas where it is evident that military knowledge and experience have not been given due weight; if they had, your conclusions would have been different.'[67] Bennett urged Dibb to refrain from offering direction on the size of the fleet pending ongoing studies. He argued that 'only when these studies are complete can there be a proper determination of the type and number of vessels needed to meet our surface needs.'[68] To that end, COSC argued for a second afloat support ship on the basis that this would support Dibb's vision for a two-ocean navy. He also urged Dibb not to make recommendations on the Over-the-Horizon Radar pending similar studies, and that other systems could potentially provide visibility over the air-sea gap.[69] Bennett's argument for two afloat support ships was justified as Navy took on a more active role in the Asia-Pacific from the late 1980s. However, his opposition to Dibb on other points indicates that the military still did not fully trust its civilian counterparts and was sceptical of Dibb's emphasis on self-reliance.

Dibb considered these arguments and, on 24 March, presented his review to Beazley. The final classified version argued that Australia needed to have a 'more self-reliant and independent combat

[64] Letter – R.W Cole to P Dibb, 'Defence Capabilities Review: Draft of Part 7', 30 January 1986, NAA: K967, 17.
[65] Ibid.
[66] Ibid.
[67] Letter – P.H Bennett to P Dibb, 'Defence Capabilities Review', 3 February 1986, NAA: K967, 17.
[68] Ibid.
[69] Ibid.

capability for conflict with neighbouring powers that could occur in the shorter term.'[70] This was consistent with strategic guidance and policy since the mid-1970s but went further because it would 'consider the implications of these contingencies for our force structure.' This is where Dibb made a significant contribution to the development of self-reliance: his review went beyond putting forward a intellectual framework for the concept to proposing a force structure that would put it into practice. The starting point for determining Australia's force structure requirements was to identify the threat for which it would prepare. It built upon previous assessments to determine that global nuclear war was 'most unlikely' and was not an appropriate basis for planning.[71] Instead, Dibb argued that Australia could mitigate this risk through cooperation with the United States in the joint facilities at Pine Gap and Nurrungar. Dibb was ambivalent about committing forces on expeditionary operations, noting that 'whether, and in what ways, we might assist the United States beyond our neighbourhood could only be judged at the time.'[72] He argued that 'no requirement is foreseen for pre-committing our limited forces to ANZUS contingency planning for global war.'[73] Dibb felt that global conflict was 'purely speculative' and was not a credible basis for planning. In doing so, Dibb explicitly repudiated the arguments of both Bennett and Gration and argued that Defence should chart a more independent path.

Instead, Dibb held that the likelihood of major conflict in Australia's region was mitigated by the assumption that Australia would have sufficient warning time. The basis for this was that Australia was isolated from major threats by virtue of its geography. As Dibb put it, 'we have no land borders with any other state, and nowhere do our military forces face the forces of another power.'[74] This was reinforced by the fact that regional states did not have the logistical capabilities required to mount an invasion. Consequently, Dibb discounted the likelihood of Indonesia turning into an existential threat to Australia in the following terms:

> Our most important neighbour, Indonesia, has neither the motive nor the capability to threaten Australia with substantial military assault. It has every reason to be more concerned with internal stability and potential threats from its north, and to view Australia as an unlikely source of unprovoked threat to the south. Were there attitudes to change, it would take time for any disputes to develop into major military confrontation.[75]

Indonesia did not possess the capabilities seriously threaten Australia and, at most, could only pose a low-level threat in the future. It was in this context that Dibb sought to develop a strategy that prepared for credible lower-level contingencies while still retaining a force structure that could deal with more significant, though less likely, threats. He argued that the core force concept provided a useful basis for expansion-base planning but needed to be built 'more deliberately on our geographical

[70] Paul Dibb, *Review of Australia's Defence Capabilities* (Canberra: Australian Government Publishing Service, 1986), ii.
[71] Ibid, 1-13.
[72] Ibid, 1-13.
[73] Ibid, 1-13.
[74] Ibid, 1-15.
[75] Ibid, 1-16.

circumstances, credible levels of conflict and what we need to defend.'[76] To that end, Dibb proposed the strategy of denial as a solution. He defined the concept in the following terms:

> A strategy of denial would be essentially a defensive policy. The distant projection of military power would have a low priority. Rather, the strategy would seek to deny any putative enemy successful military operations in the sea and air gap surrounding Australia, and to prevent any successful landing on Australian soil. To the extent that lesser enemy forces might land, it would aim to protect our vital population settlements and infrastructure and deny the enemy any prolonged operations on our territory.[77]

Dibb chose the strategy of denial because it maximised Australia's strategic advantages while imposing a significant challenge on a potential adversary. He argued that 'it allows our geography to impose long lines of communication on an adversary and forces him to consider the ultimate prospect of fighting on unfamiliar and generally inhospitable terrain.'[78] Moreover, it allowed Australia to use its 'superior technological assets' and our 'secure home base in the south of the continent.'[79] In short, an enemy would have to fight on difficult terrain while Australian forces could attack with more sophisticated assets from safer, and better supported bases. This was a watershed in Australian defence policy because it established a conceptual framework around which greater self-reliance could be implemented through subsequent force structure planning.

The strategy of denial would be implemented through the concept of layered defence. Under this concept, an enemy would be denied access to Australian territory through a series of 'interlocking barriers.'[80] First, Defence required 'extremely high quality and comprehensive intelligence about military developments in our neighbourhood',[81] and the sea-air gap. Second, 'Australia's air and naval forces must have the capacity to destroy enemy forces in the sea and air gap.'[82] Third, defensive measures would be required 'to prevent enemy military operations in our focal areas or shipping lanes.'[83] Lastly, 'if a landing on Australian soil [occurred], we would need ground forces capable of denying the enemy our vital population centres and military infrastructure.'[84] In articulating these four priorities, Dibb put forward a strategy around which Defence could develop its force structure. The Dibb Review gave precedence to air and naval assets, relegating the Army to a lesser and more defensive role in implementing greater self-reliance.

Effective intelligence and surveillance platforms were given priority in Dibb's capability acquisition plan. The reason for this was that Defence had a 'requirement to master the vast distances involved in the defence of Australia' given that it did not have the monetary and human resources

[76] Ibid, 2-13.
[77] Ibid, 2-14.
[78] Ibid, 2-14.
[79] Ibid, 2-14.
[80] Ibid, 2-15.
[81] Ibid, 2-15.
[82] Ibid, 2-16.
[83] Ibid, 2-16.
[84] Ibid, 2-16.

needed to guard Australia's northern approaches at all times.[85] Dibb's solution to this was 'comprehensive broad-area surveillance' to be met through an over-the-horizon radar system, in conjunction with surveillance aircraft.[86] That would allow Defence to 'detect, identify and track potentially hostile forces within the area of direct military interest to Australia … up to about 1,500 nautical miles from our coastline.'[87] The capabilities envisaged by Dibb would give Australia the coverage needed to be more self-reliant, and enabled Defence to use its resources to maximum effect.

It followed that the Dibb Review emphasised strike and interdiction capabilities as necessary to attack enemy forces in the sea-air gap. Maritime forces would be used in lower-level contingencies but air power would be used in higher-level contingencies. Dibb held that 'priority military targets would likely be at distances out to about 1,000 nautical miles from northern Australia.'[88] In addition to strike aircraft, Dibb envisaged a modest force of about six submarines operating from both coasts on the basis that this 'would be a major inhibition on an enemy's use of surface assets against us at all levels of contingency.'[89] Dibb felt that the acquisition of strike capabilities would be given priority in a higher level contingency,[90] and that maritime strike would take precedence over land strike capabilities.[91] These capabilities would allow Defence to attack at an enemy's weak points from a position of strength and so enable Australia to defend its strategic interests with a greater degree of self-reliance. He built on Cole's feedback from December 1985 to offer a more compelling justification for the acquisition of new submarines, and the decision to base the Navy on both coasts. That would enable the Navy to address emerging maritime threats more quickly, and on a more self-reliant basis.

The air defence of northern Australia was given emphasis in the Dibb Review. It recommended investment in air defence on the basis that an enemy force could attempt to attack vulnerable targets, including fuel, weapons storage areas and command facilities at all levels of potential conflict.[92] In Dibb's view, Australia needed only two active fighter squadrons to respond to likely contingencies as the development of JORN would give it ample time to respond to incursions by hostile air forces.[93] He argued, however, that the undeveloped airfield at Tindall needed to be more fully developed into an active base so as to better defend Darwin. In doing so, he factored in Bennett's earlier argument that Australia needed an air defence system capable of responding to both levels of contingencies, not just higher-level threats as Dibb had initially envisaged. The Air Force was in the process of introducing its new F/A-18 fighter aircraft into service and thus Dibb's views on air defence had little practical impact

[85] Ibid, 3-2.
[86] Ibid, 3-5.
[87] Ibid, 3-5.
[88] Ibid, 3-12.
[89] Ibid, 3-14.
[90] Ibid, 3-14.
[91] Ibid, 3-26.
[92] Ibid, 4-4.
[93] Ibid, 4-6.

on capability acquisition unlike the other services. The Air Force had been longstanding supporters of self-reliance, and, for the most part, were quick to endorse the findings of the Dibb Review.

The role of the Army in the ADF's force structure was the most contentious aspect of the Dibb Review. He argued that the most likely form of enemy ground action would be low-level raids rather than invasion,[94] and that the Army needed be structured accordingly.[95] Both Tindall and Darwin were identified as locations to be defended against incursions and required at least a battalion and a brigade, respectively.[96] Dibb argued that the Army needed to confront an invading force at their landing site before they could reach their objectives.[97] Given that Defence would not be able to defend the entirety of northern Australia, its land forces would need to be sufficiently mobile to move quickly to intercept its enemies. Thus, Dibb held that a battalion would need to be able to deploy within a range of 200 kilometres.[98] He thus recommended investment in light infantry supported by helicopters and light armoured vehicles in a move away from the heavily armoured force of previous decades.[99] The Army reluctantly had to contend with a conceptual shift away from expeditionary operations with allies abroad to a supporting role in which it worked with the other Services in the self-reliant defence of Australia.

The Dibb Review included a plan to fund its restructure of Australia's military forces. It put forward an FYDP for 1986 to 1991 on the assumption that annual expenditure would increase by 3.75 percent.[100] Dibb factored in the possibility that this could be reduced to 3.1 percent, and he developed funding plans for both scenarios.[101] The most expensive proposals were the construction of eight frigates at $2 billion, investment in JORN at $210 million,[102] and 36 tactical helicopters at $810 million.[103] This would be offset by deferring upgrades to the F-111s, decreasing the patrol boat fleet by five, and reducing destroyer acquisition by three, which would save, $249 million, $100 million, and $1.9 billion, respectively.[104] The Dibb Review funded most of its acquisition program but assumed that expenditure would continue to increase with inflation. This ultimately proved to be incorrect and would necessitate budget cuts as Australia's fiscal and strategic outlook changed in the early 1990s with detrimental consequences for the implementation of self-reliance.

The parliamentary opposition was critical, and this can be seen in an exchange of correspondence in which Ian Sinclair sought the views of Arthur Tange. Sinclair told Tange that the Dibb Report limited Australia's ability to respond to distant contingencies.[105] Tange responded with an

[94] Ibid, 4-8.
[95] Ibid, 4-10.
[96] Ibid, 4-11.
[97] Ibid, 4-12.
[98] Ibid, 4-12.
[99] Ibid, 4-13.
[100] Ibid, 9-4.
[101] Ibid, 9-5.
[102] Ibid, 9-9.
[103] Ibid, 9-10.
[104] Ibid,9-9.
[105] Letter – Ian Sinclair to Arthur Tange, 5 June 1986, Tange Papers – Box 15, National Library of Australia.

opinion piece in *The Age* that was largely positive in its assessment. Publicly, Tange offered the following assessment:

> The Dibb Report is a great achievement for both the Minister and the author. If the aftermath is handled sensibly by all it affects, it will be the catalyst for needed change and for common purpose in defence preparations that was hoped for when Dibb was commissioned.
>
> Again, Dibb has developed, in his lucid exposition, a trend going back to 1976, and a good deal earlier among advisers as Mr Beazley has pointed out.[106]

In his private correspondence with Sinclair, Tange expanded on these sentiments in considerable detail. Responding to Sinclair's criticism of Dibb's regional focus, Tange wrote:

> I believe we should abandon any notion of operations in far-off places being a significant driver in the force structure.
>
> Dibb accepts and repeats so much written in my time that I have to accept it.
>
> I firmly hold that we should respond to such requests as directly serve a material Australian interest or cost us nothing significant. Thus, there is a need to limit the kind (and destination) of military help that we should hold in our force structure if not otherwise justified.[107]

Contrary to Sinclair's expectation, Tange affirmed that Dibb built on decades of previous work, and his report was the culmination of earlier efforts to respond to geopolitical change in the region. He also noted that Dibb rightly articulated force structure priorities around geographic boundaries and a defined budget. In stating that, Tange made put the Dibb Review into its proper context. He clarified that Dibb's work was not inherently new but that his review was the high point of a process to develop a means of implementing self-reliance through a set of force structure priorities that no one had managed to articulate in a coherent and systematic way prior to the mid-1980s.

In view of these changes to Australian defence policy, the Hawke Government invited Secretary of Defense, Caspar Weinberger, to visit Australia.[108] Weinberger accepted the invitation, and agreed to visit from 9 to 12 April 1986, to discuss recent developments in ANZUS, Australia's role in the South Pacific and emerging regional issues. Other issues were to include the Strategic Defense Initiative and Arms Control negotiations between the two superpowers.[109] Weinberger's visit would cover the range of issues encompassed in the Dibb Review and seek to reassure the Reagan Administration of Australia's commitment to a robust defence policy grounded in self-reliance within ANZUS, and allay concerns that Australia was seeking to follow a path similar to that of New Zealand.

On 10 April, Weinberger met with the Minister for Defence, Beazley, to discuss bilateral security issues. Their discussion focused on regional threats in the broader context of Cold War rivalry, particularly the role of the USSR in Australia's region. Weinberger said that 'the Soviet Union was also

---

[106] Arthur Tange, *After the Excitement of Heroes and Villains*, *The Age*, 3 June 1986 - Arthur Tange Papers MS 9874, Box 15, National Library of Australia.
[107] Letter – Ian Sinclair to Arthur Tange, 5 June 1986 - Arthur Tange Papers MS 9874, Box 15, National Library of Australia.
[108] Department of Foreign Affairs, 'Inward Cablegram – Visit to Australia by US Secretary of Defense.' 5 March 1986, NAA: A1838, 250/9/9/34 PART 1.
[109] Department of Foreign Affairs, 'Ministerial Submission: Hayden-Weinberger Meeting.' 4 April 1986, NAA: A1838, 250/9/9/34 PART 1.

fully aware of the importance of the Pacific. Their development of Cam Ranh Bay was, in part, intended to draw wavering countries to their side and to convey the impression that they were the strongest power in the region.'[110] Beazley concurred with Weinberger, saying that 'the Soviet presence at Cam Rahn Bay was not necessarily a military threat to the region but rather that its primary significance lay in assisting the Soviet Union make political gains.'[111] He then asserted that 'the Soviet Union could use its economic relations to its advantage with small Pacific countries, gaining local influence by acknowledging national dignity and sovereignty in bilateral trading arrangements.'[112] Despite its emphasis on self-reliance against middle powers in Australia's region, the Hawke Government still recognised the need to work with the United States in limiting the growth of Soviet influence in the Asia-Pacific, and sought to balance its alliance commitments with its emphasis on greater self-reliance.

Beazley then discussed the role of the Dibb Review in shaping Australian defence policy to better respond to emerging regional threats. White recalled that the Reagan Administration 'saw the Dibb Review as having a distinctly isolationist strand to it' and that Beazley took great care in explaining that it was consistent with American expectations under the Guam Doctrine.[113] At around this time, Prime Minister and Cabinet strongly urged Defence to 'confirm that implementation of the Dibb Review will be without prejudice to the alliance with the United States and Australia's regional defence commitments such as the Five Power Defence Arrangements.'[114] It also advised Defence 'to head off any attempt by the New Zealand Government to misrepresent the Dibb Review's recommendations on strengthening defence links with New Zealand as implying support for New Zealand in its current dispute with the United States on ship visits.'[115] White explained Beazley's engagement with his American counterparts, in the following terms:

> They went through a period of thinking that the Dibb Review and the idea of self-reliance within the framework of alliances was not going to work for them, and they would demand more of us. But we put a lot of work into talking to them, and on the wording. We were very self-conscious to say that we were not a non-aligned country, and that the expansion of Soviet influence at the expense of the United States would be contrary to Australia's interests. The very clear statement about our willingness to use the forces that we have designed for the defence of Australia to support the United States in pursuit of our interests. That helped the Americans come around.[116]

In line with advice from the bureaucracy and his advisers, Beazley advised Weinberger that the Dibb Review was not isolationist but rather would support ANZUS by giving Australia the capabilities

[110] Department of Defence, 'Record of Discussion Between the Minister for Defence, Mr Kim Beazley, and the US Secretary of Defense, Caspar Weinberger and Accompanying Officials.' 10 April 1986, NAA: A1838, 250/9/9/34 PART 2.
[111] Ibid.
[112] Ibid.
[113] Interview with Hugh White, 12 April 2019.
[114] Department of the Prime Minister and Cabinet, 'Letter from A.T Calvert to J.Moten – Cabinet Submission: Public Presentation of the Review of Defence Capabilities Conducted by Mr. Paul Dibb.' 22 May 1986, NAA: A11116, CA1935 Part 2.
[115] Ibid.
[116] Interview with Hugh White, 12 April 2019.

needed to respond to threats to American interests in the context of the Cold War.[117] In putting forward this view, Beazley stressed that self-reliance strengthened ANZUS and was not isolationist. Beazley's conversation with Weinberger is important as seen in the following extract:

> Mr. Beazley emphasised that in examining options for restricting Australia's defence forces, the Government was in no way considering a 'Fortress Australia' approach. The Dibb Report envisaged a large area in our region in which Australia should be capable of acting militarily decisively on its own. In the wider region, which included most of Southeast Asia, the Dibb Report suggested that Australia should look to solve problems in conjunction with allies and friends but envisaged some Australian military involvement.
>
> Mr. Beazley said force structure development plans envisaged an increase in surface combatants to about 15-16 vessels, more mobility for the Army across large distances and an Air Force capable of operating at long distance from northern Australian bases. Mr. Beazley said Australia's sovereignty demanded that Australia pursue independent policies essential to support our diplomatic role in the region. It was important that countries in Southeast Asia and the South Pacific recognised that Australia took defence seriously. Mr. Beazley said that the notion of 'Fortress Australia' grew out of a reaction to Australian involvement in Vietnam. It was not recommended by the Dibb Report nor contemplated by Government.[118]

Weinberger responded positively to Beazley's explanation. He saw it as contributing to the bilateral relationship and his remarks are recorded as follows:

> Mr. Weinberger said he found Mr. Beazley's remarked reassuring. In the US view, the only fortress left was a 'fortress world.' It was now not possible to keep conflict localised or to designate an area that could be ignored as safe. Soviet capabilities for power projection meant that no region could be immune. Mr. Weinberger said that was why the Western alliances were so important. Countries had interlocking capabilities. The outer area of the Dibb Report interlocked with other countries in Asia and the Pacific. It was no longer possible to act on a nation-by-nation basis. Mutual response supported deterrence of the Soviet Union until a better way of keeping the peace could be found.[119]

Weinberger then met with Hayden, to discuss issues of mutual concern in the region. Archival records indicate that Hayden took the opportunity to explain why the Hawke Government had shifted its defence policy away from expeditionary operations in distant theatres towards greater self-reliance in Australia's region. He said that the ALP traditionally focused on greater self-reliance in the Asia-Pacific for reasons of ideology but had balanced this with support for the United States. Hayden sought to distance the Hawke Government from the SDI but wanted the United States to maintain the substance of ANZUS, even without the participation of New Zealand. He also urged the United States to issue a public statement to that effect. Hayden articulated this argument in the following terms:

> There were philosophical differences between the administrations in Washington and in Canberra. Australia had a democratic socialist government which meant that it had certain beliefs and convictions which created imperatives and commitments relating to military strategies. The US administration, by comparison, was conservative in its approach. Australia had respect for the global role of the USA. It recognised that the Americans had to view international issues on a broad canvas whereas Australia had its focus on regional aspects. The

[117] Department of Defence, 'Record of Discussion Between the Minister for Defence, Mr Kim Beazley, and the US Secretary of Defense, Caspar Weinberger and Accompanying Officials.' 10 April 1986, NAA: A1838, 250/9/9/34 PART 2.
[118] Ibid.
[119] Ibid.

> ALP government had, therefore, adjusted its thinking to accommodate differences in philosophy and aspect. [Hayden] believed that it had done a good job in this respect, and in bringing the Australian public behind it and in winning the argument against neutrality.[120]

Later that day, Weinberger met with both Prime Minister Hawke, and Hayden. The main issue discussed at this meeting was Australia's position in the dispute between the United States and New Zealand. The record of conversation noted that 'the Prime Minister said that if the US reviewed its security relationship with NZ, the Australian Government would strongly favour leaving the legal framework of the treaty intact and would seek an exchange of letters to reaffirm Australia-US commitments under the treaty.'[121] Weinberger reassured Hawke that he 'did not expect the US to formally revoke ANZUS should it decide to terminate its security commitments to New Zealand. A de-facto bilateral treaty with Australia was now in place.'[122] While the Hawke Government supported ANZUS, it disagreed on issues such as the SDI. Hayden suggested that Australia did not support the SDI but would not restrict Australian companies from participating in related projects. Weinberger said that 'the US respected completely the attitude the Australian Government had announced toward the SDI concept.'[123] This exchange was significant because it showed that Australia had affirmed its support for self-reliance within ANZUS, and this position was accepted by the United States. The Hawke Government supported ANZUS but also reserved the right to disagree with the United States on selected issues without damaging the bilateral relationship as its counterparts in New Zealand did under Lange's leadership and this was an expression of self-reliance in diplomatic terms.

In August, the Hawke Government held a series of ministerial talks with its American counterparts in San Francisco that would replace the ANZUS Council and later become the Australia-United States Ministerial Consultations. Archival records indicate that, at this meeting, Beazley went to great lengths to assure the Reagan Administration of Australia's commitment to its alliance obligations. Beazley explained that the ADF would be structured to perform three main tasks: first, 'they would be able to be used to meet regional threats', second, 'they would be able to support diplomatic efforts, especially in the South Pacific area where Australia was increasingly engaged' and, thirdly, 'they would be able, if the government of the day wished, to operate in out-of-area deployments, with allies, in joint exercises, and in maintaining interoperability.'[124] He reaffirmed that the ADF 'would continue to be capable of cooperating with local and external allies to advance Australia's interests. This included surveillance of Soviet forces at Cam Ranh Bay and the South China Sea, and cooperation under the Integrated Air Defence System.'[125] He said that the Dibb Review did not discuss alliance cooperation in this level of detail because it was 'a force structure document, not a broad

[120] Department of Foreign Affairs, 'Outward Cablegram: Hayden/Weinberger Meeting.' 11 April 1986, NAA: A1838, 250/9/9/34 PART 1.
[121] Department of the Prime Minister and Cabinet, 'Record of Conversation Between the Prime Minister and US Secretary of Defense, Mr. Caspar Weinberger.' 11 April 1986, NAA: A1838, 250/9/9/34 PART 1.
[122] Ibid.
[123] Ibid.
[124] Department of Foreign Affairs. 'Summary Record – Australia-United States Ministerial Talks, San Francisco.' 10-11 August 1986., NAA: A9737, 1991/126, 4.
[125] Ibid.

statement of defence policy' and that this 'would be made clear in the government's White Paper later this year.'[126] Indeed, Air Marshal Ray Funnell recalls that 'the strategy of denial did not go down well' and that a new white paper was planned 'to provide a more nuanced approach than we had in the Dibb Review.'[127] Beazley sought to reassure the United States that Dibb's emphasis on greater self-reliance was not isolationist but, through taking steps towards greater self-reliance, instead reinforced Australia's alliance commitments in the Cold War. Then Acting Deputy Secretary, Cottrill recalls:

> We argued that supporting Australian interests in the region was an asset to the American security interest in ANZUS, and was one of our contributions to security under the ANZUS Alliance. At the end of the meeting, they agreed that they would support us. That was a turning point in the development of the Dibb Review. Our side of the bargain was to explain that in public, and I was asked to edit the Defence White Paper in 1987, which I did as Acting Deputy Secretary, and we put in a chapter drafted by Stephen Merchant on supporting security in the region. That went in with the defence of ANZUS and in parallel with the ANZUS Review. So the Defence White Paper rested on three legs: self-reliance, regional involvement and the ANZUS Alliance. That was the way the policy had developed up to that time but had not been explained and set on in detail as it was in 1987. So the Americans' concern that where we were diverging from established policy was misplaced and we were able to reassure them. Their views changed over time. At first, they were apprehensive but they came to support it. [128]

The American reaction to the Dibb Review changed at this bilateral meeting. Weinberger and Armitage were still apprehensive on the basis that it was isolationist. There was some disagreement, and White recalls 'it was a bit rocky. It wasn't a crisis but was something that needed to be managed, and was one of the reasons we stepped back from the phrase 'strategy of denial.''[129] Despite these difficulties, the Reagan Administration considered Beazley's explanation and accepted it. Declassified transcripts indicate that Weinberger told Beazley that 'it had been some of the rhetoric and prose of the Dibb Review which some in the US had found isolationist.'[130] Weinberger then said that Beazley's assertion 'that the ADF would be able to cover 10 or 25 percent of the earth's surface was welcome news, and indeed was a necessary capability. It was also welcomed that Dibb had given an impetus in this direction.'[131] Weinberger said that he 'hoped the government's White Paper would bring out this point.'[132] Beazley reinforced this by stating that Dibb 'had given no comfort to the New Zealand Government when he visited Wellington' as he informed his counterparts that 'if he had to produce a report excluding the US alliance, he would have had to recommend at least a doubling of the defence budget.'[133] Moreover, he emphasised that his naval acquisition program would 'have long distance capability. They would also be capable of sealing off the Indonesian straits' and that 'Australia's extended range capabilities would also be maintained through a continued presence in Malaysia and

[126] Ibid.
[127] Interview with Ray Funnell, 1 November 2019.
[128] Interview with Ross Cottrill, 13 November 2019.
[129] Interview with Hugh White, 12 April 2019.
[130] Department of Foreign Affairs. 'Summary Record – Australia-United States Ministerial Talks, San Francisco.' 10-11 August 1986., NAA: A9737, 1991/126, 3.
[131] Ibid.
[132] Ibid.
[133] Ibid.

Singapore.'[134] Beazley stressed that Australia was committed to ANZUS, and that the Dibb Review would strengthen it through its emphasis on greater self-reliance.

Their discussion of the Soviet presence in the Asia-Pacific gives an insight into the differing perceptions of threat at the time. The American naval representative, Admiral Hays, told Beazley that 'the USSR Pacific forces were no longer a home defence force. It was not a question of 'the Russians are coming' but 'the Russians are here'',[135] and Weinberger argued that 'the Soviets are trying to build up more than a political role for themselves in the Pacific.'[136] Hayden disagreed and said that 'the Soviet role in the South Pacific should be seen in more political than military terms.'[137] Weinberger then stated that 'there was no political reason for the Soviets to be interested in the region and that they therefore had a military goal in mind.'[138] This view was supported by Richard Armitage, Assistant Secretary for International Security Affairs, who stated that 'the Soviet tactic was to use political gain to translate into military action.'[139] Beazley was not persuaded by this argument and suggested that this could more effectively be addressed through diplomacy.[140] These exchanges showed that the Hawke Government did not see Cold War rivalry as a force structure determinant. Instead, the Hawke Government would focus on self-reliance against threats from middle powers in its region as the basis for its defence policy rather than alliance considerations in the Cold War. Cottrill recalls that:

> In the South Pacific, there was a lot to do because of security weaknesses there, and then we introduced the Pacific Patrol Boat Program, which was an attempt to actively contribute on our own initiative, not responding to anybody else, own our idea, contributing to the security of South Pacific countries.[141]

On 23 February 1987, Cabinet approved a Defence White Paper that put this definition of self-reliance into declaratory policy.[142] At that meeting, Beazley said that a White Paper was developed to a broader policy context for the force structure priorities in the Dibb Review. He noted that Dibb had been tasked with providing advice on force structure and not defence policy.[143] After having consulted with allies and regional partners, a White Paper was needed to more fully develop self-reliance. The reason for this was that the Dibb Review was perceived as being isolationist, as shown in the earlier bilateral discussions in San Francisco. To correct these misconceptions, Beazley said that 'the White Paper clearly expresses our membership of the Western strategic community and the common concern we have to promote Western interests.'[144] He strongly supported cooperation with the United States but also stressed 'the importance of practical defence cooperation with New Zealand' and noted that 'there

[134] Ibid.
[135] Ibid.
[136] Ibid.
[137] Ibid.
[138] Ibid.
[139] Ibid.
[140] Ibid.
[141] Interview with Ross Cottrill, 13 November 2019.
[142] 'Cabinet Minute – Defence White Paper 1987: The Defence of Australia.' Decision No 8975, 23 February 1987, NAA: A14039, 4589.
[143] Ibid.
[144] Ibid.

will be more Defence Force activities in the South Pacific.'[145] The White Paper would balance the need for greater self-reliance in Australia's region with its alliance commitments. Cottrill recalls that, as Acting Deputy Secretary:

> The original thrust of it was to incorporate the Dibb Review but because of the exchange with the Americans, we had to show that we were not turning on backs on ANZUS and we had to include a significant portion of the White Paper on regional engagement. This, basically, was a concession to the Americans and the Tange tradition, people like me and Pritchett. Stephen Merchant wrote the regional engagement part of it. I was the editor. As Acting Deputy Secretary, I was responsible for commissioning and integrated all these aspects.[146]

Beazley then discussed Australia's future environment, and the strategy that would underlie the White Paper. He noted that 'no direct military threat to Australia is identified, aside from the remote possibility of global war.'[147] Nevertheless, he said that 'the White Paper notes that defence policy must provide insurance against uncertainties in the region … but care has been taken not to identify any specific country as a potential military threat.'[148] He said that it would achieve these aims through self-reliance, which he defined as 'the ability to handle credible military situations without direct US combat assistance.'[149] Beazley envisaged that force structure planning would be 'based on the fundamental need for Australian forces to be capable of independent military operations within our area of direct military interest.'[150] Significant parts of Defence would relocate to northern Australia, and would be structured around the concept of 'defence in depth', similar to Dibb's strategy of denial. Importantly, defence-in-depth differed from denial as it would enable Defence 'to contribute to the security of the Southwest Pacific and Southeast Asia' and be 'available for cooperation with allies further afield if the government of the day so desired.'[151] The strategy that underpinned the White Paper looked beyond the sea-air gap to enable Defence to contribute to operations beyond its immediate region if necessary.

The Hawke Government defined self-reliance as being able to defend Australia in a way that supported but was not dependent on allies. Beazley articulated this in a press release in the following terms: 'For Australia, defence self-reliance must be set firmly within the framework of our alliances and regional associations. The support they give us makes self-reliance achievable. They in turn will draw added support from a self-reliant Australia, which will be better able to discharge its responsibilities in the vast strategic region to which we belong.'[152] *Defence White Paper 1987* articulated self-reliance in the clearest terms to date as follows:

> This Government's policy of defence self-reliance gives priority to the ability to defend ourselves with our own resources. Australia must have the military capability to prevent an enemy from attacking us successfully in our sea and air approaches, gaining

[145] Ibid.
[146] Interview with Ross Cottrill, 20 November 2019.
[147] 'Cabinet Minute – Defence White Paper 1987: The Defence of Australia.' Decision No 8975, 23 February 1987, NAA: A14039, 4589.
[148] Ibid.
[149] Ibid.
[150] Ibid.
[151] 'Cabinet Minute – Defence White Paper 1987: The Defence of Australia.' Decision No 8975, 23 February 1987.
[152] Kim Beazley, 'News Release: Defence Policy Paper Released.' 19 March 1987, M3357, RJC/70/44.

> a foothold on our territory, or extracting political concessions from us through the use of military force. These are uniquely Australian interests and Australia must have the independent military capability to defend them.[153]

The White Paper defined what Australia would be self-reliant against, and how it would achieve greater self-reliance. It held that the most likely threat would be low-level conflict with a regional power.[154] Such a conflict would involve the harassment of targets in northern Australia. It was also possible, though unlikely, that Australia would be faced with a more serious threat.[155] Accordingly, it would develop to deter low-level raids, around denial of the sea-air gap, with ground forces protecting vital targets in the event of a land assault. Defence would nonetheless be structured to be able to mobilise within sufficient warning time to deal with more serious contingencies.[156] While it focused on Australian capabilities, the White Paper was nevertheless cognisant of the role of alliances in fostering self-reliance. More specifically, it held 'this policy of defence self-reliance is pursued within a framework of alliances and agreements' and further elaborated on this in the following terms:[157]

> These arrangements, particularly those with the United States, enhance self-reliance by improving our technological capabilities, by providing training opportunities for our armed services, and by giving Australia access to vital military and political intelligence. The security provisions of our alliance agreements also oblige a potential enemy to contemplate the prospect of an allied effort against it should it choose to attack Australia. These arrangements emphasise Australia's membership of the Western community, and they enhance regional stability. The interests of Australia's allies and regional associates are advanced by Australia's ability to provide for its own defence.[158]

The White Paper then defined the geographical extent of the primary operating environment in which Australia would be expected to act with a significant degree of self-reliance in defence of its strategic interests. It defined this region in the following terms:

> This area stretches over 7,000 kilometres from the Cocos Islands to New Zealand and the islands of the South-West Pacific, and over 5,000 kilometres from the archipelago and island chain in the north to the Southern Ocean. It constitutes about 10 per cent of the earth's surface. The area of direct military interest is of fundamental importance in defining and developing a self-reliant defence force. It does not, however, mark the limits of our strategic interests nor of our military capabilities. Our broader strategic interests extend beyond the area of direct military interest to include South-East Asia, Indochina, the eastern Indian Ocean and the South-West Pacific. Australia's security could be directly affected by developments in these areas, and our broader defence policy must be responsive to such developments.[159]

By articulating Australia's environment in broad terms, the White Paper differed from the Dibb Review. It went beyond the Indonesian Archipelago and noted that Australia had an interest in 'economic and political problems in the Philippines', 'the unresolved question of the political future of

[153] Department of Defence, *Defence White Paper 1987* (Canberra: Australian Government Publishing Service, 1987), Paragraph 1.2.
[154] Ibid, Paragraphs 3.5 - 3.8.
[155] Ibid, Paragraphs 3.15 – 3.22.
[156] Ibid, Paragraphs 3.23 – 2.25.
[157] Ibid, Paragraph 1.2.
[158] Ibid, Paragraph 1.3.
[159] Ibid, Paragraph 1.11.

Cambodia', and 'the establishment of the Soviet military presence at Cam Rahn Bay.'[160] Unlike the Dibb Review, it explicitly saw Australia taking a more active role in support of alliance commitments but with greater self-reliance. It was focused on a strategy of denial around Australia's immediate air and maritime approaches but cognisant of broader interests.

One of the key misconceptions in the broader discourse on Australian defence policy, both then and in more recent years, is that the Dibb Review was isolationist. Beazley sought to refute this interpretation, and this is evident in his discussions with his counterparts in the Australia-United States Ministerial Talks of 22 June 1987 held in Sydney. At this meeting, Beazley told Weinberger that the emphasis on self-reliance was the culmination of decades of conceptual work by governments on both sides of the political divide. Building on their previous discussions on the Dibb Review in San Francisco in October 1986, Beazley placed self-reliance into its proper alliance context in stating that:

> The defence philosophy set out in the White Paper placed great stress on Australia being part of the Western community of nations. It was against this background that the strategy of self-reliance should be seen. The two were not in conflict.[161]

The archival record shows that Weinberger had accepted Beazley's argument that self-reliance and alliance commitments reinforced one another by noting that:

> The White Paper concentrated on self-reliance in the region as well as incorporating this into the alliance framework.[162]

In retrospect, *Defence White Paper 1987* was the culmination of an intellectual journey within the Department of Defence that had unfolded over the preceding three decades. It was radically different to its predecessors because it articulated a clear set of force structure priorities that could enable the implementation of self-reliance in Australian defence policy. This had been attempted by other in preceding years, dating back to deliberations on the *Strategic Basis* paper in 1959, but was never fully agreed upon or articulated in a coherent manner. *Defence White Paper 1987* did so by incorporating the key judgements of the preceding Dibb Review. This was particularly evident in *Chapter Three: Priorities for Force Development*, which included almost verbatim, its priorities for low-level conflict, escalated low-level conflict, and more substantial conflict, which gave the Hawke Government an intellectual framework for the development of force structure priorities. On a broader political level, the White Paper also gave context to the Dibb Review by outlining the policy framework and geographical extent of its proposed strategy. In doing so, it made clear that self-reliance was not isolationist but rather was an integral part of the Hawke Government's efforts to step up as an alliance partner. Importantly, this was understood and accepted by our traditional allies. Brendan Sargeant, later Deputy Secretary for Strategy, observes that:

> Dibb built on existing policy to put forward a way of implementing self-reliance. The Dibb Review, in traditional terms, was like a Green Paper. The White Paper was what the government settled on

[160] Ibid, Paragraph 2.24.
[161] Department of Foreign Affairs, 'Summary Record: Australia-United States Ministerial Talks, Sydney, 22 June 1987.' NAA: M3355 2012/00151081.
[162] Ibid.

after it had all the other discussions. Dibb was answering the question: 'how best can we defend ourselves?' Some might say it was isolationist. But, in a sense, no country can not understand its limits and hedge. The value of that document is that it sets a marker and a reference point.[163]

During the second half of its term in office, the Hawke Government made a significant contribution to the development self-reliance in Australian defence policy. It defined self-reliance and articulated a way of implementing the concept through a review of Australia's defence capabilities. It built on the work of its predecessors to develop a set of force structure priorities by which the self-reliant defence of Australia could be achieved. Hawke defined self-reliance as meaning that the ADF needed to be able to undertake independent military operations in the defence of Australia against a possible Indonesian threat in its northern approaches through investment in air and maritime capabilities without recourse to the combat forces of allies. This was the clearest articulation of self-reliance to date and was the culmination of significant work by preceding governments. The development of Australian defence policy under the late Hawke Government is summarised in Table 18:

Table 18: Self-Reliance Under the Late Hawke Government

Government (Party)	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Credible Threat
Hawke (ALP)	Developing a force structure to implement greater self-reliance Need to reconcile relationship with United States and New Zealand	Indonesia and South Pacific	**NZ:** Dislike of Lange **US:** Reservations about Reagan	Indonesia

Conclusion

The Hawke Government reorientated Australian defence policy towards greater self-reliance in its region but struggled to implement that concept in its early years. This changed with the Dibb Review which gave effect to self-reliance by aligning Australia's force structure priorities around Australia's geography. Dibb laid a path to self-reliance by recommending that the ADF be structured for the Defence of Australia by denying access to the sea-air gap to a credible threat. The Dibb Review, however, did not examine broader defence policy and was often incorrectly perceived as isolationist due to its terms of reference. Partly because of these concerns, the Hawke Government published a Defence White Paper that incorporated Dibb's conclusions into policy but gave the ADF a more active role in the Asia-Pacific. In doing so, it gave self-reliance a clear definition: that Australia must be able to undertake independent military operations against a middle power in the defence of the continent and its northern approaches without recourse to the combat forces of allies. In doing so, it established an intellectual framework for the development of force structure priorities to enable the implementation of self-reliance. This was the culmination of a long path to greater self-reliance dating back to the 1950s, and its influence is such that it forms the basis of contemporary Australian defence policy, and provides

[163] Interview with Brendan Sargeant, 28 October 2019.

a useful framework for understanding Australia's options at a time of heightened geopolitical uncertainty in the Asia-Pacific.

Conclusion

This thesis has examined the meaning, nature and development of self-reliance as a fundamental principle of Australian defence policy in the context of the Cold War. There are three main conclusions that can be drawn from the preceding chapters. First, self-reliance has a broad definition that remained constant but is comprised of four variables that have evolved with time and circumstance. Secondly, it follows that self-reliance is a malleable concept that was driven by strategic imperative through perceptions of threat and the expectations of traditional allies, and it is a concept which has allowed successive Australian governments to adapt to sudden, profound and unexpected changes in its security outlook. Third, by defining self-reliance in terms of these four variables, policymakers can articulate the meaning of self-reliance with deep historical grounding and enduring relevance for Australia's current strategic environment. In using this framework, policymakers may more effectively conceptualise possible responses to comparable uncertainty in the future particularly in light of the re-emergence of major power rivalry in the Asia-Pacific.

The introductory chapter posed the following core research question: *what did self-reliance mean in Australian defence policy between 1959 and 1989*? The thesis argued that, on a broad level, self-reliance meant that Australia must be able to undertake independent military operations in support of its core strategic interests within its immediate region against credible threats and without recourse to the combat forces of its allies. This broad definition remained constant but was comprised of four variables that evolved under successive governments: Australia's core strategic interests, the geographic scope of Australian defence policy, perceptions of credible threat, and the reliability of allies. Self-reliance was, therefore, a flexible concept with a precise meaning and application which, in this framework, could be adapted to changes in Australia's strategic environment. The diagram below summarises the meaning of self-reliance, and the component variables.

Figure 2: Factors Affecting the Meaning of Self-Reliance in Australian Defence Policy



This conceptual framework has demonstrated that the precise meaning of self-reliance changed over time in response to shifts in these variables. It is sometimes argued that self-reliance was driven by domestic political considerations from the 1970s. This thesis has demonstrated that the concept had much earlier origins, and was driven largely by geopolitical imperatives. Self-reliance, in essence, was a response to heightened strategic uncertainty in Australia's region. Successive governments invested in greater self-reliance at times of heightened threat that were coupled with concern about the reliability of allies. Similarly, they moved towards increased self-reliance during times of higher defence expenditure and greater regional focus in foreign policy. The development of self-reliance was primarily driven by the emergence of significant threats in Australia's region, and doubts that other major powers would provide direct military assistance. Investment in self-reliance within this framework allowed for flexibility. Thus, Australia could adapt and better respond to a range of threats during the decades from 1959 to 1989.

By contrast, the thesis has demonstrated that partisan political factors have been less important in defining self-reliance. It is sometimes claimed that there is a partisan divide in Australian politics in which centre-right governments have supported greater integration with allies while centre-left governments have favoured greater self-reliance. This is true only on a superficial level. There has been an ongoing debate as to whether Australian defence policy should be based on greater self-reliance or dependence on allies. The archival record, however, shows that this has not necessarily played out on partisan lines. In Cabinet, governments on both sides of the political spectrum have gravitated towards greater self-reliance at times when heightened perceived threat has been coupled with concern about the reliability of allies. They also have shifted towards greater integration at times of lesser expenditure and a more benign security outlook. Throughout the years examined, Labor governments often emphasised self-reliance for political reasons but Coalition governments gravitated towards the idea in response to changes in Australia's circumstances. Self-reliance was thus primarily driven by economic and strategic factors rather than political considerations.

Moreover, self-reliance is not an entirely recent concept in Australian defence policy. This thesis has shown that the debate on self-reliance can be traced back at least to Federation, and that the foundations of the idea can be found in this period. The first chapter demonstrated that the Barton Government established a legal framework for Australia's defence organisation, and developed a land force designed for local defence. This was reinforced by the Deakin Government, which established an Australian Navy in response to concerns about Germany's growing naval presence, and ambivalence about Britain's ability to defend Australia. Indeed, Australia's first self-reliant operations were authorised by the Fisher Government against German forces in New Guinea. As Australia's security environment deteriorated from the mid-1930s with the rise of Germany and Japan, the Lyons Government began to invest in a more self-reliant defence posture.

There were, of course, counterexamples during period of governments that moved away from self-reliance due to other changes in Australia's circumstance and which do not fit neatly within the

framework at the heart of this thesis. For example, the Hughes and Scullin Governments favoured greater integration with traditional allies because of political alignment with the respective governments in Britain, and for economic reasons. Similarly, the Second World War does not fit neatly within this framework because Australia was faced with a military threat well beyond its capacity to respond to alone, and against which it could rely on robust allied support from the United States, if not always from Britain. The development of self-reliance during this period is summarised in Table 19:

Table 19: Self-Reliance in Pre-Cold War Australian Defence Policy

Government (Party)	**Core Strategic Interests**	**Primary Geographic Scope**	**Perceptions of Allies**	**Perceptions of Threat**
Barton (1901-03) (Protectionist)	Contributing to imperial defence	British Empire	Closer alignment with Britain	Negligible
Deakin-Fisher (1905-13) (Protectionist/ALP)	Protection of Australia through greater autonomy	Australia and approaches	Uncertain about alignment of interests	German naval strength
Fisher (1914-15) (ALP)	Defeating German forces to Australia's north	PNG, Pacific Territories	Greater autonomy	German naval presence
Hughes (1915-23) (ALP/Nationalist)	Supporting Britain due to doubts about Australia's ability to defend itself Reducing defence expenditure	Singapore	Reliance on Royal Navy	Emerging Japanese Threat
Bruce (1923-29) (Nationalist)	Support for greater autonomy due to doubts about Royal Navy Increasing defence expenditure to fund new maritime acquisitions	Singapore	Doubts about Singapore Strategy	Emerging Japanese Threat
Scullin (1929-32) (ALP)	Reducing expenditure due to Great Depression	Australian Continent	Alignment with MacDonald Government	Reduced Japanese Threat
Lyons (1932-39) (UAP)	Rearming in a deteriorating environment	Singapore	Support for Britain but doubts about Singapore	Increased Japanese and German Threat
Menzies (1939-41) (UAP)	Supporting UK against Germany	Middle East, Africa India and Singapore	Close relationship with UK Ambivalence about the US	German threat in Africa and Middle East
Curtin (1941-45) (ALP)	Defending Australia against Japan	Australia, PNG and South Pacific	Close relationship with US Realignment with UK after end of hostilities	Japanese threat in Southeast Asia
Chifley (1945-49) (ALP)	Assisting UK post-war recovery Supporting the United Nations	Japan and Malaya	Close ties with the Attlee Government	Deteriorating ties with USSR

The key turning point in the conceptual development of self-reliance occurred under the Menzies Government during the early stages of the Cold War. Until that time, investment in greater self-reliance was undertaken in an ad-hoc manner with little systematic thought of how Australia might seek to defend itself in more serious contingencies in its region in which it might not be able to rely on allied support. The West Papua Crisis between 1958 and 1963, however, provided the impetus for consideration of the need to invest in greater self-reliance at the highest levels. Chapter Two demonstrated that the Dutch Government asked Australia to provide assurances of military support in the event that Indonesia were to invade New Guinea. The Menzies Government undertook contingency planning and found that it would be unable to defend Dutch New Guinea without assistance from the United States. Yet, when it approached the Eisenhower Administration, it found that it was unwilling to become involved in such a contingency. As a result, COSC urged cabinet for the first time in *Strategic Basis 1959* to acknowledge that it might need to operate without allied assistance in its region for a limited period. This marked the first substantive acknowledgement of self-reliance in Australian defence policy. At the time, self-reliance meant that Australia would need to be able to defend Dutch New Guinea against Indonesia without recourse to American military assistance because the Eisenhower Administration was reluctant to assist a European power hold on to a distant colony.

Throughout the 1960s, an aggressive Indonesia remained the focus of self-reliance in Australian defence policy. With the onset of Confrontation, the geographical focus and rationale for self-reliance, however, changed. From 1963 to 1965, self-reliance meant being able to contribute combat forces and related capabilities to helping prevent Indonesia from annexing Malaysia. The Menzies Government had doubts about the willingness of the Kennedy Administration to intervene because it had given conflicting advice on the application of the ANZUS Treaty in such a contingency. Kennedy advised Menzies that the United States would only assist if Australian forces came under direct attack, but would not assist in counterinsurgency. As a result, the Menzies Government invested in a range of capabilities that would allow it to fight in a more substantial conflict with Indonesia. This included acquisition of strike capabilities in the F-111s and the Oberon Class submarines, as well as an expanded Army. Self-reliance at this time meant concerned developing the ability to defend Malaysia and strike Indonesia.

The realisation that Australia's traditional allies might not be able to assist drove seismic shifts in Australian defence policy during the mid-1960s. In these circumstances, the Menzies Government pursued a double-sided approach: it would invest in capabilities to provide greater self-reliance while seeking to foster an American presence in Southeast Asia so that it would be more likely to assist Australia if the need should arise in contingencies involving Indonesia. To that end, Menzies authorised the deployment of a modest combat force of one infantry battalion to Vietnam. The Holt Government, however, escalated this commitment considerably to approximately 10,000 personnel. This shift away from greater self-reliance was arguably driven by Holt's close association with the Johnson Administration, and difficulties experienced with the Wilson Government, particularly after its announcement that it would reduce its presence in Southeast Asia.

Self-reliance underwent considerable intellectual development under the Gorton Government between 1967 and 1971. The third chapter demonstrated that the trend towards self-reliance under Menzies was amplified by the announcement of the Guam Doctrine and Britain's withdrawal from Southeast Asia. Australia's allies had publicly announced that they would reduce their presence and expected their partners to take greater responsibility for their own defence in contingencies that did not involve the USSR. As a result, the Gorton Government began to develop a policy of continental defence marked by a greater focus on Australia, and closer ties with regional partners. Self-reliance, by the early 1970s, meant that Australia needed to be able to defend itself and PNG from Indonesian intervention without assistance from the United States or the United Kingdom as implied in *Defence Review 1972*.

The election of the Whitlam Government marked a conceptual turning point in the development of self-reliance. Chapter Four demonstrated that Lance Barnard emphasised the need to ground self-reliance in Australia's geography. He argued that Australia needed to invest in capabilities that would allow it to defend its air and maritime approaches and commissioned a series of studies into how that could be achieved. Self-reliance, under Whitlam, meant that Australia needed to be able to defend the continent from Indonesian incursions without direct assistance from Britain or the United States. From this point onwards, self-reliance in Australian strategic policy meant the Defence of Australia due to withdrawal of allied powers from the region and the perceived lesser Soviet threat in the era of détente.

Self-reliance was given a substantive definition in Australian defence policy under the Fraser Government. It built upon the conceptual work undertaken by Whitlam to define self-reliance in *Defence White Paper 1976* as not depending upon other powers for the defence of Australia in lower-level contingencies. This was a landmark in Australian defence policy but was hampered by a lack of investment in capability to give substance to the idea, an absence of a coherent force structure plan, and considerable argument within Defence policy circles its implementation. It was also affected by shifting government priorities towards expeditionary operations. Thus, Fraser struggled to implement self-reliance despite providing a definition of the concept in official policy. This was accentuated by a focus on the Soviet Union after the invasion of Afghanistan, and closer alignment with the United States after the election of President Reagan.

The development of self-reliance reached its peak under the Hawke Government. Hawke understood the need to develop a coherent defence policy to cement his credentials as Prime Minister, and distance himself from the Whitlam Government. He put forward self-reliance as a policy that would help develop closer relations with the United States, yet preserve autonomy in decision-making. Kim Beazley thus commissioned Paul Dibb to undertake a review of Australia's defence capabilities with strict terms of reference. Dibb suggested that Australia could defend itself through a strategy of denial and force structure priorities that focused on preventing an enemy from gaining a foothold through the air-sea gap to Australia's north. This idea was further developed in *Defence White Paper 1987* in the context of alliances and regional associations. Self-reliance meant that Australia needed to be able to defend itself against lower level incursions by a regional power without military assistance from its

traditional allies. Dibb did not invent the idea of self-reliance but established an intellectual framework and force structure priorities by which it could be implemented. He articulated self-reliance in the clearest terms to date and confirmed it as the intellectual cornerstone of Australian defence policy. The development of self-reliance during this period is summarised in Table 20:

Table 20: Self-Reliance in Cold War Australian Defence Policy

Government	Core Strategic Interests	Primary Geographic Scope	Perceptions of Allies	Perceptions of Threat
Early Menzies (1949-57) (Liberal)	Combating spread of communism in Asia	Korea Malaya	Close ties with UK Developing ties with US	Chinese Revolution, Malayan Emergency, Korean War
Menzies (1957-1961) (Liberal)	Preventing Indonesian interference in Dutch New Guinea Fostering closer ties with US	Dutch New Guinea	Sympathetic to Dutch Government but ambivalent about Eisenhower	Indonesian Government under Sukarno
Menzies (1961-64) (Liberal)	Preventing Indonesia from annexing Malaysia	Malaya Singapore	Ambivalent about Kennedy due to unclear advice on ANZUS Close ties with Douglas-Home	Indonesian Government under Sukarno
Holt (1966-67) (Liberal)	Keeping US in Southeast Asia to assist against Indonesia	South Vietnam, Thailand, Malaysia	Close ties to Johnson Difficult relationship with Wilson	Chinese in Vietnam
Gorton (1967-71) (Liberal)	Defending Australia from invasion	Australian Continent	Distrusted Nixon due to the Guam Doctrine and Vietnam Difficulties with Wilson due to accelerated British withdrawal	Uncertainty as to Indonesian intentions
McMahon (1971-72) (Liberal)	Defending Australia and PNG from Indonesian invasion	Australia and PNG	Uncertain about Guam Doctrine Ambivalent about British withdrawal	Indonesian intervention in PNG
Whitlam (1972-75) (ALP)	More autonomous defence policy	ASEAN member states	Support British withdrawal Distrust of Nixon	Reduced Chinese Threat
Fraser (1975-77) (Liberal)	Adapting to post-Vietnam era	Southeast Asia and Australian continent	Ford Administration weak on Vietnam	Soviet naval threat Vietnamese expansion
Fraser (1977-79) (Liberal)	Preparing for regional instability and managing fiscal uncertainty	Indian Ocean Indochina Indonesia	Distrust of Carter	Soviet Navy Vietnam Indonesia
Fraser (1979-83) (Liberal)	Responding to the Soviet threat in Southeast Asia	Vietnam South Pacific	Alignment with Reagan	Soviet expansion in Afghanistan and SE Asia
Hawke (1983-86) (ALP)	Developing a force structure to implement greater self-reliance Need to reconcile relationship with United States and New Zealand	Indonesia and South Pacific	Dislike of Lange Reservations about Reagan	Indonesia
Hawke (1986-89) (ALP)	Establishing credible defence policy and managing alliance commitments	Indonesia and South Pacific	Dislike of Lange Reservations about Reagan	Indonesia

The historical narrative at the heart of this thesis has broader implications for our understanding of the strategic studies discourse in Australia and further abroad. Firstly, the thesis has put forward a

generalisable definition of self-reliance that can be used to understand what that concept means, on an intellectual level, in Australia or other comparable countries. That is important as a deeper understanding of self-reliance can be used to conceptualise potential policy responses, and subsequent funding and force structure decisions in a strategic environment marked by a return to heightened strategic uncertainty. In that respect, the definition of self-reliance put forward in this thesis and the framework that underpins it assists in understanding the contemporary strategic environment, and what can be done by both academics and policymakers to respond to it.

Secondly, it has brought new perspectives to the historical discourse on Australian defence policy by drawing on previously unseen sources. The thesis has shown that self-reliance was primarily a response to emerging geopolitical threats in Australia's region in the 1950s. In doing so, it has challenged the dominant interpretation in the broader discourse that self-reliance was developed as a political idea from the mid-1970s. Rather, it has shown that self-reliance was developed in a three stage process. During the 1950s, and 1960s, defence planners considered *why* we needed to be more self-reliant. By the 1970s, the focus shifted to understanding *what* it meant to be more self-reliant in defence policy. Then, in the 1980s, focus shifted to *how* we could be more self-reliant through the development of strategy and force structure priorities. Through a process of historical tracing, the thesis has shed light on the influence of the West New Guinea Crisis in the 1950s on Australian defence policy through to the 1980s in a way that has not been documented before in a comprehensive and systematic manner.

In focusing on this period, the narrative and subsequent analysis have filled an important gap in the historical record. The period prior to 1975 has been documented by O'Neill and Edwards, and the post-Cold War period is currently being analysed by Horner. Yet, there has been relatively little on the interim. The thesis has filled this gap in the historical record and, in doing so, has contributed to the SDSC's research program by linking these two bodies of literature. It considered the broader implications of Australia's Southeast Asian Wars on subsequent defence planning and has provided valuable context for the historical development of Australian defence policy through reference to sources that have rarely, if ever, been seen by other historians.

Thirdly, the thesis has shown that self-reliance is a complex idea that sits within a broader alliance context and enables Australia to be a better and more proactive ally. Self-reliance both complements and enhances Australia's alliance obligations, and has never been intended to exclude them. Rather, it has been developed in consultation with allies, and in response to their expectations of us. At each step of the policy development process, Australian planners conceptualised self-reliance as a way to step up within the ANZUS alliance rather than step back from it. Those who contributed to the development of self-reliance sought to provide the government of the day with a broader range of policy options in relation to contingencies in which Australia's core strategic interests may have been threatened.

The conceptual framework and definition of self-reliance at the heart of the thesis assists in understanding what Australia can do, and where it can assist in a range of contingencies within an

alliance framework. It has been carefully crafted to focus on the provision of combat forces against credible contingencies within the immediate region. The definition of self-reliance in the thesis excludes the provision of joint enablers in more distant theatres. That is a reflection of the fact that, during the Cold War, successive governments sought to develop a defence policy that recognised that our allies expected us to step up and take greater responsibility for the defence of our region. Closer to home, allies would provide indirect support, but expected us to provide the core combat forces required to protect our common interests. That expectation was reflected in our force structure priorities, which focused on developing self-reliant combat forces while drawing on allied intelligence and logistics.

What that means is that self-reliance and alliance obligations reinforce one another. Successive governments sought to articulate a defence policy that recognised that Australia could depend on existing treaty arrangements in some contingencies while its allies expected it to take greater responsibility in others. It was recognised that alliances and other partnerships enabled Australia to be self-reliant through the provision of key enablers including logistics and intelligence, while self-reliance allowed its combat forces step up and better fulfil alliance obligations in the region. In short, greater self-reliance and traditional alliance relationships were co-existent and not mutually exclusive: investment in greater self-reliance enabled Australia to be a more proactive alliance partner while alliances gave it the resources it needed to be more self-reliant.

Self-reliance within ANZUS has been the intellectual cornerstone of Australian defence policy for more than half a century, yet has eluded comprehensive definition in the academic literature and the public debate. This thesis has traced the historical development of the concept as a response to strategic uncertainty throughout the Cold War and, in doing so, has illuminated policy options for comparable challenges in contemporary strategic policymaking. In defining self-reliance in a conceptual framework and tracing its evolution, we can better understand how to defend Australia and its core strategic interests in an era of heightened uncertainty and major power competition in the Asia-Pacific.

Appendix A:

ANZUS Treaty

Australian Treaty Series 1952 No 2
DEPARTMENT OF EXTERNAL AFFAIRS

CANBERRA

Security Treaty between Australia, New Zealand and the United States of America [ANZUS]

(San Francisco, 1 September 1951)

Entry into force generally: 29 April 1952

AUSTRALIAN TREATY SERIES

1952 No. 2

Australian Government Publishing Service

Canberra

(c) Commonwealth of Australia 1997

SECURITY TREATY BETWEEN AUSTRALIA, NEW ZEALAND, AND THE UNITED STATES OF AMERICA

THE PARTIES TO THIS TREATY,

REAFFIRMING their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments, and desiring to strengthen the fabric of peace in the Pacific Area,

NOTING that the United States already has arrangements pursuant to which its armed forces are stationed in the Philippines, and has armed forces and administrative responsibilities in the Ryukyus, and upon the coming into force of the Japanese Peace Treaty may also station armed forces in and about Japan to assist in the preservation of peace and security in the Japan Area,

RECOGNIZING that Australia and New Zealand as members of the British Commonwealth of Nations have military obligations outside as well as within the Pacific Area,

DESIRING to declare publicly and formally their sense of unity, so that no potential aggressor could be under the illusion that any of them stand alone in the Pacific Area, and

DESIRING further to coordinate their efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific Area,

THEREFORE DECLARE AND AGREE as follows:

Article I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article II

In order more effectively to achieve the objective of this Treaty the Parties separately and jointly by means of continuous and effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.

Article III

The Parties will consult together whenever in the opinion of any of them the territorial integrity, political independence or security of any of the Parties is threatened in the Pacific.

Article IV

Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article V

For the purpose of Article IV, an armed attack on any of the Parties is deemed to include an armed attack on the metropolitan territory of any of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific.

Article VI

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

Article VII

The Parties hereby establish a Council, consisting of their Foreign Ministers or their Deputies, to consider matters concerning the implementation of this Treaty. The Council should be so organized as to be able to meet at any time.

Article VIII

Pending the development of a more comprehensive system of regional security in the Pacific Area and the development by the United Nations of more effective means to maintain international peace and security, the Council, established by Article VII, is authorized to maintain a consultative relationship with States, Regional Organizations, Associations of States or other authorities in the Pacific Area in a position to further the purposes of this Treaty and to contribute to the security of that Area.

Article IX

This Treaty shall be ratified by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of Australia, which will notify each of the other signatories of such deposit. The Treaty shall enter into force as soon as the ratifications of the signatories have been deposited.[1]

Article X

This Treaty shall remain in force indefinitely. Any Party may cease to be a member of the Council established by Article VII one year after notice has been given to the Government of Australia, which will inform the Governments of the other Parties of the deposit of such notice.

Article XI

This Treaty in the English language shall be deposited in the archives of the Government of Australia. Duly certified copies thereof will be transmitted by that Government to the Governments of each of the other signatories.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Treaty.

DONE at the city of San Francisco this first day of September, 1951.

FOR AUSTRALIA:

[Signed:]

PERCY C SPENDER

FOR NEW ZEALAND:

[Signed:]

C A BERENDSEN

FOR THE UNITED STATES OF AMERICA:

[Signed:]

DEAN ACHESON

JOHN FOSTER DULLES

ALEXANDER WILEY

JOHN J SPARKMAN

Appendix B:

Selected Records on the

Dutch New Guinea Crisis

(1958-1959)

TOP SECRET

COPY No. 23

CABINET MINUTE

Canberra, 12th August, 1958

Decision No. 1518

Submission No. 1312 - Netherlands New Guinea and Indonesia

As this submission had been circulated only at a late stage, Cabinet devoted some time to reading it. Then the Minister for External Affairs and the Minister for Defence drew attention to aspects of it to which they attached particular importance.

Mr. Casey explained that the matter had become more urgent for two main reasons. First there was a change in the Australian view of Indonesia's capacity and intentions. It had previously been thought that Indonesia's military capacity was slight but, as a consequence of the recent revolt, Indonesian military capacity had been considerably built up from communist sources and it had been shown that the capacity of the Indonesian forces to use the equipment acquired was greater than had been appreciated. Although the matter was by no means free from doubt, Indonesian willingness to venture in New Guinea seemed to have increased. The Chief of Staff, Nasution, had stated that if peaceful methods failed with regard to West New Guinea then 'we must take the road of force'. The exact words were a matter of some doubt but there was some significance in the fact that any words had been used.

Secondly he was leaving Australia shortly and would need to have close and specific discussions with Luns, the Dutch Foreign Minister, Mr. Selwyn Lloyd, the Foreign Secretary and John Foster Dulles on this question. He needed, therefore, to have riding instructions from the Cabinet. Moreover, there would be a debate in the Dutch Parliament in September. His view was that Australia's policy should be to use all possible methods of deterring the Indonesians from beginning any military venture in relation to Dutch New Guinea.

TOP SECRET

National Archives of Australia NAA: A4940, C1971

Cabinet Decision No. 1518 Cont'd.

It was true that our military advisers had formed the opinion that should the Indonesians make a landing on West New Guinea they could be repulsed after a short interval by the Dutch, assisted by Australian forces. It was also true that Australia and most western countries would regard such action by the Indonesians as naked aggression but this view would not necessarily be accepted by many countries - the Indonesians would regard it as a local police action in their own territory and this view would probably be accepted by the Afro-Asian nations at least. There was quite a chance, therefore, that the matter would not be fully tested militarily.

Some people derived some satisfaction out of the word 'trusteeship' but it was difficult to think of a form of 'trusteeship' which was practicable. Either it would be unsatisfactory to the Indonesians or to the Dutch or to Australia or would be unworkable. In talking of 'trusteeship', Mr. Casey emphasised that it would be most undesirable that there should be any hint reach the Dutch of any Australian thoughts about 'trusteeship'. We should not even mention the idea to the Americans because, if the Dutch once thought we were entertaining ideas of this sort, they would regard it as proof that we were no longer going to support them.

In working out what might be done to deter the Indonesians, he had suggested to the Canadians, who were regarded as fairly impartial operators in international affairs, that they might warn Indonesia that Canada would regard an attack by Indonesia on West New Guinea as an act of aggression. Although they had not yet given the warning the Canadians had promised to do this.

The Prime Minister had further suggested that it might be possible to draw up some joint declaration to the same effect and get United States adherence to it. He did not regard this as impossible but it would not be easy. Furthermore he had himself thought that it might be possible to arraign Indonesia before the Security Council on the ground that her provocative actions or statements were threatening peace. Placed in that position Indonesia might well deny aggressive intent so enthusiastically as to be inhibited for some considerable time, or, alternatively, might equivocate so obviously that the foundation might be laid for some United Nations action such as a United Nations Observer Corps. Although this would certainly be veteod by Russia, the exercise

National Archives of Australia NAA: A4940, C1971

Cabinet Decision No. 1518 Cont'd.

would not be valueless. He was bound to say that the Department of External Affairs did not regard this last proposal very highly because they said that the United States had obviously decided to support Nasution as a staunch anti-communist and they would not wish to see their nominee placed in the dock as it were before the Security Council.

Sir Philip McBride referred to the importance that the Defence authorities placed on Australian New Guinea for the defence of Australia and said that the importance of Dutch New Guinea was regarded as very little lower. Nevertheless they now drew attention to the growing military strength of Indonesia proper. Even now Indonesia has the capacity to land a battalion group in West New Guinea and this with so little warning that it was unlikely that either the Dutch or ourselves could prevent the landing. They could be repelled later but they would land. With a little more organisation, say 4 to 8 weeks, they could land a brigade group. There might be sufficient warning in this case, to oppose the landing and, in any event, if matters were left to a military determination, this landing could be driven off.

He referred generally to the limitations of what Australia could do to help the Dutch, and in particular to the fact that all Australian help assumed that Biak could be used and that fairly extensive discussions and consultations with the Dutch had gone on in advance.

In general discussion the following points were raised.

It was said that if the Indonesians once obtained a foothold in New Guinea it would only be a question of time - and perhaps not a very long time - before they were laying claim to Eastern New Guinea. Friendship with Indonesia would therefore not be maintained by giving them their present claim to West New Guinea. The present argument would be replaced by another not less bitter. On the other hand, it was said that the Indonesian's claim was in fact to West New Guinea only and the claim was made only because it had been, like Indonesia, part of the Dutch East Indian Empire. Indonesia had always repudiated any intention of claiming Eastern New Guinea.

It was said further that the real question for Australia was whether Indonesia was hostile or friendly. A hostile Indonesia without West New Guinea could be equally as dangerous to Australia as a hostile Indonesia which included West New Guinea and, while the question of West New Guinea remained unresolved, this fact itself tended to make Indonesia hostile.

National Archives of Australia NAA: A4940, C1971

Cabinet Decision No. 1518 Cont'd.

Some Ministers thought that public opinion in Australia would not allow any Australian government to refrain from supporting the Dutch should an aggressive move be made by the Indonesians against West New Guinea. It was also said that Australian support of the Dutch against Indonesia in military operations about West New Guinea would result in making the whole of South East Asia hostile to Australia. In reply to this it was urged that failure to support the Dutch in these circumstances would bring on Australia the contempt of the whole of South East Asia. Which then was the worse?

Some Ministers drew attention to the fact that any further equivocation on the part of Australia with regard to the Dutch requests for assurances of support might well have the effect of convincing the Dutch that Australia was not wholehearted in its attitude and might well therefore bring about a withdrawal of the Dutch from the area.

There was some discussion of the view expressed in the paper that Australia should not promise more support to the Dutch than the United States was prepared to give. Some Ministers thought that this was too negative and that the proper course should be to tell the United States that Australia would be fully obliged to support the Dutch in the face of an Indonesian attack and to seek strongly American assistance in this eventuality. In support of this view it was further urged that this was a matter of fundamental principle and that Australia should be ready to stand, and, if necessary, fight against an aggressor and this all the more so when Australia's own vital interests were involved.

On the question of the likelihood of United States support, attention was drawn to the fact that Dutch New Guinea was regarded by the United States as little more than a nuisance and that there was a strong anti-colonial feeling in the State Department and that Australia in the past had had to work very hard even to keep the United States neutral in this matter. There were strong forces working in the United States in favour of support for Indonesia. On the other hand, it was urged that if the United States properly understood her own vital interests, she could not allow the flank of her island chain to be turned by a communist movement which came down through Asia and Singapore and outflanked the Philippines through Indonesia.

National Archives of Australia NAA: A4940, C1971

Cabinet Decision No. 1518 Cont'd.

The Minister for External Affairs then proposed that at the adjourned discussion to take place tomorrow he would prepare for Cabinet's consideration a draft of the points which he might make and the line he might take in his discussion with the Foreign Ministers.

Certified true copy

Allan Brown

Secretary to Cabinet

National Archives of Australia NAA: A4940, C1971

DEPARTMENT OF THE TREASURY.

MINUTE PAPER.

TOP SECRET

THE TREASURER:

Cabinet Submission No.1312 brings forward for consideration what is probably the most difficult problem in the External Affairs-Defence field that has been before the Government. The problem is Netherlands New Guinea and Indonesia and currently arises from a dual approach by the Netherlands -

(a) to the Minister for External Affairs asking in effect:-

"Would the Dutch stand alone or could they assume Australian military action in their support?"

(b) to the Department of External Affairs seeking staff talks between military representatives of the Netherlands and Australia.

2. The conclusions of the Ministers are based on the importance to Australian defence of a friendly Netherlands New Guinea and a friendly Indonesia. The problem is to secure both and the effect upon relations with Indonesia of supporting the Netherlands in New Guinea.

3. The recommendations of the Ministers do not provide for a final decision yet to be taken on the approaches to Australia by the Netherlands. Because of the importance of agreement with the United States of America the recommendation is for a discussion between Australia and the United States on the problem and the reconsideration of the subject when the result of those talks is available. There is, however, the qualification that Cabinet is invited now to decide that-

"In the absence of a firm Americal commitment Australia should not enter into commitments to provide military combat assistance."

On the whole it might be better if this decision were subject to confirmation in the light of the discussions with the United States and the consultation which is proposed with New Zealand and the United Kingdom. Subject to that minor qualification your support of the recommendations is suggested.

(C.L. Hewitt)
Deputy Secretary.

12th August, 1958

National Archives of Australia NAA: A4940, C1971

TOP SECRET

COPY No. 29

CABINET MINUTE

Canberra, 13th August, 1958

Decision No. 1526
AMENDED

Submission No. 1312 - Netherlands New Guinea and Indonesia.

The Minister circulated two papers headed respectively 'Suggested points for use in discussion with Mr. Dulles' and 'Suggested points for use in discussion with the Netherlands Government'.

The Minister for External Affairs set out for Cabinet his views on the likely course of events within the United Nations if there were an Indonesian attack on Dutch New Guinea. His conclusion was that action would be taken rapidly within the United Nations Organization and that there would be a very short time available within which the Indonesians could be ejected before the General Assembly had passed a resolution on the subject.

In discussion, attention was drawn to :-

(a) the limited nature of the assistance which Australia might expect to give the Dutch forces;

(b) the possibility that obtaining a lodgment in West New Guinea might satisfy the immediate political objectives of President Sukarno;

(c) the fact that the solid voting by the Afro-Asian bloc within the United Nations tended to make the Assembly a futile forum for discussion of a dispute on its merits and one in which the dice were already loaded against the West;

(d) the probability that the United States would see its interests as not antagonizing the Asian nations rather than in supporting its allies in the event of armed conflict over West New Guinea, just as it had similarly decided not to antagonize the Arab nations rather than support its allies over Suez;

National Archives of Australia NAA: A4940, C1971

Cabinet Decision No. 1526 Cont'd.

(e) the possibility that a firm commitment at this stage to support the Dutch would mean that, at a time of decision, the question whether or not Australian forces fought in New Guinea would, for all practical purposes, be decided by the Dutch Government rather than the Australian Government.

The Prime Minister summed up the discussion and the issues. Australian New Guinea is vital to Australian defence. The passing of Dutch New Guinea into the hands of a hostile power increases the importance of Australian New Guinea for that purpose and simultaneously renders the defence of Australian New Guinea, and therefore of Australia, more difficult. There is, nevertheless, the possibility of the Dutch not remaining in Dutch New Guinea. One of the strong reasons why they have remained so far has been the strong moral support of Australia. Now the Dutch are asking: 'If matters come to a crisis, will you fight with us?' If a blunt answer 'No' is given to this question we can expect the Dutch to leave sooner rather than later. In addition, respect for us would fall throughout South East Asia and public opinion in Australia would be seriously troubled. So, it is important that such a blunt answer should not be given at this stage.

At the same time, a firm commitment to support the Dutch in a military sense would have undesirable political consequences just at the present time. This also is to be avoided.

It thus becomes important to consider the American position. On their past performance and in the light of existing influences in America it seems likely that the United States would not support the Dutch and Australia in a military sense. It is, therefore, important to bring about such change in the United States' attitude as is possible. Australia should, therefore, say to the United States by the Minister for External Affairs saying to Mr. Dulles that an attack by Indonesia on Dutch New Guinea would be aggression. It would be clearly so in the opinion of Australia and we believe that it would be equally clearly so in the opinion of the United States. But the probability of an attack seems to be increasing, and the Dutch are now asking Australia whether, in the event of an attack, Australia would assist them. Australia is one of the allies of the United States and does not wish to part company with the United States on an occasion like this. Such a situation, in our view, would

National Archives of Australia NAA: A4940, C1971

Cabinet Decision No. 1526 Cont'd.

create some problems for the United States also. We in Australia, therefore, believe that most strenuous efforts should be devoted to making sure that the situation does not arise. Australia believes that it would help greatly in preventing the situation arising if a resolution were sponsored in the United Nations by the United States to the effect that an attack on West New Guinea would be aggression. Such a resolution would be one of the greatest possible deterrents to action on the part of the Indonesians. Australia fully understood the reasons why the United States had felt it necessary to declare that an attack on Formosa would be immediately resisted by the United States' Armed Forces and it considered that Australia's interest in the integrity of New Guinea was greater than the United States' interest in the integrity of Formosa. It would hope, therefore, that the United States would fully understand the great importance that Australia attached to this matter.

On the other hand, the Minister for External Affairs should say to the Dutch: It is unwise at this stage to push your request to us for military assistance too hard. The United States must become better aware of the situation and more active in this matter of West New Guinea. We must bring about some change of attitude on their part. But just at the present time military commitments are unwise. The impression should be given that it is not impossible that in the future the Australian Government could agree to such a commitment but that it is not possible to do so just at the present time. Rather, more attention should be concentrated on efforts to make it unlikely that the Indonesians will begin military action. On other matters, the Dutch could be reminded that Australia has agreed to an exchange of military information with the Dutch but this offer has not been taken up to any practical extent, and that in the intelligence field Australia is willing to make available broad appreciations of the situation. Staff talks at the present stage would not be practicable.

The Chairman of the Chiefs of Staff Committee, Lieutenant-General Sir Henry Wells, was invited to answer the questions: 'What is the importance of Australian New Guinea to the defence of Australia?' and 'What would be the effect on the defence of Australia if West New Guinea passed to a hostile Indonesia?' Broadly, his answer was that both Australian New Guinea and West New Guinea provided defence in depth and bases. West New Guinea in Communist hands would impose a threat of

National Archives of Australia NAA: A4940, C1971

Cabinet Decision No. 1526 Cont'd.

itself and would deny Australia the alternative air-route to South East Asia through Biak. It also provided a flank through which attack could be launched on the lines of communication of a hostile Indonesia. In answer to other questions, Sir Henry Wells replied that the only airfields from which the continuous operation of jet aircraft is possible at present are in Java, but the spasmodic operation of such aircraft is believed to be feasible from aerodromes closer to Netherlands New Guinea and to Australia. The plan of defence would involve attacking the Java aerodromes and the ports used for mounting and the re-supply of Indonesian operations - for example Sourabaya. He did not think that the Dutch would get such notice of proposed paratroop landings by the Indonesians if these were restricted to battalion strength as would enable them to prevent a lodgment being made, but he thought the position might be otherwise if landings were proposed for brigade strength.

Cabinet -

(1) agreed that the line of policy set out by the Prime Minister should be adopted by the Minister for External Affairs in his discussions with the Secretary of State for the United States and with the Foreign Minister of the Netherlands and Foreign Secretary of the United Kingdom;

(2) thought that it was not advisable even for secret and confidential studies of possible trusteeship arrangements in relation to West New Guinea to be made as had been proposed in the submission.

Certified true copy

Secretary to Cabinet

National Archives of Australia NAA: A4940, C1971

IME MINISTER'S DEPARTMENT.

MCT/MW

TOP SECRET



THE PRIME MINISTER

I attach for your information copy of a record of conversation between Tange and the Netherlands Ambassador on the subject of the Netherlands-New Guinea.

You will note that the Netherlands are now suggesting secret consultations without commitment between Netherlands Australia and the United States Military experts on ways and means of providing military assistance to Netherlands-New Guinea.

No doubt this general question will be discussed in Cabinet on the 5th January. However I forward it now because Mr. Casey may seek to discuss the initiative with you. There are two observations which I should like to make.

The first concerns the recent discussions between the Netherlands and the United Kingdom on the sale of arms to Indonesia. The Netherlands indicated that both the United States and ourselves have been "helpful" in relation to assurances of support in the event of an attach on Netherlands-New Guinea and they asked for a guarantee of assistance from the United Kingdom. This is still under consideration in the United Kingdom but no reference is made in Lovink's message about secret consultations with the United Kingdom.

The other point is that I believe that Tange is unduly optimistic in paragraph 6 of his record of conversation. In the event of an attack on West New Guinea, followed by a cease fire order from the Security Council or from the General Assembly, the Netherlands could be placed in much the same position as the United Kingdom during the Suez crisis if she wished to continue a defensive action. In any case the Dutch say that they could not repel Indonesia's attack alone, and I could not imagine United States or United Kingdom or for that matter Australian intervention militarily after the United Nations had called for a cease fire - if this is so there would not be much point in continuing the action.

.....

29th December, 1958.

TOP SECRET

TOP SECRET

Copy No.1 of 6

102

EXTERNAL AFFAIRS.

Conversation with the Netherlands Ambassador (Mr. A.H.J. Lovink) on 22nd December, 1958.

Officers Present .The Secretary

MAIN SUBJECT(S): NETHERLANDS NEW GUINEA

1. The Netherlands Ambassador called to leave a 33-page appreciation of the "Indonesian Threat to Netherlands New Guinea" and to make the following points:-

(1) The Netherlands had received an assurance of United States assistance in the event of an Indonesian attack upon West New Guinea, but the considerations explained in the document made it clear that this was insufficient.

(2) The Netherlands therefore asked Australia to enter into secret consultations, without commitment, among Netherlands, Australian and United States military experts on ways and means of providing military assistance to Netherlands forces in Dutch New Guinea within the timetable necessary if such assistance is to be effective.

(3) The Netherlands Government was convinced that, without advance military consultation, military assistance (assuming that it were decided to give this assistance and irrespective of whether the decision to give it were made now or at the time of the attack) would not be feasible.

(4) Similar representations are being made to the United States.

2. Speaking orally in support of the document, the Ambassador emphasized -

(a) that the Indonesian capacity as estimated by the Dutch was now such that the Netherlands could not repel it alone;

(b) that Indonesia can make the lodgment in 24 hours and without forewarning;

(c) Indonesian tactics would be to make a surprise lodgment and thereafter obtain a United Nations order on both parties -

(i) to cease fire;

(ii) to negotiate -

an order on Indonesia to cease and desist and withdraw her forces being vetoed. (contd.)

.2/.

TOP SECRET

TOP SECRET

COPY No. 25

CABINET MINUTE

Melbourne, 5th January, 1959

Decision No. 17

Submission No. 11 -- Indonesia and Dutch New Guinea
12 - Indonesia and Netherlands New Guinea

Cabinet gave consideration to the situation which would arise in the event of Indonesian aggression in any form in the near future against Netherlands New Guinea and the action that Australia should take in such a situation. It also considered the Dutch approaches for military staff talks and for a military aid commitment.

2. Cabinet noted that :-

(a) The U.S.A. and the U.K. had separately concluded that for both political and military reasons an attack by Indonesia on Netherlands New Guinea is unlikely within the next six months.

(b) The U.S.A. and the U.K. have declined to commit themselves in advance to military action against Indonesia.

(c) The strategic importance of Indonesia is of greater significance to the United States and to Australia than Netherlands New Guinea and therefore it should be a major objective to keep Indonesia non-communist and friendly.

(d) There are signs that the Netherlands may decide to withdraw from New Guinea.

TOP SECRET

Cabinet Decision No. 17 (Cont'd).

(e) Australian military forces acting alone or with the Dutch are unlikely to succeed militarily against the Indonesians in the circumstances that would be likely to develop, namely an initial lodgment followed shortly afterwards by political action in the United Nations.

(f) Military action involving Australia would have adverse effects upon our relations with Indonesia and other countries of the Afro-Asian group.

(g) Military action against Indonesia would advance the interests of communism in Indonesia.

3. Cabinet decided that :-

(a) In the absence of military aid commitments by the U.S.A. and the U.K., Australia should not undertake any military aid commitment with the Dutch.

(b) The Dutch should be informed of the decision in (a).

(c) Australia should intensify diplomatic activity directed towards the preservation of Dutch control of Netherlands New Guinea and deterring Indonesia from aggression.

(d) Australia should approach the U.S.A. and the U.K. and advance arguments designed to encourage both countries to impress on Indonesia that neither fighting nor infiltration nor incidents against the Dutch in Netherlands New Guinea would be tolerated.

(e) Australia should emphasise to other countries concerned the advantages of a solution to the problem of Netherlands New Guinea by the International Court of Justice.

4. Cabinet invited the Minister for External Affairs to prepare for further consideration a programme indicating the time and manner in which the action suggested in paragraph 3 should be taken.

Cabinet Decision No. 17 (Cont'd.)

5. It was agreed that in case Australia is in due course faced with the fact of Dutch withdrawal from Netherlands New Guinea, the question of the most acceptable form of administration in substitution of the Dutch should be given consideration. Cabinet considered a number of suggestions by the Minister for External Affairs.

Certified true copy

E. J. Bunbury

Secretary to Cabinet

Copied in the Cabinet Secretariat 22/10/81.
file C 508 PE

29 42

TOP SECRET

BACKGROUND NOTES TO CABINET DECISION NO. 17 -
MELBOURNE, 5th JANUARY, 1959.

INDONESIA AND DUTCH NEW GUINEA

Cabinet gave consideration to the situation which would arise in the event of Indonesian aggression in any form in the near future against Dutch New Guinea, and the action that Australia should take in such a situation. It also considered the Dutch approaches for military staff talks concerning Dutch New Guinea and the question of giving a military aid undertaking to the Dutch.

Strategic Considerations:

The intelligence reports suggesting the possibility of Indonesian aggression as early as March were considered. In this connection, it was thought by the Cabinet that these reports could well be the product of Indonesian or Dutch tactics but that the possibility of some incident at Indonesia's initiative in the near future could not be disregarded. It was noted that the United Kingdom and the United States which were both in possession of this information, had separately concluded that for both political and military reasons, an attack by Indonesia is unlikely within the next six months. It was noted further that the United Kingdom had proposed the pooling of United Kingdom, United States and Australian intelligence information on the likelihood of Indonesian aggression.

Consideration of the importance of Dutch New Guinea to Australia from a security point of view should not obscure the fact that Indonesia itself is almost certainly of greater defence significance. Therefore, the importance of keeping Indonesia non-communist and friendly cannot be overstated.

United States policy has been based on the importance of Indonesia to the Western world rather than on the importance of Dutch New Guinea. It is a major objective of the United States that Indonesia be kept outside the communist orbit.

TOP SECRET

It would be unwise to base Australian policy on the belief that the Dutch will stay in New Guinea indefinitely or even for very much longer. Recent political events in Holland and pressures from the commercial community could lead the Dutch to seek means of withdrawal within the near future especially if New Guinea can be bargained against compensation for assets confiscated by Indonesia. If the Dutch were to fail, as seems likely, in their efforts to get guarantees of military aid from the United States, the United Kingdom and Australia, this would increase the chances of Dutch withdrawal.

Military Factors:

The military factors as set out in the report by the Chiefs of Staff Committee in submission No. 11 were considered. It was accepted that Australia acting alone or in conjunction with the Dutch would be unlikely to be able to act in time to prevent an initial lodgment by Indonesia in New Guinea unless the present disposition of forces were considerably altered and unless they were deployed in advance in the New Guinea and North Australia area.

While it was expected that Australian and Dutch forces together could, if given time, expel Indonesian forces, it was considered that the sort of time required would not be available. This would be due to the fact that within a period of two to eight days at the most, the subject would have been referred to the United Nations and a cease-fire resolution would have emerged. The resolution would be unlikely to require Indonesian withdrawal and would therefore leave Indonesia in the position to negotiate while retaining its lodgment.

It had to be accepted therefore that Australia acting on its own or with the Dutch would be unlikely to succeed militarily against Indonesia in the circumstances which would be likely to develop.

In any case Australia would need to consider the effect of the use of force by Australia against Indonesia. Any military action may not be limited to a skirmish in New Guinea but could amount to war between Australia and Indonesia. Irrespective of the outcome this would prevent for a long period of years any condition of friendship between the two countries.

Australia would also need to consider the effect on other Asian countries. This would depend to some extent on the incident which led to the use of force. But almost certainly Australian action would have a serious effect on relations with the free Asian countries.

For this reason the United States (and the United Kingdom) should keep on saying in friendly but very clear terms to Indonesia that neither fighting nor infiltration nor incidents against Dutch New Guinea will be tolerated.

Although the fact of aggression would mean that Indonesia was de facto a communist controlled country, the use of force by any western countries against Indonesia would almost certainly still further assist the communist cause. Whether Indonesia won or lost in the fighting, the purpose of communism in Indonesia would be served. Defeat or victory would be exploited equally for communist purposes. This adds to the case for making the maximum effort to deter aggression.

In relation to the United Kingdom, Cabinet considered the proposed United Kingdom reply to the Dutch request for a military commitment and decided that the Australian reaction should be along the lines that we take no exception to the proposed reply but that we believe it to be most important for the United Kingdom to be in close touch with the United States about it. We assume that consultation has taken place or will take place. It should be added that while we understand entirely that neither the United States nor the United Kingdom would wish by unilateral decision to make a military commitment at this stage, we would suggest that they might together decide to indicate clearly that aggression would not be tolerated. This may well have a profound effect on Indonesia.

At this stage the United Kingdom and the United States should not be given any indication that the Australian Government has decided against any military commitment except in association with the United States and the United Kingdom.

It should be emphasised by Australia to other countries concerned that the international court solution to the New Guinea problem deserves more than the occasional and incidental treatment which it so far has had. Efforts should be made to create international opinion that the matter should go to the International Court as a sovereignty issue falling within the Court's jurisdiction. It could be made clear that the Western countries would entirely accept the finding of the Court.

In relation to the Dutch, it now becomes desirable to inform the Dutch candidly of the decision that there should be no military commitment by Australia alone. This should be done in carefully drafted terms and precautions should be taken to ensure that the knowledge of the decision is conveyed to the Dutch by Australia alone and not secondhand through other channels.

205

TOP SECRET

5.

The communication to the Dutch should draw on the conclusions in this minute.

Time Table for further action:

Cabinet invited the Minister for External Affairs to prepare for further consideration a programme indicating the time and manner in which diplomatic and other action arising out of this decision should be taken.

Future of Dutch New Guinea:

In case Australia is in due course faced with the fact of Dutch withdrawal, it was agreed that the question of the most acceptable form of administration in substitution of the Dutch should be given consideration. Views were expressed that a United Nations Trusteeship arrangement was the best available arrangement. It was generally regarded as impracticable and unacceptable that Australia and Indonesia should be joint trustees. It was thought that Australian administration would be difficult and costly but that it would be contemplated if such an arrangement were available. However, the chances of Australia being appointed appear small - unless for economic reasons Indonesia did not seek the administrative role or did not receive United Nations support for it. However, provided there were reasonable prospects of amicable relations with Indonesia, Australia may not feel it necessary to resist a trusteeship arrangement with Indonesia as the administering authority.

However, this topic was discussed only in a tentative manner and without seeking to reach firm conclusions. It was understood that new and fuller consideration to this topic would be necessary before decisions could emerge.

Certified true copy

E. J. Bunting

Secretary to Cabinet

TOP SECRET

PRIME MINISTER'S DEPARTMENT.

EJB/FM

21 JAN 1959

INDONESIA AND NEW GUINEA

I had a discussion with the Prime Minister yesterday about the nature of his meeting with Mr. Casey this morning.

I said that I assumed that the purpose of the meeting today would be to agree on the next steps and their timing following the Cabinet discussion of last week. The Prime Minister confirmed that this was his understanding.

I said that in that case Mr. Casey would probably come along with a programme setting out what to say to the Dutch, the United Kingdom and the United States and in what sequence and also the method of communication. I knew that External Affairs had been studying these points and at this stage at least I had no reason to think that their ideas would not be entirely satisfactory.

I then said that the particular thing I wanted to mention to the Prime Minister before he saw Mr. Casey was the possibility of taking the subject even further than it had been taken in Cabinet last week. My impression was that two of the policy conclusions which had emerged from Cabinet could become inconsistent and that it may therefore be necessary to determine which of the two is paramount.

The first conclusion I had in mind was the decision that Australia would not make any military aid commitment to the Dutch over New Guinea unless the United States and the United Kingdom were making similar commitments. The other conclusion was that although the Cabinet could perhaps look with equanimity on some form of Indonesian control over Dutch New Guinea in due course, its view was that the best possible thing was for the Dutch to remain as long as possible.

These two are not necessarily inconsistent, especially as one refers to military aid and the other to political activity, but it seemed to me that the first one arose out of a strong conviction that Australia should not (except in association with the U.S. and the U.K.) allow itself to drift into a state of hostility of any sort with Indonesia. In other words, political as well as military hostility had to be avoided.

Therefore, I suggested it may be necessary to reconsider the extent to which we encourage the Dutch to stay and to consider very carefully the responses we make to the Dutch reactions once we tell them that we do not propose to undertake a military commitment. The Dutch have already said in some context that they will not fight alone and therefore it may follow that as soon as military commitments by U.S., U.K. and Australia are refused, the Dutch will actively set about their withdrawal from New Guinea. On the other hand, and I think this more likely for the time being at least, they may say that they are disappointed but nevertheless will carry on in New Guinea. If they say this, how do we react? Do we just leave it at that and open ourselves to the risk that the situation in New Guinea will drift into a crisis between the Dutch and the Indonesians, in which we may have to take a public position in support of the Dutch, or do we start studying ways and means of getting a political settlement in the hope of preventing the ultimate crisis? Of course, the news of any

..../2

such study would probably become known to the Dutch before long, even if we did not ourselves tell them, and this may hasten Dutch withdrawal.

At this stage the Prime Minister took up the discussion and said that although he saw the problem, it was not one which gave him any particular worry. He did not like the idea of a political crisis with Indonesia over Dutch New Guinea but we have over a long period made our views about sovereignty in Dutch New Guinea abundantly clear to everybody including Indonesia and he thought we could and should maintain our attitude. If a political crisis grew out of it, it would be unfortunate, but it would be accepted.

On the other hand, the idea of military opposition to Indonesia over Dutch New Guinea was something else altogether and should, if possible, be avoided. He thought that at this stage the Cabinet decisions should stand as they are. In any case he did not think that a crisis would blow up overnight and that if we got to the point where it was evident that we should work towards Dutch replacement by some other controlling authority, there would be time to study the whole matter adequately.

R. J. B.

16th January, 1959

Action copy EA.

TOP SECRET

TOP SECRET

696/3/6 124

Agendum No.3/59. Supp. 1

Copy No. 11

JOINT PLANNING COMMITTEE AGENDUM

PLANS FOR MILITARY INTERVENTION IN SUPPORT OF THE DUTCH IN NETHERLANDS NEW GUINEA

CONSIDERATION

At its meeting on 11th February 1959, the Joint Planning Committee considered JPC Report No.67/1958 and Agendum No.3/59 on the "Provisional Outline Plan for Military Intervention in Support of the Dutch in Netherlands New Guinea".

SUBMISSION

2. The Joint Planning Committee decided that the Joint Planning Staff should prepare two plans for military intervention in support of the Dutch in Netherlands New Guinea, using as a basis JPC Report No.67/58 and the provisional outline plan attached thereto.

3. The plans to be prepared are in respect of likely enemy course A and likely enemy course B as set out in paragraph 10 of the provisional outline plan. The first mentioned plan should allow for enemy course A developing into course B.

4. It was envisaged by the Committee that the Joint Planning Staff and the Joint Administrative Planning Staff would prepare the plans concurrently consulting with Intelligence and Operations Staffs as necessary.

5. It was noted by the JPC that the JPS in the early stage of preparation of the plans might seek clearance from it of written assumptions.

6. In view of the delicate nature of this subject it should be handled on strict "need-to-know" lines.

7. The Joint Planning Staff should report by the end of February, 1959.

(Sgd.) G.E. Pettit,
Joint Secretary,
Joint Planning Committee
12/2/59.

DISTRIBUTION:

Dep. Sec. (Mil).
F.A.S. (B)
D.M.O. & P.
D.G. P.P.
Asst. Sec. (D.P.)
Defence Liaison Officer.
J.P.S. 1 (3)
Sec. J.A.P.C. (1)
JAPS. (3)
Jt. Secs. JPC (2)

TOP SECRET

TOP SECRET

TOP SECRET

128

12th February, 1959.

PROVISIONAL OUTLINE PLAN FOR MILITARY INTERVENTION

There was a long and depressing discussion on this. The attached "Provisional Outline Plan" went to the Chiefs of Staff Committee when they considered the J.P.C. paper "Military Action to be Taken" last December. The Chiefs of Staff did not examine the Provisional Outline Plan in detail but suggested it should come up for further consideration along with the detailed study of the logistics aspect.

2. It was agreed that the J.P.S. and the J.A.P.S. should get together and decide on the best way of handling the paper. It was further agreed that there would need to be two distinct aspects considered:

Situation (a) whereby there was a lodgement by a small Indonesian force of less than battalion strength.

Situation (b) whereby there was a large-scale Indonesian amphibious invasion.

Plans should also be prepared to envisage situation (a) phasing into situation (b).

3. The Navy and Airforce representatives felt that their part in this process was fairly clear and the Navy Planner felt that a reasonably effective blockade could be maintained but he admitted that small torpedo boats and light craft could probably get through with reinforcements. He also admitted that if the Navy were engrossed with situation (b), they might not be able to help with situation (a) at all.

4. The Airforce representative said that one of the obvious counter-actions by the Airforce should be to "blot out" Indonesian airfields near Dutch New Guinea. Sanction for this might well not be forthcoming if the Indonesians only affected a limited lodgement as in situation (a).

5. The Army representative was most pessimistic of the chances of hunting down and eliminating small Indonesian groups which might effect a lodgement. He could envisage a group of company strength being dropped by parachute and, while keeping out of the way of the main Dutch forces, keeping the Indonesian flag flying and maintaining themselves almost indefinitely. The Australian Army had one parachute company, the effectiveness of/sure which in jungle conditions he was not/of and whether it could get to Dutch New Guinea within the 4 days if air transport were available. The Air representative said there would be no difficulty about this. However, even if the R.A.A.F. could drop this company within 2 or 3 miles of an Indonesian group of similar size, it was highly unlikely that they would be able to eliminate them. There would also be great problems of re-supplying and the Australian troops would need more support than the Indonesians would. Experience of the last war indicated it might be a matter of months or even years before our force could become really effective.

TOP SECRET

6. It was pointed out to him that we would certainly expect the Dutch to make the major initial effort in dealing with small Indonesian lodgements. Our effort would be supplementary and supplies would be arranged through Dutch logistic channels.

7. The whole discussion pointed to the gloomy conclusion that as we are at present, it is highly questionable whether early action to get rid of a small Indonesian lodgement would be successful.

(C.T. Moodie)

TOP SECRET

Action copy → Mr Moore 133

DHO(EA)

JPS 4/59

18

(1) Mr Anderson

(2) File

JOINT PLANNING COMMITTEE

OUTLINE PLANS FOR MILITARY INTERVENTION IN SUPPORT OF THE DUTCH IN NETHERLANDS NEW GUINEA

Report by Joint Planning Staff

INTRODUCTION

1. As instructed we have prepared in consultation with the Joint Administrative Planning Staff outline plans for military intervention in support of the Dutch in Netherlands New Guinea. The plans GATLEY ALFA AND BRAVO are attached.

2. The plans consist of a concept of operations and a statement of the forces available. The assumptions made in the preparation of the outline plans are taken from Chiefs of Staff Minute No.27/1958; the intelligence used has been obtained from JIC(M) (58) 42 and supplementary reports thereto, and information received directly from the Dutch. The JIC has been consulted on the Intelligence Assessments, which they consider valid until Jul 59.

CONSIDERATIONS

3. Limitation of the Area of Operations

In view of the limited nature of the conflict envisaged in Plan GATLEY ALFA, attacks on Indonesian territory are specifically excluded. Such attacks could not fail to extend the "war", and would force Indonesia to retaliate (probably against Darwin, which has no effective air defence).

4. Time Scale

Although speed is the essence of the contract, our reaction time related to our capability is too slow to force a military decision in a matter of weeks. Any early settlement, therefore, could only be a political one,

TOP SECRET

TOP SECRET

132

and this fact should be emphasised when military advice or the advisability of intervention is given.

5. Co-ordination with the Dutch

In the absence of consultation, staff planning (including agreement on command structure) and exchange of information and intelligence with the Dutch, further development of these plans is not feasible.

6. Availability of Forces

An examination of the forces available indicates the following serious deficiencies:-

(a) Navy

(i) Amphibious capability.

(ii) Underway replenishment ships.

(b) Army

(i) In view of the undeveloped nature of the theatre there is a serious deficiency in the specialised units and equipment required for operations in the area, e.g., helicopters, light aircraft, coastal craft amphibians, across-the-beach landing capacity, air supply units, etc.

(ii) Medical support will be below standard as there are no major medical facilities available. This will involve a higher mortality rate among the wounded.

(iii) Effective Army intervention is not possib within the first two weeks. Tactical effectiveness of the Brigade Group is limited by the lack of one battalion.

(c) Air Force

(i) The Light Bomber Force lacks a blind bombing capability and has only limited photographic reconnaissance capacity.

(ii) Darwin has no control and reporting unit for air defence.

(iii) The Day Fighter Force has no all weather capability. Until Learmonth is completed in mid 1959 ferrying of the Fighter Force from Malaya would present various difficulties. The Fighter Force has no photographic tactical reconnaissance capability.

(iv) The fighter force based at Darwin could not provide offensive air support for the Army in most parts of Netherlands New Guinea owing to the distance involved.

(d) It should be noted that some of the forces at present committed to the Commonwealth Strategic Reserve have been included in those available for intervention.

7. Logistic Support.

Using Darwin as the main base, Air and Naval operations can be adequately supported. Given time, ground operations could be logistically supported but in the time scale envisaged for the operation, the limiting factors are the transportation problems posed by the distance of the area of operations the lack of any logistic facilities in the area, and the lag involved in organising a regular logistic support force (especially medical). However, to ensure the support of operations stocks of stores POL, and equipment should be prepositioned before the need to move.

CONCLUSION

8. The deficiencies noted, the weakness of Dutch forces, the growing military stength of Indonesia, the logistic problems and the difficulties inherent in any form of jungle warfare (especially in small-scale guerilla type operations) make the chances of an early successful outcome of

TOP SECRET

TOP SECRET

COMMONWEALTH OF AUSTRALIA.

MINISTER FOR DEFENCE.

COMPOSITION OF THE AUSTRALIAN DEFENCE FORCES.

Minute by the Minister

SECRETARY

I have forwarded the Defence Committee's report on the "Strategic Basis of Australian Defence Policy" for Cabinet consideration under a covering Submission in which I state:-

> "I consider that the conclusions of the Defence Committee are soundly based and accord with the realities of the politico/military situation with which Australia is likely to be confronted in the years immediately ahead. If accepted, they will involve far-reaching changes in our defence preparations, particularly in the shaping of the forces to fit them for independent action; the organisation of reserves, and the future of National Service training; the structure of the forces; and preparations for the provision of war materiel. All these matters will be the subject of further reports by the Committee and submission to Cabinet in due course. In the meantime I seek a general endorsement by Cabinet of the Strategic Basis presented in the attached report."

2. In accordance with the foregoing, action being taken to review the composition of the Australian defence forces on the basis of the conclusions in the Strategic report should be expedited.

3. Although the current programme has one year of its three year span to run from 1st July 1959, the new report should cover a three year period from 1st July 1959. The proposals of the Services should be prepared on the basis of the present annual programme figure of £190 million, and the report should present the most balanced, effective and economical defence system that can be provided within this amount, having regard to the requirements of our strategic situation as stated in the strategic report.

4. If, in the military view, a review of our defence structure on this basis entails the omission of any proposals or projects which the Services consider essential to meet their commitments flowing from the strategic report, these should be indicated. In this event, estimates of costs of any such proposals should be furnished, together with advice as to the military implications of the proposals, including the effect on the ability of the Services to meet specific commitments. An order of priority for any such additional proposals should also be indicated, based on the overall strategic requirement as affecting all three Services, and not an order of priority within each Service.

5. Please impress on all Departments and Committees concerned the importance of completing this report with the utmost urgency.

Sgd. (ATHOL TOWNLEY)

10/3/1959.

TOP SECRET

TOP SECRET

TOP SECRET

COPY NO. 1

MINUTE BY THE CHIEFS OF STAFF COMMITTEE AT MEETING HELD ON 5TH MAY, 1959

Vice Admiral Sir Roy Dowling, K.B.E., C.B., D.S.O., Chairman, Chiefs of Staff Committee.

Vice Admiral H.M. Burrell, C.B., C.B.E., Chief of the Naval Staff.

Air Marshal Sir Frederick Scherger, K.B.E., C.B., D.S.O., A.F.C., Chief of the Air Staff.

Major General I.T. Murdoch, C.B.E., Representing Chief of the General Staff.

Agendum No. 33/1959

NO.43/1959: COMPOSITION OF THE AUSTRALIAN DEFENCE FORCES - INTERPRETATION OF "STRATEGIC PRIORITIES" IN 'THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY'

MATTER REFERRED

1. A memorandum from the Chairman, Joint Planning Committee requesting that the Chiefs of Staff Committee give guidance on the exact interpretation of paragraph 5 (c) of Chiefs of Staff Committee Minute No. 39/1959.

CONSIDERATION

2. The Chairman, Joint Planning Committee stated:-

> "The difference lies in the interpretation of the expression "Strategic Priorities". One view is that the Australian forces while being as well balanced as practicable and with the ability to act independently, should be primarily designed for operations on the mainland of South East Asia (vide paragraph 10 of Strategic Basis). The second view rests on paragraph 46 of the Strategic Basis, and considers that the Australian Armed Forces must be designed to be equally capable of the two types of limited war mentioned in this paragraph. The Joint Planning Committee has been unable to resolve this difference."

3. As the Chiefs of Staff Committee were of the opinion that the 'Strategic Basis of Australian Defence Policy' was quite clear on the above point the Chairman, Joint Planning Committee was requested to elucidate the reason for his request.

4. In the following discussion on this point, the Deputy Chief of the General Staff held to the opinion that as in paragraph 10 of the Strategic Basis, South East Asia remains of first strategic importance to Australia. He believed that this view was supported by other paragraphs such as 27, which includes the sentence:

> "At present the major threat originates from the mainland of South East Asia, and the retention of South East Asia in friendly hands is of primary importance to Australia's security."

5. The Deputy Chief of the General Staff therefore argued that as the shaping of our forces to act independently against aggression in the North Western approaches could not be of equal strategic priority to providing a prompt contribution to South

National Archives of Australia NAA: A8447, 43/1959

TOP SECRET

East Asian Defence in concert with our major allies, it must take second priority in our planning of the Composition of the Forces.

6. He did not preclude the planning for a measure of independence of our forces in South East Asia but maintained that there was a need for balanced forces within a total Defence Vote of £190m. to meet roles of which the first priority is South East Asia. He argued that to plan our composition purely for independence would be impossible within the funds available, and that it was necessary to plan for a limited war in concert with our allies in South East Asia in which we had a measure of independence but in which we would rely on the logistic support.

7. The Committee disagreed with this view stating that as in paragraph 46 of the Strategic Basis we must prepare for the two types of Limited War and our forces must be shaped accordingly and that as in paragraph 44, they must

> "..... be designed primarily with the ability to act independently of Allies. Such forces could act conjointly with Allies in regional defence arrangements. On the other hand forces shaped solely to act in concert with major allies would not necessarily be capable of an independent role."

It was stressed here that the reshaping of our forces could only take place over a number of years and it was necessary to obtain for our forces an ability to act independently. It was noted that South East Asia included the territory of Indonesia.

8. The Chairman stated that the conception of Australia planning on forces and manpower which rely on our major Allies providing important items of fighting equipment and the major proportion of logistic support was outdated. He stated that the American view, as put forward by Admiral Felt, was that self-sufficient Australian forces would be a much better and more acceptable contribution to the common effort and that in the initial stages it may well be that all American logistic support available would be required by their own services.

CONCLUSION

9. The Chiefs of Staff Committee concluded that the Joint Planning Committee should be informed that, for the purpose of planning;

> 'The composition of the forces should be planned on the assumption that the Australian Armed Forces must be designed to be equally capable of the two types of limited war mentioned in paragraph 46 of the Strategic Basis.'

(Sgd.) A. W. Savage,
Commander RAN,
Joint Secretary,
Chiefs of Staff Committee
11/5/1959

National Archives of Australia NAA: A8447, 43/1959

GUARD

TOP SECRET

COPY NO....16.....

224

JOINT PLANNING COMMITTEE

OUTLINE PLANS FOR MILITARY INTERVENTION IN SUPPORT OF THE DUTCH IN NETHERLANDS NEW GUINEA.

REPORT BY THE JOINT PLANNING STAFF.

1. As directed (1), we have reconsidered plans Gatley Alfa and Gatley Bravo for military intervention in support of the Dutch in Netherlands New Guinea. In our initial re-examination, we have come to the conclusion that some modifications to our directive are desirable.

2. We consider that the plans should cover two eventualities -

(a) Insurrection in Netherlands New Guinea, initiated and supported by Indonesia. (Gatley Alfa).

(b) A full scale invasion of Netherlands New Guinea by Indonesia. (Gatley Bravo).

GATLEY ALFA:

3. Plan Gatley Alfa is in fact a counter-insurgency operation. The Dutch have stated that they can maintain internal security in Netherlands New Guinea, in conditions short of a full scale Indonesian invasion. In view of this statement, and the ability of the Dutch to provide re-inforcements from Holland, it appears that any request by the Dutch for Australian intervention would be largely for political reasons. We do not believe that Australia could intervene except at the request of the Dutch, and consider that subsequent operations would have to be under general Dutch direction. It is therefore clear that Australian forces could not be committed without prior staff discussions with the Dutch, although these discussions might take place before or after the decision to intervene.

4. Pending staff talks, we consider that the only useful planning for this eventuality is a logistic study of the movement of the available Australian forces to the support of the Dutch. We consider that this study should be undertaken by the J.A.P.C.

5. The assumptions on which it is proposed that this J.A.P.C. study should be based are at Annex.

(1) J.P.C. Agendum 59/59.

GUARD

.../2

223

LEY BRAVO:

6. From our earlier consideration of Plan Gatley Bravo, we are convinced that Australia and the Netherlands alone cannot provide an effective defence of Netherlands New Guinea against full scale Indonesian aggression. We consider that it would be dangerous to prepare a plan which is known to be defective.

7. Moreover, in view of the repeated assurances by the United States and the United Kingdom that they would not stand idly by while Indonesia invaded Netherlands New Guinea, it is unrealistic not to consider the form and scale of such support. It is, unfortunately, also clear that serious multi-lateral planning for intervention in such an eventuality is impracticable for some time to come. We therefore consider that we should prepare a plan for Allied intervention to defeat an Indonesian invasion of Netherlands New Guinea, indicating which parts of the plan might be performed by Australian forces, and what minimum contribution from other countries would be necessary. This plan would be useful for two purposes -

(a) It would show clearly the deficiencies of the Australian forces in such an operation.

(b) It would provide a useful basis for the production of an Allied plan if and when multi-lateral planning finally takes place.

8. The assumptions on which it is proposed that the revised plan Gatley Bravo should be prepared are at Annex.

RECOMMENDATIONS:

9. It is recommended -

(a) That the J.A.P.C. undertake the revision of Plan Gatley Alfa.

(b) That Plan Gatley Bravo be revised on the basis suggested in paragraphs 6 and 7.

(c) That the assumptions as in the Annex be used in the preparation of these plans.

16 Jul 59.

P.F. RAW
S.C. GRAHAM
D.J. HAMER

TOP SECRET

COPY No. 31

CABINET MINUTE

Canberra, 9th November, 1959

Decision No. 522

Submission No. 59 - Strategic Basis of Australian Defence Policy

Submission No. 424 - Composition of the Australian Defence Forces

(1) Cabinet made the following decisions on the matters put forward in submission No. 424.

(2) Strategic Basis of Policy: Cabinet noted the report presented in submission No. 59. However, it did not, as recommended in submission No. 424, give general endorsement to the report, and it is not to be assumed therefore that the Cabinet necessarily approves the report in all detail. In particular, the proposition that the Australian Forces should as an objective be designed primarily with the ability to act independently of allies was not endorsed. Views were expressed by Cabinet to the effect that in any war on the South East Asian mainland, in which Australia would be fighting with major allies, there should be no obligation on the part of Australia or any expectation on the part of the allies that Australia, with its limited population and resources, should necessarily put forward self-supporting Forces. On the other hand, it was taken as conceivable that Australia could face a situation where it would be called upon to defend for a limited time independently of allies. This possibility indicates that the Australian Forces should be developed to be self-supporting to some degree. But this is a more limited and less ambitious concept of independent action then appeared to be envisaged in the strategic basis paper.

C1757

(3) Navy:

(a) Submarine Service: Cabinet approved the recommendation that Navy should be authorized to make further investigations, without commitment, with a view to the submission of a detailed report on the type of submarines proposed, firmer estimates of cost, and times for construction. A decision concerning the introduction of a submarine service is to be deferred pending consideration of this further report.

C2988

Photo

COPY P.M.'S
DATE 23/6/69

TOP SECRET

Copied in the Cabinet Secretariat 5/11/81
From File C.1757

Cabinet Decision No. 522 Cont'd.

entirely voluntary basis, and endorsed them in principle, but subject to an upward adjustment of the C.M.F. ceiling if this is practicable and subject to the provision of at least some quantity of modern equipment. The Cabinet realized that an increase in the defence vote is likely to be necessary for these purposes, and indicated, though without commitment as yet, that it would consider this aspect on receipt of the further paper from the Minister for Defence.)

C2992 (6) Air Force: Cabinet approved the recommendation for the provision in the programme for the commencement of the purchase of 30 fighter aircraft for partial re-equipment of the Avon Sabre Squadrons. A full submission is to be made to Cabinet when a firm proposal can be made on a suitable type. The question of manufacture in Australia or purchase from overseas will be considered at that time.

C2984 (7) Cabinet also approved the following recommendations -

(a) the purchase of twelve P.2V.7 maritime reconnaissance aircraft to re-arm the present Lincoln squadron;

(Note: The number recommended in the submission was eight, on the basis of the defence vote continuing at its present level. The Cabinet indicated that twelve should be approved tentatively, subject to confirmation when the total programme for composition and equipment of the forces is finally before it.)

C2991 (b) the purchase of eight helicopters for search and rescue and Army support;

C2990 (c) commencement in the programme period of the construction of an additional air base in the Darwin area;

C163 (d) the proposal to reduce the five Citizen Air Force flying squadrons to a non-flying basis, and to use the Permanent Air Force element in these squadrons to form a fourth permanent fighter squadron.

177 (8) Cabinet deferred consideration of the submission (No. 426) on the purchase of equipment for the first S.A.G.W. squadron.

Certified true copy

R. J. Bunting

Secretary to Cabinet

Copy

Gordon Blakeney
Ex Sep. Secretary

46 Vasey Crescent
CAMPBELL 4/4/82

Dear Arthur,

I must apologise for the delay in replying to your note. I was away interstate for a few weeks and only caught up with the mail on my return.

I have no criticisms of the article- on the contrary I strongly endorse the arguments it puts forward. And you have managed to deal in a solid way with many of the fundamental issues of Defence policy, all within a brief space.

My comment is on the last paragraph of p 9 and the first paragraph of p.10. I think there is more to be brought out on the movement of thinkinh in the sixties.

The Defence submission to Cabinet in 1959, based on the Strategic Basis of that year, was that Australia should strengthen its forces to meet Australia,s own independent defence needs rather than fit into the forces of a major ally. From the forces so structured contributions would of course be made to allied forces as the need arose.

Cabinet rejected the "independent" thesis, but the idea continued to exert a powerful influence in Defence thinking. "Self-sufficiency" was now the watchword, and we were reasonably clear what we meant by this. We wanted capabilities rounded out so that Australian forces would be more self-reliant & more able to act by themselves in (?) situation (cf. New Zealand, which because of medagre resources for Defence, perforce had to stick with a kind of colonial mentality).

comment: more self-reliant logistically but to do what? how related to the strategic guidance?

I speak only from memory, but I think the 1962/65 program put to Cabinet contained items such as:

Second Squadron Hercules
Iroquious heleicopters
Heavy Lift helicopters (not in fact bought untila decade later because the RAAF couldnt fing the type it wanted)
Caribous
Second Squadron LRMP aircraft (defence Central, including Scherger pushed the item through against RAAF preference for priority to bombers)
First Fleet replenishment ship (Stalwart)
Logistic ship (again delayed a decade because of argument over type)

Relevalt works items included (about this time)

But Townleys 1959 [1960] reports to Parliament stressed ability to cooperate with allies

Development of Tindal after Darwin
Development of Learmonth
Defence Central (again including Scherger, argued successfully for the Army Third Battle Group to go to Townsville rather than the Mornington Peninsular, below Melbourne, which Army wanted
While the program was under wayVietnam of course made even heavier demands on resources - hence the high rate defence vote as a proportion of GDP, and the high capital rate within the defence program.

As I said I can,t vouch for the detail, but I am sure of the general direction.

I am keeping pretty fit, and the farm doesnt look quite such a dust bowl as it did with the drought and the hoppers.

Hope you are well
Regards
Gordon

(note from G.A. Blakers former Deputy Secretary Defence)

Appendix C:

Selected Records on Alliance Obligations During Konfrontasi (1963-1965)

TOP SECRET

COPY No. 24

CABINET MINUTE

FOREIGN AFFAIRS AND DEFENCE COMMITTEE

Canberra, 12th August, 1963.

Decision No. 975(FAD)

Without Memorandum - Malaysia and meeting with Governor Harriman on 7th June.

In the course of the discussion in the Committee on the defence arrangements to be entered into with the Federation of Malaysia, the Prime Minister and the Minister for External Affairs referred to a proposal received through the United States Embassy, Canberra, for change in the wording of the memorandum of record covering Governor Harriman's meeting with the Cabinet on 7th June.

2. It was noted that the record has quoted Governor Harriman as saying:-

> "If there should be an overt attack on Malaysia and if Australian forces should become involved the ANZUS Treaty would, according to the advice given to the United States Administration by its lawyers, come into operation."

and that the United States now request amendment of the early part of the sentence so that the full sentence would read as follows:-

> "If there should be an overt attack on Australian forces stationed in Malaysia the ANZUS Treaty would, according to the advice given to the United States Administration by its lawyers, come into operation."

3. The Committee considered that the change of words suggested by the United States should be fully accepted. The importance from Australia's point of view is that the suggested United States words put

TOP SECRET

Decision No. 975(FAD) (Continued)

on the ANZUS Treaty the construction that the Treaty comes into operation if Australian forces "stationed in Malaya" are involved in overt warfare. It did not feel that the United States would wish to, or could, construe their words to mean that the coming into force of its ANZUS obligation depends upon overt attack "directed with particularity" at Australian forces.

4. The Committee noted an observation by the Minister for External Affairs that if Australia takes, or accepts, the position that Malaysia is within the ANZUS Treaty area - i.e., within the Pacific - it may follow that other areas, for instance South Vietnam or again the Straits of Formosa, are also to be regarded as part of the Pacific for the purpose of determining the obligations of Australia in the event of attack on United States forces in such places. The Committee indicated that it understood this to be a possible consequence, but in view of the importance to Australia of having it clear that ANZUS applies to Malaysia, it regarded it as a consequence which should, if necessary, be accepted.

Certified true copy

A J Bunting

Committee Secretary.

COPIED IN
- 1 MAR 1976
Cabinet Secretariat

42

TOP SECRET

COPY No. 25 (4)

REPORT OF MEETING WITH MR. AVERELL HARRIMAN,

UNITED STATES UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS,

IN THE CABINET ROOM, PARLIAMENT HOUSE, CANBERRA, 7TH JUNE, 1963.



PRESENT

AUSTRALIA	UNITED STATES
Sir Robert Menzies	Mr. Harriman
Mr. McEwen	Mr. Battle
Mr. Holt	
Sir William Spooner	
Mr. McMahon	
Senator Paltridge	
Mr. Davidson	
Mr. Downer	
Sir Garfield Barwick	
Mr. Adermann	
Mr. Freeth	
Senator Gorton	
Mr. Swartz	
Mr. Fairbairn	

Mr. Bunting
Mr. Munro

TOP SECRET

41

TOP SECRET

REPORT OF MEETING WITH MR. AVERELL HARRIMAN,

UNITED STATES UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS.

The Prime Minister extended a welcome to Governor Harriman on behalf of the Australian Cabinet. He suggested that the meeting would provide a good opportunity to talk problems over with complete frankness and in complete confidence, particularly perhaps the problem of Malaysia and Australia's relationship to it and other problems in the South East Asia area. He referred to his impression that the United States was attaching increasing significance to this area of the world and to the suggestions which the United States had made that the situation called for initiatives in the area. He felt that Governor Harriman might care to elaborate on these matters.

Governor Harriman confirmed that relationships with Australia and New Zealand were increasingly important for the United States - a good deal greater conceivably than Australia might realise. Australia and New Zealand, taken together, represented as much economic strength as Canada. The United States felt that it could detect that under the possibility of Britain's entry into the Common Market, Australia was turning more to the United States. In addition, Australia was probably thinking more about its relationships with the Pacific area, particularly South East Asia and also with the Indian sub-continent.

Australia should not lose sight of the fact that its actions could have much influence on the actions of the United States. President Kennedy and his Administration were in fundamental disagreement with the Dulles' policy of "going it alone". It had no desire for sole leadership, leadership which had been largely thrust upon it. Its desire was to develop partnerships - so much so that it would have no alternative to pulling back from commitments if peoples closely concerned with the problems of a particular area were not willing to take a full interest and to join in with the United States. He said that the British and also the Australian attitudes to India in the recent conflict with China was an encouraging case in point. Britain's willingness to send an air squadron had been important in determining the United States' policy to assist India. The United States hoped that Australia would continue to display its own interest in Indian defence.

Governor Harriman referred next to the question of a nuclear free zone in the Pacific. He said that he applauded the Australian Government's statement on this matter. He said that there were important differences between Latin America and the Pacific from the point of view

TOP SECRET

of nuclear free zones and that, as far as the Pacific was concerned, he wanted to make it clear that it would be impossible for the United States to go on with ANZUS if Australia had not taken the attitude it took or if its views were to change.

Referring to Indonesia, Governor Harriman said that he was aware that Australia looked for a strong attitude on the part of the United States and, further, that Australians were inclined to feel that the United States had not sufficiently supported the Dutch in the West New Guinea matter. He referred to his talks in Washington with the Prime Minister at the time, in which it was made clear that neither the United States nor Australia wanted war over West New Guinea. In addition to this, the Dutch had been determined to give up their sovereignty. It was not fair to place responsibility for the course of events on the United States. Bunker had worked out his solution on his own responsibility and under the auspices of the United Nations. He was not acting for the United States Government.

Concerning East New Guinea, the United States had noted, and with approval, the statement by the Prime Minister that Australia would fight to protect its part of New Guinea. There had been a U.S. statement that the ANZUS Treaty applied to Australian territory in New Guinea and Governor Harriman confirmed this situation.

As to aggressive moves by Indonesia, it was difficult to say what might develop. Soekarno had said publicly that he had no territorial ambitions but there was no warrant for placing any reliance upon Soekarno's word. But, notwithstanding all that might be said against Soekarno, there were two important qualities about him which needed to be recognised and, if possible, used. The first was that he had undoubted leadership, with demagogic qualities to match, of his 100 million people. The second was that he was a strong nationalist. It was important to cultivate nationalism in new countries emerging from colonialism. It ran deeper for them than anti-communism or the rights of the individual on which western countries would place such importance. Soekarno, having struggled to establish independence, was certain to want to protect it. For this reason he would regard China, whether communist or not, as a menace to Indonesia. It was important that this quality of nationalism in Soekarno and in Indonesia be harnessed to our advantage as well as might be possible. Nasution and the Indonesian Army were strongly nationalist and also anti-communist. They were not pro-west but they looked to the west. They were sending Indonesian personnel to the United States for training. The United States undertook this because it induced a certain loyalty in the trainees. Indonesia had also sought United States small arms and these

were being supplied. This was another method of influence. The United States was also helping the Civic Action programme, which was a political move by the Indonesian Army, and hoped that Australia would join in.

There was no way of saying who or what might follow Soekarno but the United States hope was that there would be an important role for the Army. The best general line towards Indonesia seemed to be to develop friends there and to work in with Soekarno and Indonesia as much as possible rather than to try and "hit them over the head". But, in addition, firmness was the central quality of President Kennedy's attitude towards Russia over Cuba. It was successful in that instance and represented the best hope of success with Indonesia. It had recently paid off in the oil row with Indonesia and appeared to be paying off in the matter of Indonesia's campaign against Malaysia. However, in dealing with Soekarno it was desirable to temper firmness with occasional flattery, perhaps on the basis of public flattery, private firmness.

Referring to Malaysia, Governor Harriman said that the United States supported Malaysia but was not the promoter. The promoter was a matter on which the United States looked to Malaya and the British, and that for this purpose "the British" may be taken to include Australia and New Zealand. It was their problem to promote and to develop the Malaysia concept appropriately and get the maximum international approval for the objectives. The United States had sought assurances that Britain would continue to meet her responsibilities in Malaya and not try to cut her losses. It had been assured that Britain would undertake military responsibility against insurgents and the like and would also accept an economic responsibility for the development of Malaysia. Governor Harriman said that the United States could not take on these responsibilities. The feeling in the United States was that it was helping too many countries already. Even so, it was assisting Malaya through the Peace Corps and by providing development loans. However, the fundamental planning was a matter for Britain. As to the part of the United States, President Kennedy had made a statement supporting Malaysia and the ANZUS communique had re-affirmed the United States interest.

On the subject of Australia's role on Malaysia, Governor Harriman said that the United States would wish Australia to extend to Malaysia its present defence commitments to Malaya. He added that if there should be an overt attack on Malaysia and if Australian forces should become involved, the ANZUS Treaty would, according to the advice given to the United States Administration by its lawyers, come into operation.

Governor Harriman referred again to the desirability of firmness. If Australia were by its actions to show firmness about Malaysia, there would be a useful effect on Soekarno's anti-Malaysian activities. He added also that if Australia took a firm line it would find that the United States would not be a bad partner.

Governor Harriman referred to the recent talks between the Tunku and Soekarno. These had come out extraordinarily well. He was not hopeful about the meeting of the three Foreign Ministers. Macapagal was out on a limb in regard to his claim for North Borneo.

Governor Harriman said that the United States had had very direct talks with Soekarno and Nasution. They accepted Nasution's assurances that Indonesia would not engage in aggression against Malaysia and would not become involved in the "volunteer" movement, but Nasution had admitted that if there were an insurrection Indonesia would receive and train insurgents. Governor Harriman said that this action led him to put the view that the firmer Australia and other countries concerned were in support of Malaysia, the less chance there was of something adverse happening.

The Prime Minister asked whether he was right in taking the United States view to be that, just as Australian military presence in Malaya had helped to put down insurgents, so it would be helpful, including to the United States, if Australia took the same view regarding Malaysia - that is to adopt a positive policy of commitment.

Governor Harriman said that what Australia did was, of course, for Australia to say but it ought to be understood that if Australia did not take this attitude, thus sharing in the responsibility, the United States would wonder why and would need to take a second look.

The Prime Minister asked Governor Harriman's opinion on the suggestion for a plebiscite in North Borneo, commenting that Australia did not care for it and regarded it as dangerous.

Governor Harriman said that this was not a matter about which the United States had any primary responsibility. But the plebiscite was a face-saving idea, especially for the Philippines, just as a plebiscite had been a face-saver in West New Guinea. The United States would not oppose a plebiscite. The Philippines' claim to North Borneo was a personal political issue for Macapagal and it was important to get him off the hook and the Philippines quietened down.

Sir Garfield Barwick agreed with Governor Harriman that the claim by the Philippines to North Borneo had to be handled sensitively. His view was that although the British, for good reasons, were not willing to have the matter referred to the International Court in advance of the forming of Malaysia, the issue could be handled by putting the Philippines' claim in the deep freeze for the time being, on the understanding that Malaysia would put the issue to the Court in due course. There was reason to believe that both the Philippines and the Tunku would accept this solution.

As regards Indonesia, Sir Garfield Barwick said that Nasution was not able to form a political organisation. We should not wait for Soekarno to pass from the scene but, as Governor Harriman had said, endeavour to work with him. At the same time there should be no search for face-saving devices for Soekarno in respect of Malaysia. Firmness in support of Malaysia exhibited privately to Indonesia by powers such as the United States would effectively ensure that Malaysia came into being. If plans were dangling for a plebiscite, subsequent to the formation of Malaysia, there would be new scope for subversion. Federation with a right of secession was unacceptable.

The Prime Minister said that it was the Australian view that Malaysia should come into being on the due date and that it appeared to him that the United States took the same view. Governor Harriman agreed that this was so and that the United States saw no satisfactory alternative for the area. He added that it would be necessary to keep a watch for the extension of communist influence after Malaysia comes into existence.

Mr. Holt asked Governor Harriman whether he might clarify his earlier observations about United States participation in support of Australian forces in Malaysia.

Governor Harriman said that if it were a problem of internal security, the responsibility belonged to Malaysia and the British countries. But if there were overt attack and Australian forces were involved, ANZUS would, on the advice given to him, come into force. This would be irrespective of the source of the aggression since ANZUS was not, as SEATO was, related specifically to communist aggression.

The Prime Minister commented that, as he understood it, the dividing line was between overt attack with the troops engaged and ANZUS effective, and subversive activities.

Governor Harriman said that, in addition, he would expect that the United States would play a role apart from its ANZUS commitment - e.g.

in accordance with a United Nations initiative. He asked that this should not be taken as a binding commitment or promise but he felt that it was the policy which the United States Government would follow.

Mr. McEwen indicated that he wished to pursue the question somewhat further. He said that Governor Harriman had expressed the view that Australia, as well as Britain, should support Malaysia by gesture and action and that Australia should broaden its commitments from a Malaya basis to a Malaysia basis. Governor Harriman had also said that United States participation was not possible in a situation of internal subversion but in the face of an overt attack ANZUS would be attracted. But, in Mr. McEwen's view, the discussion so far envisaged only a black or a white situation. He felt that, in addition, there was a grey area, perhaps the most likely area, in which the situation would be subversion arising from organised infiltration from Indonesia. It would be Indonesian "aggression" but not formally or legally identified as such. Australian forces, being in Malaysia for security purposes, would be involved. Australia would be faced, therefore, with the situation in which its forces were fighting Indonesia's resulting in a situation of tension between Australia and Indonesia with Soekarno publicly threatening Australia. Within Australia there would be political demands for some multiplication of military preparations. This in turn would be a serious threat to the necessary course of Australian development. There would also be the unsatisfactory situation of Australia, as a white nation, being regarded throughout Asia and elsewhere as being pitted against coloured peoples. In this situation Australia would wish to have the support of the United States - not necessarily the fighting support, but public verbal support and an unambiguous attitude.

Governor Harriman said that a reply to Mr. McEwen would require a careful choice of words which he would not wish to attempt on the instant. However, he felt that the United States attitude would be much affected by the seriousness with which Australia itself was taking the situation. The United States had assumed extensive obligations abroad and had not yet turned away from an appeal by its friends. If there were a commitment on Australia's part, he did not think that the United States would let Australia down but he could make no commitments. This was a grey area between the two countries. Australia's other activities in South East Asia would also influence the United States.

Sir Garfield Barwick said he understood Mr. McEwen's question to relate to possible Australian participation in police activity in Malaysia resulting in verbal aggression by Indonesia. The question was whether in

that situation the United States would support Australia diplomatically. Governor Harriman said that he felt that the United States would undoubtedly do so.

Sir William Spooner asked whether the United States felt that Portuguese Timor might give rise to an incident with Indonesia - perhaps the first incident.

Governor Harriman said that the Prime Minister's messages to Salazar had put all of us in a better position. The United States was appalled by Portugal's position in Africa and its intentions to keep its territories under colonial status. It seemed that Portugal was doing nothing for Timor. The United States would not fight over Timor if Indonesia were to move in. He gathered that others, including Australia, also had no disposition to fight. It was an embarrassing position and, as with Goa, we all stood to get the worst of both worlds. It was on the cards that sooner or later, perhaps a couple of years after Malaysia had come into being, that Indonesia would intervene. The problem was to find a respectable approach and the right time to make it so as to avoid the embarrassment of Indonesian action. Because of the importance of the Azores for its defence arrangements, the United States would not take a lead.

Mr. McMahon asked Governor Harriman whether the United States felt communist influence in Indonesia to be growing.

Governor Harriman said that he felt that Australian sources of information about the internal political situation in Indonesia were not inferior to United States sources but, as he saw the situation, there was the risk in Soekarno's policy of playing up to the communists and giving the Communist Party importance. There was a risk that Soekarno would not be able to control the communists. Indonesia feared Chinese expansionism. There was evidence that Soekarno, like Nehru, was under the illusion that by working in with Krushchev he obtained a degree of protection against China.

Governor Harriman next replied to questions about Vietnam. He referred to the recent visit of Colonel Serong to Washington. He said Serong's report had confirmed the United States' feeling that the Government was having success. Victory was in sight although it would be a long slow pull. United States assistance in Vietnam was a tremendous undertaking. It was clear that if the United States had not stepped in two years ago, South Vietnam would have been taken over by the North. United States prestige was involved and the United States had 11,000 personnel in South

Vietnam, in addition to giving economic assistance on a large scale. He considered that it was of vital importance that Australia should participate and encourage New Zealand to join in. A joint endeavour, involving Australia, Britain and New Zealand, made it easier for President Kennedy to get Congressional support for continued United States action than if the United States were acting alone.

Governor Harriman said that, in relation to Laos, President Kennedy had been faced with unhappy alternatives. The previous Administration had mistakenly attempted to make Laos a bastion of strength. The fact was that the nationalists would not fight even if only a small number of North Vietnamese faced them. Phoumi and Kong Lee could handle the Pathet Lao but not the North Vietnamese. President Kennedy had been faced with the possibility of sending in a large expeditionary force, with or without SEATO; or accepting Laos as a neutral area. A cease-fire had been achieved and during his recent visit to Moscow, Governor Harriman had secured Krushchev's re-affirmation of his commitment to neutrality for Laos and support of the Geneva accords. Nevertheless, Governor Harriman's impression was that the Soviet either did not have much influence over North Vietnam or else was not prepared to use its influence. Souvannavong gave the impression that he wanted to support Souvanna Phouma but spoke with the voice of his aggressive colleagues in Hanoi. To the extent that it was now a case of Phoumi and the neutralists against the Pathet Lao, there had been an improvement from the international standpoint.

The Polish member of the I.C.C. was acting rather badly but the Indian Chairman of the I.C.C. was now taking a vigorous position and calling the shots as the United States saw them (as regards acting on majority vote, movement of the I.C.C. around the country, stiffening Souvanna Phouma, etc.). The military conflict had been replaced by political conflict and the United States preferred to battle out the issue on this basis. There was a situation of de facto partition, with the nationalists in control of the productive Meking Valley. The United States was continuing to support Souvanna Phouma but Governor Harriman would not predict the outcome. The United States was charged with imperialism. It was hoped that a communist takeover could be prevented.

The Prime Minister, referring to the new Indian attitude on the I.C.C., mentioned the recent visit to Australia of Krishnamachari. He had expressed the view to Krishnamachari that India had been so devoted to non-alignment and so confident of its relationships with Communist China, that India's influence in Asia had diminshed. He had suggested that the time had come for India to take a diplomatic initiative to protect Asia against communist incursions.

Governor Harriman referred to the SEATO exercises in Thailand and said that, after these were over, we should consult and, if possible, agree to leave our air units behind. This would have an important psychological effect on China as indicative of an intention to resist if China went too far. The presence of forces constituted a threat and there were indications that North Vietnam was worried about the possibility of an attack by air. The Seventh Fleet was in the area. The United States was grateful for Australia's presence and support in Thailand. The Thais were sensitive about United States presence and it was better if we were there together, with New Zealand assistance.

The Prime Minister said that Australia concurred in the view that action should be cast in a SEATO context rather than the United States going alone. This was the view which Australia had taken on the occasion of the flurry in Laos two years ago.

Governor Harriman said Cambodia should be cultivated. The United States was hopeful about getting the French to play a constructive role. President de Gaulle had influence with Sihanouk. The Prime Minister asked whether Sihanok, was defeatist. This was affirmed.

Mr. Holt asked about Communist Chinese influence in North Vietnam. Governor Harriman said that the United States' reading had been that Soviet interest in North Vietnam was very real. It was because of this that Russia had supported the Geneva accords and, as co-chairman, had agreed to police them. At that time North Vietnam appeared to be looking to Moscow for major assistance in providing arms, etc.. However, in recent months the United States thought that Ho Chi Minh had veered towards Peking. Changes in the Ministry had placed pro-Peking men in the ascendancy.

Governor Harriman considered that Krushchev's greatest pre-occupation at present was his struggle with Peking. He was affronted by Peking's international challenge and the gains Peking was making. The Indian Communist Party had gone over to Peking and Peking's influence was increasing in the African, Scandinavian and even European Communist parties. Krushchev had accorded Castro full honours and tried to put forward Cuba as an example of the success of Krushshev's peaceful co-existence policy, but China was saying it represented defeat. The forthcoming meeting of 5th July would bear watching. Governor Harriman's guess was that Krushchev did not want another confrontation - whether in Cuba or Berlin - but would use vigorous and abusive language to try and convince the world of Soviet strength. Governor Harriman considered the Moscow-Peking rift would make

Krushchev more difficult to deal with in the long run. Communist China was a big danger and it would be necessary for Australia and the United States to keep in close touch about developments.

The Prime Minister commented that the Australian Communist Party had stayed with Moscow but was increasing its lines into Peking.

The Prime Minister thanked Governor Harriman for the opportunity for frank discussion which Governor Harriman's visit had furnished.

57

THE WHITE HOUSE

WASHINGTON



CONFIDENTIAL August 19, 1963

Dear Mr. Prime Minister:

Following our conversation here in Washington last month, I have given further thought to the implications under the ANZUS Treaty of possible Australian military assistance in the defense of Malaysia. I agree with you that the best course to follow is to have our respective Governments consult closely with each other on the steps each would be prepared to consider in this situation.

I have asked the Department of State to prepare for consultations in Washington with the appropriate officials of your Government on this subject. The Department is ready to meet with your representatives at your convenience. In light of the present delicate international situation with respect to the formation of Malaysia, I should imagine that we would both wish to keep knowledge of these consultations confidential for the time being.

Sincerely,

The Right Honorable
Sir Robert Gordon Menzies,
Prime Minister of Australia,
Canberra.

CONFIDENTIAL

copy to defence

171

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

MH

I.27104

FROM:

DATED: 4TH OCTOBER, 1963.
2040

AUSTRALIAN EMBASSY,
WASHINGTON.

REC'D: 5TH OCTOBER, 1963.
1235

2651. SECRET. URGENT.

REPEATED U.N. NEW YORK, FOR BARWICK FROM BEALE.

FOR MENZIES FROM BEALE.

IN THE TALK BETWEEN HARRIMAN AND HOLT THIS MORNING, I TOLD HARRIMAN THAT WE WOULD NOT BE READY TO COMMENCE CONSULTATIONS UNTIL THE WEEK AFTER NEXT, AND THAT THEY WOULD BE INITIATED BY THE MINISTER DURING HIS VISIT COMMENCING ON MONDAY, OCTOBER 14.

2. HARRIMAN SAID HE HAD LOOKED AT THE RECORD OF THE CONVERSATION WITH THE PRESIDENT TWO DAYS BEFORE, AND WAS CONCERNED WITH THE INTERPRETATION WHICH, ACCORDING TO THIS RECORD, I HAD PUT UPON ANZUS, WHICH WAS APPARENTLY TO THE EFFECT THAT THE AUSTRALIAN GOVERNMENT CONSIDERED THAT THE U.S. HAD A COMMITMENT TO AUSTRALIA UNDER A.N.Z.U.S. IN THE EVENT OF SUBVERSION IN MALAYSIA.

I SAID I HAD NOT SAID THAT, AND I REPEATED THE WORDS I HAD USED TO THE PRESIDENT (AS REPORTED IN PARA 2 OF MY 2611.)

I SAID THAT I WOADERED WHETHER HILSMAN WHO TOOK THE NOTE, MIGHT HAVE MISTAKENLY RELATED WHAT I SAID TO THE RECENT AUSTRALIAN GUARANTEE OF MALAYSIA AGAINST SUBVERSION AS WELL AS ATTACK.

HARRIMAN SAID IT WAS POSSIBLE ALSO THAT THE PRESIDENT HAD NOT FULLY UNDERSTOOD WHAT HE (HARRIMAN) HAD SAID IN CANBERRA.

HOLT POINTED OUT THAT SUBVERSION WAS SOMETHING WE OUGHT TO BE ABLE TO HANDLE OURSELVES.

3. HOLT AGAIN EMPHASISED THE IMPORTANCE THE GOVERNMENT ATTACHED TO THE HARRIMAN STATEMENT WHEN WE DECIDED TO GIVE OUR GUARANTEE TO MALAYSIA.

HE ALSO REPEATED WHAT HE HAD SAID TO THE PRESIDENT TO THE EFFECT THAT WE WOULD NATURALLY ACT AS A CAREFUL AND RESPONSIBLE GOVERNMENT, AND THAT THERE WAS DANGEF IN OVER FAIMILIARISING OUR R ELATIONSHIPS, AND THAT WE SHOULD KEEP CLOSE TOGETHER AND CO ORDINATE OUR POLICIES.

4. THE TALK THEN TURNED TO THE QUESTION OF CONSULTATIONS.

HARRIMAN SAID HE STANDS BY HIS STATEMENT IN WELLINGTON AND CANBERRA, AND IN PARTICULAR, THE AGREED RECORD OF HIS CANBERRA TALK.

AS TO THIS LATTER, HE SAID THAT HE REGARDS THIS INTERPRETATION OF A.N.Z.U.S. AS A U.S. COMMITMENT, BUT IT IS NOT NECESSARILY A MILITARY COMMITMENT.

SPEAKING OF 'ACTION' THAT THE GOVERNMENTS MIGHT TAKE, HE

SECRET SECRET SECRET

170

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

MH - 2 - I.27104

SAID THERE WERE VARIOUS KINDS OF ACTION WHICH MIGHT BE CONSIDERED AS SUITABLE, INCLUDING APPROACH TO THE U.N..
HE SAID HE THOUGHT IT WAS NECESSARY, THEREFORE, THAT WE SHOULD HAVE CONSULTATIONS AS SOON AS WE COULD.

5. I SAID I AGREED WITH THE NEED FOR SUCH CONSULTATIONS, BUT I WOULD LIKE TO ASK HIM A QUESTION, WHICH WAS THIS.. DID HE REALLY FIND ANYTHING TO DISAGREE WITH IN THE STATEMENT WHICH I SAID I HAD MADE TO THE PRESIDENT.
HE SAID HE WOULD PREFER NOT TO ANSWER THAT AT PRESENT, BUT THE US HAD NEVER LET A FRIEND DOWN YET.
I SAID THAT THIS LAST WAS REALLY THE ESSENCE OF MY POINT TO THE PRESIDENT.

6. HOLT THEN HAD A BRIEF DISCUSSION WITH HARRIMAN CONCERNING THE INTEREST EQUALISATION BILL ALONG THE SAME LINES AS PREVIOUSLY REPORTED.

A/MIN & DEPT E.A.
P.M.'S.

5TH OCTOBER, 1963.

SEC FAS(1,2,4) MR LOVEDAY MR JOCKEL

SECRET SECRET SECRET

SECRET

MINISTER FOR EXTERNAL AFFAIRS

CANBERRA, A.C.T.

22 OCT 1963

11 NOV 1963

My dear Prime Minister,

As I told you in Sydney on 20th October, I had talks in Washington on 17th October with President Kennedy and Secretary of State Dean Rusk on the question of the applicability of the United States obligations under the ANZUS Treaty to assist Australia in the event that armed attacks were made against Australian forces stationed in Malaysia. This had been the subject of earlier discussions between ourselves and the Under Secretary of State for Political Affairs, Mr. Averell Harriman, and later between yourself and President Kennedy.

As a result of my talks in Washington on 17th October, agreement was reached on the procedure which would apply between Australia and the United States under the ANZUS Treaty. I attach copy of the record of the understanding which was agreed between President Kennedy and myself.

You will see that, in addition to confirming that the United States will act under Articles IV and V of the Treaty in the event of an armed attack by Indonesian armed forces on the armed forces, public vessels or aircraft of Australia in Malaysia, reference was made also to subversion and it was agreed that "it was not feasible to define in advance when subversion, guerrilla warfare or indirect aggression becomes an armed or overt attack but that this matter would be decided jointly by the parties to the Treaty".

You will notice that I gave the assurance to the United States that Australia would consult with the United States before stationing armed forces in Sarawak or Sabah.

It was agreed that the response of the United States in the event of an armed attack will be determined in consultation but the assurance was given that, in case it was decided that United States armed forces were necessary in support of Australian forces engaged in the defence of Malaysia, the United States "would be prepared to commit air and sea forces and to provide logistic support".

You will notice the final paragraph in the agreed note in which the United States has emphasized the need to use all available diplomatic and political means to prevent any provocation real or imagined which would lead to an acceleration of hostilities amongst the parties concerned in the Malaysia controversy. In this connection I gave the assurance to President

The Rt. Hon. Sir Robert Menzies, K.T., C.H., Q.C., M.P.,
Prime Minister of the Commonwealth of Australia,
Parliament House,
CANBERRA.

SECRET

Kennedy that, while Australian Government comments on the Malaysian situation in the context of the election campaign which will be waged in Australia for the coming six weeks will be necessarily robust, they would not be provocative.

I believe that the note agreed to by President Kennedy is a valuable elucidation of the United States obligations under ANZUS to Australia. The British Government has not been informed of our conversations on this topic in Washington, although I revealed something of the nature of them to the Secretary of the New Zealand Department of External Affairs, Mr. McIntosh, as a matter emerging from my discussions with President Kennedy.

I am sending a copy of the attached agreed note to our colleague, the Acting Minister for Defence, and I believe that it should be circulated to members of the Defence Committee. Beyond this, I suggest the distribution should be strictly limited.

Yours sincerely,

(GARFIELD BARWICK)

SECRET 278

SECRET.

The ANZUS Treaty provides that in the event of an armed attack in the Pacific area on any of the parties, including their armed forces, public vessels or aircraft, each party would "act to meet the common danger in accordance with its constitutional processes." In view of the present situation with respect to Malaysia, it is deemed desirable to set forth the nature of the obligations of the parties to the Treaty as defined in recent discussions between representatives of the United States and the Commonwealth of Australia.

Conversations held between the Prime Minister of Australia and the Under Secretary of State for Political Affair on June 7, 1963, between the Prime Minister and the President of the United States on July 8, 1963, and between the Minister of External Affairs and the Under Secretary of State for Political Affairs on October 14, 1963 dealt with the possibilit of armed attack against Australian forces stationed in Malaysia In the context of those conversations it was confirmed that the United States would act under Articles IV and V of the Treaty in the event of an armed attack by Indonesian armed forces on the armed forces, public vessels or aircraft of Australia in Malaysia. In those conversations it was also understood that the Treaty relates only to overt attack and not to subversion, guerrilla warfare or indirect aggression. It was agreed that it was not feasible to define in advance when subversion, guerrilla warfare or indirect aggression becomes armed or overt attack, but that this matter would be decided jointly by the parties to the Treaty.

The United States understands that Australia has its own honorable obligations but would consult with it before Australia makes further military commitments in the Treaty area

SECRET

SECRET 277

The Minister of External Affairs of the Commonwealth of Australia assured the Under Secretary of State for Political Affairs on October 14 that Australia would consult with the United States before stationing armed forces in Sarawak or Sabah.

Since the Treaty does not define the kind of action the parties must take in the event of an armed attack, the response of the United States would be determined in consultation with the other parties to the Treaty. It was agreed that there was a whole range of measures which might be appropriate including political and diplomatic activities and in an extreme situation, the use of armed force. In view of the extensive commitments of the United States throughout the world, however, further consultations would be necessary before any United States armed forces were committed. In case it was decided that such forces were necessary, in support of Australian forces engaged in the defense of Malaysia, the United States would be prepared to commit air and sea forces and to provide logistic support. It was understood that any of the foregoing actions would be subject to the constitutional processes of the United States.

It was recognized that the interests, commitments and responsibilities of the ANZUS partners in the Pacific area require that all parties concerned in the Malaysia controversy avoid political actions or statements which might lead to precipitate military action involving one or more of the ANZUS partners. The United States therefore wishes to stress the need to use all available diplomatic and political means to prevent any provocation, real or imagined, which would lead to an acceleration of hostilities. To this end the United States urges that there be the closest consultation among all parties concerned with respect to political and military actions taken and statements made so that the United States will be continuously in a position to give prompt consideration to the action it it should take in support of its partners under the Treaty.

SECRET

119

PRIME MINISTER'S DEPARTMENT

ATG:MER

MR. BUNTING:

Harriman stated that "If there should be an overt attack on Australian forces stationed in Malaysia, the ANZUS Meeting would, according to the advice given to the U.S. administration by its lawyers, come into operation ". The operative clause for the ANZUS Treaty is "Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes." The Barwick paper agreed with Kennedy does not refute an undertaking given by Harriman. The ANZUS Treaty will come in, in an overt attack on Australian forces. However, the ANZUS Treaty has been considerably written down by two devices. One, by saying with our agreement, that it does not refer to subversion and two, by saying that action under agreement did not necessarily mean the use of armed forces. It means this, according to the Barwick/Kennedy note, only in an extreme situation.

What worries me is that I would like to read this note exchanged by Kennedy and Barwick as referring only to the application of the ANZUS Treaty in respect of talks on Australian forces in Malaysia. I fear however that the sentence (viz. the second last sentence of the second paragraph and the second sentence of the fourth paragraph) are not tightly enough drawn to be read as applying only to the interpretations we would want to place on the Treaty in respect of Australian forces being attacked in Malaysia.

Therefore the net result of this could be that, with our agreement, we have allowed the Americans to say to us on paper that "action" under ANZUS can mean anything. The Treaty does not apply to indirect aggression, subversion or guerilla warfare. We have therefore allowed discussions to slide to an overall interpretation of the ANZUS Treaty which I am sure was never intended by the Prime Minister. Our position has always been that we have no doubts at all about the application of the Treaty in respect to Australia and its Territories and the exercise was merely intended to define the application of the Treaty in respect of Malaysia. I therefore consider that the document represents a major qualification on ANZUS, not in respect of what it says about its application in the Malaysian context, but in what it may now appear to be saying about ANZUS and its application in respect of Australia and its Territories.

I therefore suggest that your proven skill in matters of interpretation be given full opportunity to weigh carefully this document, (which is faceless ~~enough~~ - it does not even have a name on it which ties it specifically to Malaysia.) I am worried about a document which appears to lump or can be read as lumping the application of ANZUS in Malaysia with the application of ANZUS say to East New Guinea. I therefore think that the Minister has been out-manoeuvered, and we are left to feel that ANZUS is not a mutual defence fact but a document which invokes diplomatic procedures.

.....A.T.A.....

6th November, 1963.

DEPARTMENT OF EXTERNAL AFFAIRS

COPY NUMBER 42

INWARD CABLEGRAM

TM. I.7419.

FROM: DATED: 4TH MARCH, 1964. 1714.
REC'D: 5TH MARCH, 1964. 1122.

AUSTRALIAN EMBASSY,
WASHINGTON.

621, TOP SECRET.

FOR MENZIES AND BARWICK FROM BEALE.

YOU WILL HAVE NOTICED SULLIVAN'S REMARKS TO RENOUF AS REPORTED IN OUR 440 AS FOLLOWS:

"AUSTRALIA PARTICULARLY SHOULD REMEMBER THAT THERE WAS ONLY ONE COUNTRY OF THE WORLD WHICH HAD THE CAPACITY TO DESTROY UNITED STATES' TERRITORY, THE U.S.S.R.
THE U.S.S.R. WAS THEREFORE THE ONLY COUNTRY IN THE WORLD WITH WHICH THE VITAL NATIONAL INTERESTS OF THE UNITED STATES WERE INVOLVED AND IT WAS ONLY ISSUES WITH THIS COUNTRY (E.G. BERLIN, AND CUBA) WHICH DIRECTLY CONCERNED THOSE INTERESTS.
OTHER COUNTRIES AND REGIONS IN THE WORLD WERE, TO THE UNITED STATES, THEREFORE"ON THE FRINGE" AND THIS APPLIED EVEN TO VIET-NAM".

2. IF THIS IS TO BE INTERPRETED MERELY AS A SORT OF STATEMENT OF PRIORITIES, THEN IT CAN SCARCELY BE OBJECTED TO BECAUSE RUSSIA IS, OF COURSE, THE MAIN IMMEDIATE THREAT TO THE UNITED STATES.
BUT IF IT MEANS WHAT IT SEEMS TO SAY, NAMELY, THAT UNITED STATES VITAL INTERESTS ARE INVOLVED ONLY IN AREAS WHERE THERE IS A THREAT FROM RUSSIA, THEN THIS IS NOT A CORRECT OR COMPLETE STATEMENT OF UNITED STATES POLICY.
AS YOU WILL RECALL, RUSK HAS SAID THAT UNITED STATES CONSIDERS THAT ITS VITAL INTERESTS ARE ALSO INVOLVED IN PLACES LIKE LATIN AMERICAM CHINA, AND VIET-NAM (AS DISTINCT, E.G., FROM WEST NEW GUINEA, WHICH WAS UNDER DISCUSSION AT THE TIME).

3. NOTWITHSTANDING THE SOMEWHAT UNUSUAL CIRCUMSTANCES IN WHICH SULLIVAN MADE HIS PRONOUNCEMENT, I THINK HE PROBABLY MEANT WHAT HE SEEMED TO SAY, AND THERE WILL BE OTHERS WHO THINK THE SAME WAY, AND THEY WILL TEND TO PRESS THEIR VIEWS ON THEIR SUPERIORS, ESPECIALLY WHEN THINGS ARE GOING BADLY AND THE UNITED STATES SEEMS TO HAVE HER HANDS TOO FULL.
FORRESTAL - THE PERSONABLE YOUNG WALL STREET LAWYER BROUGHT IN BY HARRIMAN - MAY BE A LITTLE INFECTED WITH THIS VIEW, IF FOR NO OTHER REASON THAN BECAUSE OF HIS YOUTH AND LACK OF PREVIOUS PRACTICAL POLITICAL EXPERIENCE.

4. SEVERAL OF THESE MEN - MOSTLY, BUT NOT ALL, NON-CAREER MEN - CONFORM TO A WELL-KNOWN AMERICAN PSYCHOLOGICAL TYPE.
THEY ARE ABLE, ENERGETIC, SELF-CONFIDENT, OPTIMISTIC, AND OFTEN VERY SUCCESSFUL IN EXECUTIVE POSITIONS.
THEIR TROUBLE, AS THE PSYCHIATRISTS HERE HAVE BEEN POINTING OUT, IS THAT WHEN THEY ARE FRUSTRATED BY PROBLEMS WHICH THEY CANNOT SOLVE THEY TEND TO RESORT TO PHRASES OR GIMMICKS AS IF THESE WERE GENUINE RESULTS., OR THEY BLAME SOMEBODY ELSE., OR THEY DEVISE SOME COMPROMISE WHICH THEY THEN RATIONALISE INTO A SUCCESS.

TOP SECRET TOP SECRET TOP SECRET

DEPARTMENT OF EXTERNAL AFFAIRS

COPY NUMBER 42

INWARD CABLEGRAM

TM. 2. I.7419.

THUS, THEY APPOINT A COORDINATING COMMITTEE TO SOLVE THE VIET-NAM SITUATION., OR THEY SAY "SANDYS WRECKED THE MANILA AGREEMENT"., OR THEY SEND BOBBY KENNEDY TO GET A TRIPARTITE MEETING GOING AND THEN SAY " THE DISPUTE MUST BE TAKEN OUT OF THE JUNGLE INTO THE CONFERENCE ROOM, AND TO THIS END THE TUNKU MUST MAKE CONCESSIONS."

IN AN EXTREME FORM, THIS KIND OF RETREAT IN THE FACE OF FRUSTRATION CAN ALSO TAKE THE FORM OF ISOLATIONISM.

5. I HOPE ALL THIS DOES NOT SOUND TOO FANCY, BUT IT MAY HELP TO EXPLAIN THEIR ATTITUDE OVER MALAYSIA: WHY ANY SETTLEMENT SEEMS TO BE A GOOD SETTLEMENT, AND WHY THEY LISTEN SO ATTENTIVELY TO THE SIREN VOICE OF MR.JONES FROM DJAKARTA SINGING SONGS THEY WANT TO HEAR.

FORTUNATELY, ONE OF THE WORST OF THE TYPE HAS JUST BEEN DISPOSED OF., FOR, ALTHOUGH HILSMAN'S DEPARTURE IS BEING DRESSED UP AS A RESIGNATION TO RETURN TO ACADEMIC LIFE, IT IS CLEAR THAT HE WAS REMOVED BY THE WELL-KNOWN TECHNIQUE OF WOUNDING HIS"ARMOUR PROPRE" BY SIDETRACKING HIM.

6. ON THE OTHER HAND OF COURSE, THERE ARE ALSO OLDER AND MATURER MINDS IN THE ADMINISTRATION WITH DIFFERENT IDEAS.

RUSK IS ONE OF THESE, SO IS MCNAMARA, NOTWITHSTANDING HIS SUPER-EFFICIENT BUSINESS EXECUTIVE BACKGROUND.

ANOTHER, I THINK, IS MCGEORGE BUNDY WHO HAS BEEN IN CONTACT WITH GOVERNMENT AND INTERNATIONAL AFFAIRS THROUGH HIS FAMILY FOR MANY YEARS.

SO ALSO IS WILLIAM BUNDY WHO HAS JUST SUCCEEDED HILSMAN.

7. AVERELL HARRIMAN IS MORE DIFFICULT TO CLASSIFY.

HE IS OLD, TOUGH, HIGHLY EXPERIENCED, AND NOT DISPOSED TO STAND ANY NONSENSE IF HE CAN HELP IT., AND HIS ASSURANCES TO US OVER THE INTERPRETATION OF THE ANZUS TREATY (WHICH HE HAS STOUTLY REASSERTED NOTWITHSTANDING SOME CRITICISM IN THE ADMINISTRATION) SHOW THAT HE IS A REALIST AND DOES NOT BACK AWAY FROM UNITED STATES OBLIGATIONS.

ON THE OTHER HAND, HE PRIDES HIMSELF ON BEING A GREAT NEGOTIATOR, AND NEGOTIATORS ARE INCLINED TO WANT TO GET RESULTS, NO MATTER WHAT.

8. YET EVEN MEN LIKE RUSK, MCNAMARA, BUNDY AND HARRIMAN ARE NOT READILY GOING TO ADOPT POLICIES SUITABLE TO US, IF BY DOING SO THEY MAKE EXTRA DIFFICULTIES FOR THEMSELVES, ESPECIALLY IN THE FACE OF ARGUMENTS COMING UP FROM BELOW OPPOSED TO SUCH POLICIES.

THEREFORE, DESPITE AUSTRALIA'S STANDING IN THE U.S.A. AND THE GOOD RELATIONS WHICH EXIST BETWEEN THE EMBASSY AND THE ADMINISTRATION, THE PRESSURE HAS TO BE KEPT UP.

9. IN THIS CONTINUING TASK WE ENCOUNTER A FURTHER DIFFICULTY.

WHEN, FOR INSTANCE, AUSTRALIA ASKS THE UNITED STATES TO ADOPT A STIFFER LINE WITH SUKARNO, AS THEY SEE IT WE ARE ASKING THEM TO ASSUME ADDITIONAL RESPONSIBILITIES, INVOLVING RISKS OF MILITARY INVOLVEMENT AND ESCALATION, IN AN AREA OF THE WORLD WHERE OUR VITAL INTERESTS ARE FAR MORE DIRECTLY INVOLVED THAN THEIRS.

THEIR REACTION IS TO ASK THEMSELVES WHAT WE ARE PREPARED TO DO.

NOR DO THEY ONLY ASK THEMSELVES; IN THE FRANK TALKS WHICH TAKES PLACE BETWEEN THEIR OFFICIALS AND OURS, FOR INSTANCE, THE COMMENT HAS SOMETIMES BEEN MADE - "O.K. YOU SAY "WE" SHOULD DO THIS, OR "WE" SHOULD DO IT THIS WAY AND NOT THAT WAY,

TOP SECRET TOP SECRET TOP SECRET

DEPARTMENT OF EXTERNAL AFFAIRS

COPY NUMBER 42

INWARD CABLEGRAM

TM. 3. I..7419.

BUT WHAT YOU REALLY MEAN IS THAT THE GOOD OLD U.S.A. SHOULD DO IT., BUT WHAT ARE YOU PREPARED TO DO?"

THE LANGUAGE VARIES ACCORDING TO THE LEVEL BUT THE THOUGHT IS THE SAME, AND IT IS NOT LIMITED TO THE YOUNG MEN WHOSE PSYCHOLOGY I WAS ANALYSING IN PARAGRAPHS 3 AND 4 ABOVE.

10. ALTHOUGH WE GIVE THE USUAL ANSWERS, INCLUDING REFERENCE TO OUR RECENT AND CONTEMPLATED INCREASES IN THE DEFENCE VOTE, AND THE AID WE ARE GIVING IN THE AREA, THE FACT IS THAT THEY DO NOT THINK WE ARE DOING NEARLY ENOUGH.

I FEEL SURE THAT OUR SUCCESS IN PERSUADING THE UNITED STATES TO PURSUE POLICIES WHICH WE FAVOUR AND THEY DO NOT WILL DEPEND IN NO SMALL DEGREE UPON THE EXTENT TO WHICH WE DEMONSTRATE OUR WILLINGNESS TO BACK THOSE POLICIES BY INCREASED EFFORTS AND SACRIFICES OF OUR OWN.

PRIME MINISTER & DEPT
MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
P.M's.

5TH MARCH, 1964.

SEC PAS(1,2,4) AS(JIC) S&SEA DL EAMEC PACAM

TOP SECRET TOP SECRET TOP SECRET

TOP SECRET

35/55

61/1318

CANBERRA. A.C.T.
23rd July, 1964.

My dear Prime Minister,

You will have seen a copy of telegram 4873 from London regarding a conversation between officers of the Foreign Office and the Commonwealth Relations Office and the Australian External Affairs Office in London, concerning Malaysia and the possibility of joint planning between Britain, the United States and ourselves. I remember hearing you mention this matter in London and it appears to me that Mountbatten may have over-valued what you said, and that the British may be a little too eager in trying to improve on the occasion.

Having in mind what you had said in London I made a tentative reference to the subject when I was in Washington, in private conversation with Rusk. His remarks left me in some doubt whether the Americans have in mind anything as definite as the British now assume to be their attitude. The position as I interpret it is that the Americans have no intention of taking a military role in the Malaysia/Indonesia conflict unless, as the result of major Indonesian aggression, it escalates into a real war as distinct from infiltration and guerilla activities. Their only planning would relate to the major war; they would not undertake planning until such time as a major war appeared to be certain; and they would be hesitant about doing anything that suggested that they were preparing to employ significant American forces against Indonesia. I also formed the impression that any references that Rusk might have made from time to time about such actions as "the seizing of a couple of islands from the Indonesians" were part of a process of thinking aloud about various ways in which it might be possible for the British, rather than the Americans, to indicate that they were in earnest if it were considered desirable to give Soekarno a jolt.

If and when a message is received from the Prime Minister of the United Kingdom, as forecast in paragraph 4 of the telegram from London, we can judge the request on its merits but, on my present information, I would think that the furthest we can go is to make a general inquiry from the United States whether they would contemplate planning and that we should not immediately make firm proposals for a meeting. Perhaps we will have enough

(Copy to E.W. Peacock - on personal basis)
EAB 30/7

Yours sincerely,
Garfield

TOP SECRET

TOP SECRET

54

information before next Tuesday to enable us to discuss this new development, among other developments, in the Defence and Foreign Affairs Sub-Committee of Cabinet on Tuesday.

Yours sincerely,

(Paul Hasluck)

The Rt. Hon. Sir Robert Menzies,
K.T., C.H., Q.C., M.P.,
Prime Minister,
Parliament House,
CANBERRA. A.C.T.

SECRET

M

FOR THE MINISTER

Discussions of U.S. Obligations under ANZUS towards Australia in Borneo

You recently referred to the preference of Australian Ministers to rest on the broad language of the treaty as a definition of the American "commitment" to Australia.

2. I have had prepared for your information the .... attached summary of events and the 17th October Record of Understanding.*

3. Pressure for the spelling out of what each country expected of the other came from the American President, after the Prime Minister's discussion with him in July, 1963, and it seems to me that this is relevant to our own future Government decisions and estimates of what we may expect from the Americans.

4. My own interpretation of the situation is that the Americans will decide in the environment of the time what action they will take when Australians are subject to attack; but that we have been put on notice by a former President that the American understanding of its obligations was such as to exclude help from them to Australia in certain circumstances. For the rest, there was deliberate notice to us, in the Record of Understanding, that the United States thought that the use of armed force should be reserved for an extreme situation and that it would probably take the form of air and sea forces and logistics. As I read the situation, these latter indications are not, and could not be, a precise statement of the limit to what the United States would in fact do to help us.

5. The foregoing is not to question the policy of avoiding, in current diplomatic exchanges between ourselves and the United States, the elevation of the importance of the Record of Understanding; but rather to suggest that we should take the piece of paper as having real, if imprecise, meaning in our Government's own private deliberations.

(A. H. Tange)
Secretary

→ MR London

I have sent Smiles the carbon ~~of~~ of the which you gave me.

10/2/65
AHT/MPW

10/2/65

SECRET

Appendix D:

Selected Records on Britain's Withdrawal from East of Suez

(1966-1971)

TOP SECRET

COPY No. 36

C A B I N E T M I N U T E

FOREIGN AFFAIRS AND DEFENCE COMMITTEE

Canberra, 25th May, 1967

Decision No. 357(FAD)

Submission No. 283 - Britain East of Suez.

The Committee considered the report of the Defence Committee annexed to the Submission. The Committee agreed :-

(a) that the central objective of Australian policy is to secure a continuing British commitment to the Malaysian region, the text of which would be the preparedness of the British Government to maintain an infantry force within the area;

(b) that, as seen at this distance, the Prime Minister could best initiate his discussions in London by dealing with and seeking to affect the British Government's mind on the long term position - that is, after 1970/71 - rather than allow the discussion to concentrate itself on the detail of the reduction of British forces in the short and medium terms;

(c) that in dealing with the long term position, the Prime Minister might:-

(i) show in terms of the British interest, the developing economic significance of Asia;

TOP SECRET

Decision No. 357(FAD) (Continued)

(ii) invite Britain to consider the consequences for her world position of withdrawal from Asia;

(iii) invite her, conversely, to consider the importance for world security and stability which attaches to a full continuing relationship with the United States in NATO, CENTO, SEATO and the Indian Ocean;

(iv) to make clear that if Britain withdrew her commitment to South-East Asia then in effect Britain would be revoking a bilateral security arrangement which is both integral and complementary to the pattern of treaty arrangements developed by the United States for the security of the Western position in Asia;

(d) that it should be argued as necessary:-

(i) that contrary to the sense of claims made by certain British Ministers, the United States is continuing its policy of establishing in Asia the necessary military infrastructure and capacity to discharge its treaty obligations and that suggestions of American withdrawal are without true foundation;

(ii) that, again contrary to some claims by British Ministers, the "white faces" argument is without true foundation;

(e) that the Prime Minister's discussions with the President of the United States in advance of his visit to London and also the

Decision No. 357(FAD) (Continued)

discussions scheduled to take place between the President and the Prime Minister of Britain will be of particular importance;

(f) that any final decision by the British Government to withdraw from South-East Asia would have fundamental and far-reaching consequences for Australia's external position as to require the re-casting of Australian external policy in fundamental terms;

(g) that if, notwithstanding all that will be said to the contrary, Britain decides upon withdrawal by the mid 1970's, the Australian objective should be to have all announcement of such a decision withheld, since to announce would be to begin to bring about the effects of withdrawal;

(h) that if, on the other hand, Britain is brought to agreement to maintain a continuing commitment to the Malaysian region, the Prime Minister should as a consequence indicate willingness to accept such run down of British forces in the short and medium term, though reserving an influence with Britain in how the run down might best be achieved in the collective interest;

(i) that if the British decide to withdraw voluntarily - i.e. in a situation where the countries of the region wish them to stay - it does not necessarily follow that it would be in Australia's best interests in these circumstances to have the British established in Australia, and any commitment by Australia to make financial contributions towards the establishment of

Decision No. 357(FAD) (Continued)

British bases in Australia should not be assumed;

(j) that action be taken to inform the Malaysian and Singapore Governments of the Australian Government's position and to secure their support for it;

(k) that action be taken also to inform the New Zealand Prime Minister of Australia's position.

Certified true copy

K.J. Bunting

Secretary to Cabinet

SECRET

SUMMARY RECORD OF DISCUSSIONS DURING A WORKING LUNCH, GIVEN BY THE SECRETARY OF DEFENCE, AT ADMIRALTY HOUSE, LONDON, ON JANUARY 13, 1969.

The following were present:

BRITAIN.

Secretary of State for Defence (Mr. Healey)
Chief of the Defence Staff (Marshal of the Royal Air Force, Sir Charles Elsworthy).
Commander-in-Chief Far-East (designate) (Vice Admiral Sir Peter Hill-Norton).
Deputy Secretary (Political) Ministry of Defence (Mr. F. Cooper)
Assistant Secretary Foreign & Commonwealth Office (Mr. J. Moreton)
Private Secretary to the Secretary of State for Defence (Mr. A.R. Jaffray).

NEW ZEALAND

Prime Minister
Deputy High Commissioner (Mr. Hunter Wade)

AUSTRALIA

Prime Minister
Minister for External Affairs
Mr. C.L. Hewitt
Mr. T.K. Critchley

In the course of the discussions, Mr. Healey made it clear that he hoped that Australia and New Zealand would continue to retain forces in Malaysia and Singapore for an indefinite period until the situation in the area had settled down. He advanced the following arguments which he admitted were the same as those he had unsuccessfully used in attempting to persuade the British Government to retain forces there.

(i) With the departure of British forces, Australian and New Zealand forces, which were already in the area and were welcomed by the Malaysian and Singapore Governments, could, by their presence, help to prevent trouble breaking out. They could help to maintain confidence.

(ii) If trouble were to break out, it could be dealt with more effectively by forces on the spot and there would be the opportunity to prevent it developing into something more serious.

.../2.

SECRET

(iii) An Australian and New Zealand presence would make it much more likely that Britain would send forces back into the area in an emergency. Mr. Healey implied that without such a presence there was little likelihood of so doing.

Mr. Gorton pressed Mr. Healey on the likelihood of British forces being sent back into the region to meet an emergency. He pointed out that if Australia and New Zealand had forces in Malaysia and Singapore they could get involved in a situation beyond their capacity to control and unless they could count on help from outside their involvement would only make things worse. Mr. Healey was sympathetic about this possible predicament, but suggested that it was unlikely to eventuate in practice in the foreseeable future of the next five or six years. He was categorical that the present British Government would give no commitment in advance. (He, himself, had been obliged to go back on too many promises to contemplate risking it again).

Any decisions to send British forces back after '71 would have to be made in the circumstances at the time. There would, however, be continuing opportunities for consultations and assessments by Britain, Australia and New Zealand. Mr. Healey thought that a Conservative Government would be no more reassuring. If the economic situation did not improve a Conservative Government would find it impossible, politically, to justify commitments in South-East Asia and if the economic situation improved Labour would win the next elections.

Mr. Healey indicated some of the general considerations that the British Government would have in mind in future decisions. The British Government would not wish to get involved militarily in:

(a) purely internal security problems;

(b) communal conflicts or conflicts between Kuala Lumpur and East Malaysia;

(c) disputes with Indonesia or the Philippines created by the political ineptness of the Malaysian Government;

(d) a situation like Viet Nam.

.../3.

In reply to the suggestion that the Tunku had been upset by British refusal to permit anti-aircraft guns on loan to Malaysia to be sent to Sabah, Mr. Healey said there had been no objection to sending the guns; the only restriction had been on the movement of British personnel to East Malaysia i.e. the anti-aircraft gunners. He was inclined to be critical of Malaysian diplomacy over the Philippines' claim to Sabah but readily accepted Mr. Hasluck's account of how it had been Philippine intransigence that had prevented an easing of tensions following the recent understanding by Razak and Ramos at Bangkok.

Mr. Healey implied that the British would be more likely to deploy forces in South-East Asia after 1971 if they assessed that they could make an effective contribution without embarking on a major long term involvement. The commitment of 100,000 ground troops over an extended period as in the Malayan Emergency, would not be 'on' in future. The British would be more ready to provide sophisticated air and sea forces to help defend Malaysia and Singapore. However, Mr. Healey accepted Mr. Gorton's argument that with Communist insurgency mounted across the Thai border (in the hypothetical circumstances of an unsatisfactory settlement in Viet Nam and a subsequent Thai accommodation with Peking) Malaysia would need ground forces and not sea or air support.

Speaking on British capacity to send forces back into South-East Asia, Mr. Healey referred to ships, amphibious forces, aircraft and up to a brigade of the Strategic Reserve stationed in Britain. He emphasised that the brigade could be moved quickly (within a fortnight) provided the fighting was limited and did not require heavy equipment. He acknowledged that the movement of these forces depended upon entry facilities at Butterworth and Tengah and ultimately on the full co-operation of the Malaysian and Singapore Governments.

Mr. Gorton pointed out that an Australian role at Butterworth was contingent on what the Malaysian Government would do to help, particularly with radar facilities on Western Hill. Mr. Healey said he would impress on the Tunku, with whom he would be lunching on January 15, the importance of giving Australia firm assurances of support. For their part, the British would be prepared to assist on Western Hill by leaving behind personnel under contract and by training the Malaysians to operate the radar equipment. Mr. Gorton said he was especially concerned that British should leave behind personnel under contract to man the radar so that the R.A.A.F. would not have to depend on the Malaysians. Mr. Healey saw no difficulties in this provided Malaysia met the bill.

.../4.

SECRET

C42794
68/8013

SUMMARY RECORD OF DISCUSSIONS WITH
THE COMMONWEALTH SECRETARY

The Commonwealth Secretary outlined the new British proposals and some of the reasons which have compelled the British Government to accept them. He explained that a revision of the previous programme of withdrawal of British forces in the Far East was agreed last year. It is now planned to withdraw these forces by 31st March, 1971. The withdrawal from the Persian Gulf will be on the same timetable.

The Secretary of State explained that the British Government no longer felt able to maintain special capabilities which were contemplated when the decision to withdraw was first taken, that is, a special amphibious capability. But the British will retain a general capability, which would be available for deployment outside Europe.

Discussions were proceeding with other British allies and final decisions would be taken in London on Monday, following reports from Mr Thomson, Mr Brown and a British Minister who had been visiting the Persian Gulf. The reasons for these major decisions, revising decisions made only a few months ago stemmed from an appraisal of the British economy following devaluation. Mr Thomson pointed out that the original economic objectives which the previous defence planning had assumed came near to realisation but that the Middle East crisis was the upsetting factor. Following the devaluation a revision of the pattern of defence expenditure was inevitable. There was the basic recognition by Britain that if there is to be a basically sound British economy free from crises then the level of defence expenditure would need to be such as to avoid imposing heavy exchange burdens outside the European area.

SECRET

.../2

These expenditures have been the major cause of the balance of export crises. The general pattern of visible trade would leave Britain with no balance of payments problem. It was the invisibles which hit and the expensive modern defence technologies needed for the world role were no longer in the British capacity.

The present decisions were recognised as ending the era of British military presence on the global scale, but this was because the economic realities were compelling and had to be faced.

It was central to British policy and it came from the sense of determination of the British Government and people to do everything necessary to get full advantages out of the decision to devalue the pound. It was a once and for all opportunity. The decision to devalue had registered a sense of shock in politics and with the British people. Next week the Government would announce unpalatable social and domestic policies with the necessary objective of achieving £stg.500m. improvement on balance of payments. There would be cuts in domestic and external public expenditure across the board and there were also prospective changes in taxation. Therefore they should make it as clear as possible that quite apart from the politics of the matter there was no intention to make defence economies by dodging home cuts.

As to the defence changes, the general capability will be available outside Europe. The final pattern will take some time to work out and all he had at the moment to go on were decisions as to the scale of expenditure and the cut backs. It would be some time before military planners could come up with thinking on the shape and size of British forces.

The general capability would be available for use outside Europe and would, therefore, be available for the defence of Australia and New Zealand. This assurance has a deep permanence, as it would be unthinkable if Australia and New Zealand were attacked, that Britain would not come to her assistance.

Recognizing the special difficulties for SEATO, it was not the British intention to withdraw from the SEATO organisation and he hoped that this in itself would contribute to a feeling of confidence and stability. Of course, forces already declared for SEATO will run down as the withdrawal of forces from the area takes place. With no forces left in the area it will not be possible to make force declarations, but the general capability would be available to SEATO.

Concerning the Malaysian Defence Agreement, it would be possible to honour commitments under the present Agreement for 3½ years. The Treaty provided and the British Government had notified Malaysia that she sought a revision of the Treaty. As an alternative, subject to Malaysian wishes the British would be prepared to retain the present Agreement subject to a re-interpretation consistent with the British general capability and its size and shape. The British Government was happy to continue planning talks under ANZAM if we welcomed it.

The suggestion of the Tunku's Five Power Conference was put to other Governments by the Secretary of State, but it is necessary to say that it could not delay the intended announcement of the British decisions. It was a general feeling and it was the British view that a conference would need to be well prepared and an important use of the conference would be to bring about as much co-operation as possible between

Malaysia and Singapore in the air defence field. Inevitably it would need to be considered whether it was possible for Australia and New Zealand to continue to increase the contribution to the area and the Secretary of State expressed his interest in our views on this.

In concluding, the Secretary stated that recognising the difficulty of the decision and its profound defence implications, it was his intention, on his return, to convey faithfully the views of the Australian Government to the Prime Minister and Cabinet and he apologised for the short time being made for consultation with us. A public announcemen is needed in Britain to convince the international community about Britain's intent to stabilize her economy and there would be no time for further consultation following his retur He would, however, do his best to get an advance text to the Australian Government.

He concluded by emphasising that this is an historic adjustment of Britain's role in the world, but it was directed towards an effort to make Britain strong, which was in the interests not only of Britain but the Commonwealth as a whole. If we achieve this objective this would also be in Australia's interest.

The Prime Minister expressed his anxiety and dismay at the statement of the British decisions. He said that they created a partial military vacuum in the part of the Far East of importance to Australia and a part which had not hitherto been under the U.S. defence umbrella. The effect was to leave a great gap in an area where brush fire wars are prevalent and [redacted] could grow into greater conflagration leading to world disaster.

The Prime Minister then recapitulated the history of

the previous developments associated with the British decision to revise their Far East policy. Mr Healey in 1966 gave assurances that Britain would maintain a presence in Malaysia and Singapore as long as it could do so on acceptable conditions. Then followed a visit by Mr Bowden and small changes. The White Paper of February 1967 said: "Provided they are needed and welcome the continuing presence of British forces can help to create an environment in which local Governments are able to establish a political and economic basis for peace and stability".

In April 1967 there were discussions between the Minister for External Affairs and the British Foreign Secretary who said it was the intention to reduce forces in Singapore and Malaysia by half by 1970 and to leave the mainland by 1975. Australia sought but failed to get flexibility on these proposals, including on the question of the preservation of the Commonwealth Brigade. Even so the British decisions as they emerged still left an air and sea capability after 1975. After the devaluation crisis Mr Wilson said that provided the pound again became a strong currency and the British economy forged ahead in the new circumstances, while inevitably reducing defence expenditure, Britain would nevertheless be able to maintain, in Europe and East of Suez, the policies of the most recent Defence White Paper.

The Prime Minister explained that he did not recite these assurances or firm statements of policy in recrimination. There had been reasons for change. But he did emphasise the considerable uncertainty with which the Australian Government had been and perhaps is still faced. What Britain does must be shaped by British interests. This is accepted. But it must be clear that it cannot be reported that we accept this new statement. We will have to

.../6

protest against it. Not only will there be withdrawal from South East Asia, but there now will be no amphibious forces or naval forces available in this area. It would be instead a force in Europe. We are not informed as to the composition of the force which is being planned or the conditions of its availability. Is its availability to be conditioned by British decision alone or by European decisions; and what are the conditions of consultations for deployment outside Europe?

The general situation now emerging within the Indonesian area is that there would be a diminishing allied presence. This must add a considerable measure to the instability of the region. Is the judgment that if the British pound stabilises over the next period, that this defence policy derived from emergency measures to bring about stabilisation will be revised? Or are we to read it as a policy which is fundamentally to remain unaltered no matter what the outcome of the measures? The Australian Government did feel keenly this step by step reduction of assurances. As for ANZAM planning and Five Power talks he would propose to reserve a decision pending an opportunity to consult his colleagues.

Mr Hasluck said that the measures had caused a general dismay all round in Government circles. The plain fact is that this occasion is the third since confrontation where we have to make a new set of assumptions about defence planning and public adjustments on British presentations. This is considerably disruptive.

Mr Hasluck expressed the view that it is apparent that Britain has difficulty in seeing that questions of security are global, that a reduced security in this region can be a

threat to global security. The region of South East Asia was one of the most critical regions in the world and which offered a possibility if not stabilised, of creating a greater conflagration than anything possible in the European theatre. There was in Asia an aggressive nuclear power and the consequences of this were global. Britain had in these circumstances put herself in the position of withdrawal from world events. It was a "little Europe" policy. The Minister emphasised that it also affected Anglo-American co-operation which has been so basic in co-operation in matters of global security and peace.

There were immediate problems created by the British statement of intentions. Questions of magnitude were raised in Mr Healey's statements to the Sunday Times, stating that Britain should not do more towards international security outside Europe than any other European power, that the British capability would be directed primarily to Europe, and with a weapons systems justified by European requirements alone. Against this background, reassurances to Australian security do not amount to much. If Mr Healey is correct then the general expectations we might have towards these reassurances are meaningless. We have a clear statement that the development of future weapon systems will be based on European requirements alone. Unless the detailed planning and equipping has an application to this area the reassurances would amount to little more than good wishes. This is what is in the mind of Lee and the other allies; we would be given good wishes but no capacity to assist us either in our own defence or SEATO or ANZAM.

The other thing which had to be observed is that it is not a case of reassuring Australia. What is foremost in

Australia's mind is regional security. It is not at present principally a question of Australia's home defence. Australia is not likely to have a direct attack. Our planning is narrowly directed to regional security and we have as our aim to get South East Asian countries to contribute to that. The position and attitude of China was such that these small countries needed assistance. There were pressures on the frontiers; threats of war, insurgency, which if not contained would develop into wider conflic This was the South East Asian situation and it would be so for a period which would last for some years - 10 to 20 years. The thing was to give credible assurances to small countries, and this sort of policy does not do that. How can we hope to raise morale unless we plan to make regional assurances a reality. Nor do we want a situation where Asia's security is exclusively supported by American power. There are political limits to this. As Vietnam indicates the need is to have others in close co-operation with Asian countries. For this the British presence was needed. Hence there remains the general critical question of how to make South East Asian defence co-operation credible.

The broad question of morale was also important. The British policy was dangerous, not in respect so much of Australian defence, but for its effect on the morale of South East Asian countries. This would reduce Britain to something less than Italy and little more than Sweden and it would lessen Anglo-American collaboration and damage world security because it resulted in regional insecurity.

Mr. Fairhall noted the emphasis of the Secretary of State on the "end of the era". The beginnings of all this have been apparent for some time but it is the extent and total nature of the withdrawal which is a shock. Mr. Healey's words

which apparently reflected an intention to limit the general capability to European needs were disturbing.

Ministers continued to develop this position emphasising that the past strength of our historic association with Britain in trade economy and defence matters required that Britain consider carefully the impact of her withdrawal on Australian efforts directed towards stabilising South East Asia and in the light of this it was urged that every effort be made even within the framework of current policy, which Australia counselled strongly against, to stretch out the time table of withdrawal. Deep and moving disappointment was also expressed as to the peremptory nature of the discussions which could scarcely be held to be appropriate to the gravity of the matter and the intimate nature of our Commonwealth association. The obligation which rested on Britain as the author of the Malaysian concept was upheld and it was deplored that the liability for the Borneo states, which would attract serious challenges with potential for international conflagration, be passed to Australia and Malaysia. The Defence Agreement, which was to underwrite the security of the concept, would now lack substance with no British forces in the area or earmarked for commitment and in the framework of British policy directed and confined to Europe.

Britain also had failed to take aboard the implications of Vietnam for the stability, as well as its significance to Australian defence objectives. The timing of this decision left the American President in a difficult position with elections so close and from Australia's point of view the timing left us ill-placed to interest America in additional commitment. Instead we were faced with a profound problem

of deciding to stay in or get out in a context which was largely avoidable if Britain had chosen to act with greater sensitivity on timing.

The wisdom of framing a long-term defence policy on the basis of an economic assessment which was characterised by short-term and ephemeral problems was seriously to be questioned. If economies were the basis of the decision, would future policy allow for success of current measures with a consequent amendment of the projected policy? It was also observed that Australia was increasing her defence expenditure towards a figure of 5% of G.N.P., whilst Britain was reducing. Further if Britain had a balance of payments problem, Australia had a comparable one with defence equipment imposing a drain of $741m. to which must be added the consequence of recent American decision adding another $100m. to the balance of payments burden.

Mr Thomson in reply indicated he was deeply affected by the force and restraint of the presentation and he would ensure that a full account was put before the British Prime Minister and Cabinet. The decisions were firm but not final pending a Monday meeting of Cabinet. He said Britain would reduce defence expenditure from a current figure of 6.4% to about 5½% G.N.P. and that would be above France in current figures of 4.4% and West Germany 3.6%. He said that Mr Healey's statement needed to be qualified by the context and that the European nature of general capability would be modified to meet the requirement for service in areas where a U.N. role might arise. He offered to discuss the implications of the availability of the general capability thoroughly with the Australian Government after the Chiefs had done their planning. Mr Thomson noted the request for

a lengthening of the period of withdrawal. He observed that there is no question that an announcement would not be made. He registered the view of the Australian Government that the three and a quarter year period was too short to meet the problems, and he would express this view to the British Prime Minister and Cabinet.

The Prime Minister stressed the complete unanimity of the Australian Ministers' position. He said that Australia regarded South East Asia as posing the same kind of problems as the Balkan States in Europe, in that small States had the capacity to create incidents which could spread readily into wider conflagrations. He thought the savings being made in this area through these decisions were marginal and he found it difficult to see why such a sensitive area where a comparatively small force could prevent so much occurring, should be selected as so much the target for economy. He had no confidence in the effective outcome of a policy based on a capacity merely to meet U.N. obligations. As it applied to this area, did it mean on the Sarawak/Indonesian border? His dismay was great. He urged that Mr Thomson secure the lengthening of the period of the time of withdrawal - at the moment it is at its shortest - and urged also that if savings were to be made that they be made in the European theatre.

The question of a joint communique was raised by Mr Thomson, but after discussion between the Prime Minister and Mr Thomson, discarded. The Prime Minister made it clear he would have to make it known publicly that we are not resigned to British decisions and have expressed our dismay in respect of them.

THE MEETING CONCLUDED AT 1.00 p.m.

Appendix E:

Selected Records on the Guam Doctrine

(1967-1970)

CONFIDENTIAL

In reply quote No.

AUSTRALIAN EMBASSY,
WASHINGTON, D. C.

Memorandum No. 805
File No. 221/1/1/3

6th August, 1968.

The Secretary,
Department of External Affairs,
CANBERRA, A. C. T.

United States-Australian Relations

In the course of a general discussion today with Rosecrance (Policy Planning Council, State Department), we touched on Australia's current defence review. Rosecrance asked how this was proceeding and went on to restate his familiar theme that Australia was a country of tremendous potential which, by 1990, should rival, if not surpass Japan - you will already be familiar with Rosecrance's general views on this question. Rosecrance proceeded to stress the importance of maintaining some sort of symbolic presence in South East Asia, and said that the United States was coming increasingly to realise that the returns from a well-placed, and often minimum-sized, effort were out of all proportion to the relatively small cost involved. He thought it important that Australia should do everything it could to maintain its military presence in South East Asia. Her military capability was growing steadily and her potential was enormous. In as little as four to five years, he felt, we would be in a position to undertake military operations outside Australia on a scale that hitherto had not been possible. Rosecrance stressed that, if having established our aims in defence planning, we found we were unable to realise them, given the present state of our resources, we should not hesitate to ask the United States for any assistance we might require in order to be able to bridge the gap. He seemed to be thinking particularly about the provision of equipment in the field of defence logistics. Rosecrance said that he felt any request for assistance would meet with very sympathetic response in Washington. We asked him if he had in mind some further list of questions along the lines of Mr Hasluck's memorandum of October, 1967. He responded that the replies to that memorandum had been drafted, in effect, by a group of Country Directors and that he thought the U.S. Government could now "do better" than that.

2. Rosecrance also said that there was interest in the State Department in having more regular and informal consultations between Australia and the United States. He said he had himself prepared a paper putting forward the possibility of increasing discussions at the official level under the ANZUS Agreement, but also introducing periodic informal meetings in which discussions could be focussed on specific problems. He instanced our discussions with the Indians as a possible model. He also thought there could be merit in holding discussions at the Policy Planning Council level. He suggested that future security arrangements might be a suitable topic for one such meeting.

/2.

CONFIDENTIAL

National Archives of Australia NAA: A1838, 250/9/1/3 PART 2

CONFIDENTIAL

3. Rosecrance admitted that United States willingness to help Australia with its development was dependent on the extent to which Australia was prepared to stretch herself, and he agreed that it was difficult to decide what was a realistic effort on Australia's part, given the peculiar nature of her development problems and ignorance of these in various places in the United States. The view of a relatively uninformed U.S. Congressman would naturally differ from that of an informed official. Rosecrance tended to think that to be widely accepted Australia's military effort had to bear some comparison to the effort being made in the United States, irrespective of the merits of special pleas on grounds of the need for proportionately greater effort in the development sector. He felt an army of 100,000 (i.e. about one percent of the total population) was desirable and that defence expenditure should be about 6 or 7% of the GNP.

4. Whilst the discussion was in only general terms, it was clear that Rosecrance wished us to know that, at the official level at least, any Australian requests for consultation and assistance in the security field would be welcome. We should like to explore this initiative more fully in further discussions with Rosecrance, but before taking the matter up again, we would be grateful for your guidance.

(A. F. Dingle)
First Secretary.

M. R. Booker, Esq.,
Department of External Affairs,
CANBERRA, A. C. T.

Reference Ambassador's letter of 5th August, 1968.

(A. F. Dingle)
First Secretary.

CONFIDENTIAL

CONFIDENTIAL

THE CABINET OFFICE

178

The Secretary

The Guam Doctrine

Attached is a note by Mr. Hutchison stating the Guam Doctrine in as formal a fashion as is possible, and indicating what has been said since by both Senator Mansfield and Mr. Rogers.

2. The Doctrine as stated is potentially self-contradictory. How can the United States keep its treaty commitments and at the same time say that there is no need to fear that Laos may become another Vietnam, because the President won't let it? Even the United States has not yet achieved that kind of control of events.

3. From our point of view, Laos is probably one critical question. Malaysia is probably even more critical. On a strict reading of the Guam Doctrine, we could probably find our troops (with the Malaysians) under heavy pressure without any chance of aid from the United States. The ANZUS Treaty would not, except by extension, cover our troops in Malaysia and the whole tenor of American policy seems to be to confine rather than extend its treaty obligations in Asia.

4. Also, what of New Guinea?

5. A further "grey area" is the consequences of communist subversion. Will insurgency in the future attract American support?- Mr. Hutchison mentions Laos, and this is a very real threat in a number of other Asian countries. Does the Guam Doctrine only apply to hostilities from without, leaving counter-insurgency situations to be dealt with as previously? Or does it mean that these situations are *a fortiori* excluded from American assistance?

6. Finally, there is the question whether the promise of a shield in the event of a threat by a nuclear power is, by the Guam Doctrine, to be taken not to apply in the event of conventional aggression by a non-nuclear power. A critical example for us is New Guinea: if it is not caught within the ANZUS shield, it might well be excluded from protection from say Indonesia because Indonesia is not a nuclear power.

12 January 1970

(P.H. Bailey)
First Assistant Secretary

Ridel-thwaite 13/1.
ESB
M. Hutchison 27/1
(19/1.)
21/1

TOP SECRET

Copy No. 28

C A B I N E T M I N U T E

Canberra, 14 January 1970

Decision No. 64

Without Submission - Discussions with Mr. Spiro T. Agnew, Vice-President of the United States.

The Prime Minister welcomed Mr. Agnew and commended the opportunity afforded to discuss matters of common interest.

2. He raised, at the outset, two matters:-

(a) The Guam Doctrine:

The Government wished to know more about the doctrine and its implications. The President had spoken of diplomatic and other initiatives directed to strengthening the countries of Asia in respect of their living standards and their defence capacity. Some aspects were clear. But it was perhaps not so clear what attitude the United States would take if a particular country were to be subject to aggression beyond its capacity. It was clear that under the Guam Doctrine there would be no automatic involvement of the United States in such a situation, but it was not clear whether the doctrine would provide for United States intervention in certain circumstances.

(b) Vietnam:

The Government would be interested to have an account of the situation in Vietnam as the Vice-President saw it and of United States intentions.

It appeared to the Government that, in the absence of any new large-scale attack by North Vietnam, the United States was set on a course of extrication from Vietnam. This was on the footing that "Vietnamization" would result in the ARVN being able to take over effectively from United States combat troops.

../2

TOP SECRET

Decision No. 64 (Continued)

Australia for its part would wish to maintain its forces intact in Vietnam, but it would be virtually impossible, having regard to its own public, for the Government to do this in the face of continuing United States withdrawals. At the same time, the Government did not want, by any reduction of its forces, to encourage an acceleration of United States withdrawals.

3. The Vice-President expressed his appreciation of the welcome extended to him and noted the community of interest between the United States and Australia.

4. Taking up the matters raised by the Prime Minister, the Vice-President said that the Guam doctrine - now spoken of by the United States as the Nixon doctrine - represents a threefold expression of United States policy, but the important thing is to see it as introducing a shift in emphasis rather than a change in basic policies.

5. In the first place, the United States will stand by its treaty commitments. It will continue with SEATO. It will stand equally steadfastly by ANZUS, which is a more far-reaching and definitive treaty. However, the United States has refused to be drawn out publicly on the ways in which effect may be given to its treaty commitments and this has perhaps given rise to some confusion as to its intentions. The fact is that the honouring of treaty commitments is, for the United States, a matter of integrity. Treaties are, for it, instruments which it has stood by in the past and which it will continue to stand by in the future.

6. Secondly, the United States continues to see itself as a Pacific power and will act accordingly. Within this role, it will continue to participate in regional co-operation in Asia. Within its contribution to the defence of the area, it will provide a nuclear umbrella and stand ready to respond to any nuclear attack on its friends.

7. Thirdly, the United States will continue to encourage the economic development of the area. It will seek to do this through partnership, rather than through paternalism. It will assist the various reform programmes and generally would encourage more self-help. It will not become involved in situations of insurgency beyond the supply of materiel and will not, in such situations, be contributing combat troops. But it will assist the defence as well as the economic capacity of the countries of the region so that they may be better equipped to deal with any insurgency situations, and it will in particular assist those countries which make the greatest effort to secure themselves.

../3

Decision No. 64 (Continued)

8. Illustrating the United States position by reference to the Philippines and Taiwan, the Vice-President said that he had assured Chiang Kai-shek and Marcos that the United States is making no movement to withdraw from the commitment it has made towards the defence of those countries. At the same time, he had informed them that the United States is not committed to maintain any particular base or installation. These can be affected by a variety of considerations - for example, technological advances - and particular means and dispositions are matters for the United States own judgment. In short, the integrity of the overall commitment remains but the detail of implementation is for United States decision.

9. Returning to the Nixon doctrine generally, the Vice-President said that he wished emphatically, and on behalf of the President, to say that the United States is not getting out of the area, and has no intention of reducing its protective relationship to the area. But it does want to stimulate a greater degree of partnership.

10. As to Vietnam, the United States would like to see an end to the war and to be disengaged. It had tried to make progress in this direction during the Paris peace conference but without success. It has been able to effect some reduction in troop commitment - but its level of troop withdrawals will not be increased in response to the hue and cry of a section of the United States public. It will shore up South Vietnam as long as necessary. It will, in fact, have no credibility in Asia if it does not adhere to this position and were to run out precipitately.

11. The Vice-President conceded that this is an unpopular war, but felt sure that the size of the section of United States public opinion opposed to United States policy in Vietnam tends to be exaggerated. His firm impression is that the majority of the American people stand behind the President's policy and will not look for troop withdrawals at a too rapid rate.

As matters stand, the United States judgment is that there is scope to maintain a reasonable level of combat troop withdrawals without prejudice to basic objectives in Vietnam. Moreover, the Vice-President said that he had found the Asian leaders with whom he had spoken, including Lee Kuan Yew, of the opinion that the important thing is for the United States to indicate that there will continue to be a United States presence in Asia for a long time to come. He said that he will be putting this assessment to the President.

The Vice-President said that withdrawals are determined on the advice of United States military and political representatives in Vietnam. Further, if their advice is that in the circumstances United States can continue with certain withdrawals, it will presumably do so. However, if "Vietnamization" were to falter, then the rate of withdrawals can and will be slowed down. Decisions will be taken on what the situation in Vietnam requires and not in response to United States domestic pressure groups.

../4

14. The Vice-President said he was pleased to see Australia's commitment in Malaysia and Singapore. This is important in its impact on other countries in the region in the same way as the United States commitment in Vietnam.

15. The Prime Minister observed that the factor of real significance and the one which will come under notice and be a source of influence in Australia and the countries of Asia is United States Government action in respect of Vietnam, including action in the matter of troop withdrawals. The Vice-President's response was that he is confident that the United States actions will confirm to its friends around the world that it intends to adhere to its objectives and commitments in Vietnam. His information is that the "Vietnamization" programme has, over the past two years, been developed with greater effect and is progressing well. Villages are more secure than ever before. The hope is that progress will also be made by Thieu towards broadening the base of Government and developing political stability. At the same time, it has to be recognized that the enemy holds a heavy strategic advantage in that he can, through selective military action, obtain "public relations" victories. There are calculated risks in the courses now being pursued but American commanders in the field are optimistic about the capacity of the South Vietnamese progressively to handle the situations judged likely to arise.

16. In acknowledging that the Vice-President had helped in an understanding of the United States point of view, it was put to him that he must for his part take away an understanding of Australia's point of view. The Vietnam war was not popular in Australia. It had involved the Government in large and difficult decisions, e.g. on conscription for overseas service. It was not a war which could be justified, as World War I and II could be justified, by demonstrating a situation of proximate danger to the Australian community. Furthermore, Australian public opinion had been influenced by the press towards the view that the American public, and President Nixon and his Administration, were increasingly against the war. In these circumstances, Australia could not be indifferent in relation to its own troop commitments in Vietnam to further large troop withdrawals by the United States. The Government's desire and intention is to stand with the United States - not only because it believes the United States to be right in the objectives which it has set in respect of Vietnam, but also because of Australia's own interests and its wish to sustain a total relationship with the United States of full mutual respect and trust.

17. It was also put to the Vice-President that what he had said to the Cabinet that morning, and also in his airport address, about the American policies towards Asia and about troop withdrawals from Vietnam had been important and reassuring, and that it might be said publicly again - perhaps associating the President's name with it - so that it would have further publication and emphasis.

../5.

18. The Vice-President said that the President can be relied upon to follow a responsible course in the matter of withdrawals. He will report to the President the view which had been put about the value Australia saw in a statement designed to bring out the United States policies in Asia and in Vietnam as the Vice-President had explained them. In any case, what he himself had said on these matters had not been without the President's knowledge or approval.

19. It was put to the Vice-President that the Guam declaration and the further assurances which he himself had given, had had a heartening effect but that there was still a widely held view in international circles, and especially in South East Asia, that the United States is determined on withdrawal of ground troops and will not again commit them in the area. Having regard to this view among countries of the region and to the over-riding need for confidence on their part, the course to be followed by the United States Government in relation to further troop withdrawals from Vietnam could be of critical importance. If, after April or May, further immediate major reductions are announced beyond the present level of 160,000, it could encourage further the belief that this view of total American withdrawal of ground troops is soundly based and could thus do great damage. Within this, a particular fear which countries of the region have about U.S. troop withdrawals in Vietnam is that they could lead to the United States not having the necessary ground forces in the area to react in sufficient time to emergencies which could arise. A further question, already mentioned, is whether under the Guam doctrine the United States, having undertaken to provide assistance in the case of nuclear attack, would also provide assistance to countries of the region in a situation where they came under overt conventional attack.

20. Taking up these points, the Vice-President repeated that the United States' ability to honour its treaty commitments must not be seen as dependent on any particular pattern of force deployment. Specifically, the withdrawals of combat troops from Vietnam should not be seen as reflecting on either the United States' ability to meet its treaty commitments or its resolution to do so. By way of illustration, taking again the case of Taiwan, the United States would respond if there were an all-out attack by Mainland China; but if the attack was confined to the off-shore islands - not covered by its treaty - the United States would have to make an assessment at the time as to whether it responded and if so, how. To take another illustration, if the Vietnamese Government were to change through due process then the United States Government could not be expected to move in to uphold a particular political position. On the other hand, if there were to be an all-out attack on Vietnam such as the Vietnamese themselves could not handle, this attack could only come from Mainland China. If such an aggression did happen and the United States identified it as Chinese aggression, it would, in the Vice-President's view, have to respond. But it did not say this publicly because it represented a contingency and, indeed, a remote one. As the Vice-President saw it, the Communists would probably stick to insurgency rather than go into large scale attacks. He could understand

../6.

Decision No.64 (Continued)

Australia's desire to get precise reactions but he could not say more than that response would be determined at the particular time. But in the event of an all out aggression, the United States would, in his view, almost certainly have to respond.

21. Ministers indicated understanding and agreement with the position the Vice-President was putting. They accepted that if the Vietnamese Government changes through peaceful processes, this was something that had to be accepted. They also appreciated the reason for a degree of imprecision in statements of the United States position. They looked to the intent rather than the words of treaties and to mutual trust based on respect and confidence.

22. The Prime Minister said that the Vice-President's ideas conformed generally with those of the Australian Government. Referring to commitments which Australia had undertaken in Malaya and Singapore where the threat in prospect was from subversion externally promoted and supported, he said that the United States and Britain would need to look at the problem which would arise if a stage was reached where Australia and the countries of the region by themselves could not deal with this subversion. As regards Vietnam, since the U.S. position, as the Vice-President had pointed out, was to ensure that Vietnam did not fall to the Communists with the consequences postulated by the "domino theory", the United States should not fail to give a correct impression of this position in the public mind. It would be a double tragedy if, by failing to convey a correct public impression, the United States put Australia and other allies in the position where they were forced to act on the public impression which was conveyed when to do so was neither in their own interests nor those of the United States.

23. It was put to the Vice-President that North Vietnam may choose a moment during the process of withdrawals to launch a large-scale attack and that the problem of safeguarding against this contingency would require thought and careful planning.

24. The Vice-President said that United States military advice was that North Vietnam could not inflict a military defeat on South Vietnam but he agreed that there was certainly a worry in the public relations consequences of attacks of this kind.

Certified true copy

B. J. Bunting

Secretary to Cabinet

SECRET AUSTEO

221

SUBMISSION NO.

COPY NO. 71

FOR CABINET

THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY - 1971

In accordance with established procedure, the attached Report of the Defence Committee, "The Strategic Basis of Australian Defence Policy - 1971" is submitted for Cabinet's consideration.

2. The Report, together with the conclusions reached by Ministers in their consideration of it, is intended to provide guidance for more detailed defence studies and for the development of Australia's force structure, including the manpower levels of our three Services, procurement of defence equipment, defence works, defence industrial capacity in Australia, research and development and related matters. Resulting proposals for the development of defence capacity, and corresponding expenditure levels, will be presented in the Defence Five Year Rolling Programme for Ministerial consideration.

3. The Report contains a broad assessment of trends in the strategic environment in which Australia is likely to exist in the decade of the 1970s, and to which decisions in the field of foreign and defence policy will need to be oriented; the contingencies of which our policies will need to take account; and the broad objectives to which in particular our force development policies should aim. It outlines considerations which should be taken into account in developing the characteristics of our forces and the range of our combat and logistic capabilities and our defence infrastructure generally.

.../2

SECRET AUSTEO

220

4. The period since 1968 and the decade of the 1970s is seen as one of considerable change in our area of strategic interest. Globally the essentially bipolar organization of power is giving way to a more complicated strategic situation in which China, Japan and Western Europe have greater importance, and lesser states too are enabled to assert their independence and strengthen their economic and military capabilities. Our major allies - firstly the British and more recently and significantly the United States - are reducing their military involvement in South East Asia. China is emerging from its isolation, and from a more settled domestic base is purposefully seeking new political relationships. Japan's economic growth portends major economic, perhaps also major political influence, and the potential to develop great military strength if her people so decided. The USSR is extending its military presence. Our South East Asian neighbours are seeking wider and more flexible relationships. Papua/New Guinea and other Pacific Island Territories are moving towards full independence. In view of the scope of these and other changes, the Report is concerned more with the directions in which our defence policy should evolve than with a static policy formulation. The new Five Year Rolling Programme, with its provision for annual re-appraisal, already embodies this approach.

5. No single contingency is seen which affords a clear basis for Australia's force development policy in the coming years. The Report (paragraph 184) summarises the balance which must be struck between the obligations of continental defence and the possible necessity for overseas military involvements in the following terms:-

.../3

SECRET AUSTEO

SECRET AUSTEO 7/9

" The fact that overseas operational involvement is less likely suggests that consideration of capabilities for such involvement should not dominate force development, although our forces must retain the capability to operate in such environments and make an adequate Australian contribution to possible allied operations. Furthermore, the fact that the operational lifetime of major weapons systems authorized in even the early part of this decade will almost certainly fall within the two decades subsequent to that of our present threat assessment, suggests that more emphasis than hitherto should be given to the continuing fundamental obligation of continental defence, particularly in the sense that all alternatives should be tested thoroughly as to their relevance to the defence of Australia itself. The objectives of our defence policy for the current decade and beyond should reflect this appreciation, and our forces should also be capable of development sufficiently rapidly to meet any emerging threat."

6. The document is conceived integrally and must be read as a whole. While generally endorsing the utility of our existing Treaty relationships the Report points to the need for our foreign and defence policies to continue to develop a more independent character consonant with our growth in wealth and strength, and accordingly to achieve the increased flexibility which is demanded if our strategic interests are to be protected and advanced in the more fluid strategic environment of the 70's. This is a judgement which derives from the realities of our changing environment. Its implications in the field of defence, however, have to be faced openly. The development of an increasingly independent military capability backed by an increasingly independent

SECRET AUSTEO

217

defence infrastructure carries major cost implications. Increased costs may be eased but they cannot be avoided. If we are, as I believe we must, progressively to enlarge Australia's independence of decision and therefore of capabilities I think we must accept that the price of that independence will have to be paid.

7. Submitted for Cabinet's consideration.

(J.G.GORTON)
Minister for Defence

Canberra

19 May, 1971.

SECRET AUSTEO

SECRET AUSTEO

IN REPLY QUOTE 70/2135

COMMONWEALTH OF AUSTRALIA

DEPARTMENT OF DEFENCE,

CANBERRA, A.C.T. 2600

Sir Keith Waller, CBE,
Secretary,
Department of Foreign Affairs,
CANBERRA, A.C.T. 2600

26th May, 1971

THE LAIRD REPORT AND THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY

The "Strategic Basis of Australian Defence Policy 1971" has been submitted to Cabinet by the Minister for Defence. A copy of the relevant Cabinet Submission has been forwarded separately to you.

2. Bearing in mind the continuing interest of the Defence Committee members in the content of the Strategic Basis and therefore in the development of closely relevant U.S. policies, this Department has prepared a paper which examines the Defense Report submitted by Defense Secretary Laird to the United States House Armed Services Committee on 9th March, 1971.

3. Pending study of the projected National Intelligence Committee assessment of "The U.S. Role in Asia", the Department's paper must be regarded as of interim significance only. Even so, it raises points of importance to the further development of defence policy. It is attached hereto for your background information.

(A.H. TANGE)
Secretary

Distribution:
Members of the Defence Committee

M Henderson, for info & any comment
31/5/71

I don't quite see what Mr A. is up to. Nothing had shaken my faith in the general views of the paper.

SECRET AUSTEO

13

THE 1971 U.S. "DEFENSE REPORT" AND ITS RELEVANCE TO "THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY 1971"

Four days after the Defence Committee had completed its work on "The Strategic Basis of Australian Defence Policy - 1971", the U.S. Secretary of Defense, Mr Laird, released the annual U.S. Defense Report outlining the content and overt rationale behind the U.S. defence programme for 1971/72 to 1975/76 and the defence budget for 1971/72. The U.S. Report is a quite different document from the Australian Strategic Basis. The latter is a closely guarded statement of our broad strategic judgement, with no more than general pointers towards our future policies and with no consideration of military force planning. The Defense Report addresses itself to U.S. defence policy as applied to force development programmes. The one area in which the documents overlap, and where useful comparisons can be made, is that of U.S. military policy as it affects the Australian strategic environment.

2. The purpose of this paper is to compare the related features of the two documents as a check on the validity, or guide to the interpretation, of the Australian Strategic Basis. The examination should be regarded as of interim significance. A comprehensive study of 'The U.S. Role in Asia' will later be issued by our National Intelligence Committee.

3. Generally the judgements made of U.S. policy in the Strategic Basis paper are reinforced. But some differences of approach do emerge.

.../2

U.S. role and allied obligations

The Strategic Basis suggests that the United States is likely to decline again to become involved in ground combat in a South-East Asian counter-insurgency situation. Moving up the conflict spectrum it also suggests that such involvement is unlikely unless there is "a substantial overt communist invasion of a treaty country", and that even in this case the U.S. is likely "seriously to consider alternatives to any significant number of ground troops". The Laird Defense Report fills in more explicitly the intermediate level in the spectrum. It identifies guerilla warfare and localised or sub-theatre conventional warfare as falling between insurgency and "large-scale conflict directly involving the Soviet Union and the Warsaw Pact, or the Chinese Peoples' Republic", and it groups them together with insurgency as types of conflict for which the country which is threatened must bear the primary burden of deterrence. Thus:-

(a) " .... there is a need for our Asian friends and allies to strengthen their conventional forces, both to defend themselves against non-Chinese attacks and, in regional conjunction, to build a defensive capability which would give Communist China increased pause before initiating hostilities ." (Report page 19); and

(b) " In deterring theater conventional warfare - for example a major war in Europe - U.S. and allied forces share the responsibility. In deterring sub-theater or localised warfare the country or ally which is threatened bears the primary burden, particularly for providing manpower; but when U.S. interests or obligations are at stake, we must be prepared to provide help as appropriate through military and economic assistance to those nations willing to assume their share of responsibility for their own defence. When required and appropriate this help should consist essentially of backup logistical support and sea and air combat support. In some special cases, it could include ground combat support as well." (Report page 22)

.../3

The Defense Report thus emphasises that not only in relation to insurgency but also in relation to conventional assaults by the forces of lesser powers - e.g. North Vietnam - U.S. combat assistance will be limited and that the friends and allies of the U.S. must themselves accept obligations as much to deter as, if necessary, to combat such assaults if they hope to receive a measure of U.S. assistance. (U.S. policy in Vietnam is defined quite consistently with this - "Vietnamisation ... is directed towards preparing the South Vietnamese to handle both Vietcong insurgency and regular North Vietnamese armed forces regardless of the outcome in Paris" and "The second phase of Vietnamisation consists of developing within South Vietnam .... capabilities necessary to maintain effective independent security" - (Report pages 27 and 28)

6. Moreover, in the deterrence of conventional assault by Communist China itself the friends and allies of the U.S. must accept a role. The military obligations seen by Defense Secretary Laird to devolve upon the friends and allies of the U.S. are thus somewhat broader than those which might be inferred from the Strategic Basis. This devolution is not suggested as occurring precipitately. An interim period in which the necessary adjustments can be jointly planned may be inferred from several passages in the Report.

7. The emphasis in the American Report on the role of its allies in the field of deterrence reinforces the recognition given in the Australian Strategic Basis to the need for having a credible armed capacity even in situations of low threat.

.../4

10

8. Commitments

Assurance of U. S. support might be regarded as rather more ambiguous in Laird's Report than in the text of the Strategic Basis. Whereas the latter affirms (para 23) that existing U. S. treaty obligations will be met, the Defense Report states:

> " Moreover, U. S. involvement in world affairs is not based exclusively on our alliances, but rather, our formal and informal obligations derive from and are shaped by our own national interests. " (Report page 22)

Even so the Report suggests that this variant of the known U. S. approach is to be adopted in an evolutionary way.

Integrated Planning

9. While reaffirming President Nixon's earlier statement that "the defense and progress of other countries must be first their responsibility and second a regional responsibility" the Report is nevertheless not by any means clear on the manner in which independent or regional responsibilities should be encouraged to develop:

> " It is not realistic or efficient to expect each country to develop an independent self-defense capability against all levels of non-Chinese and non-Soviet attack. The drain on allied manpower and on their economies would inhibit the achievement of economic growth, and therefore, the political stability which is essential to military security. At the same time, deep historical, social and political inhibitions to immediate and effective regional mutual security arrangements in some areas must be recognised. Thus, a careful balance must be achieved between independent capabilities and collective arrangements. " (Report page 19)

.../5

The lack of definition in this approach creates uncertainty which is necessarily reflected also in the Strategic Basis. But the following passages in the Report suggest that progress is being made in the U.S. in reducing the area of this uncertainty, and may be thought to have relevance to Australia:

> " With regard to U.S. force capabilities in Asia, we do not plan for the long term to maintain separate large U.S. ground combat forces specifically oriented just to this theater, but we do intend to maintain strong air, naval and support capabilities .... In the future, we expect the emphasis in Asia more and more to be placed on U.S. support to our allies who themselves provide the required manpower." (Report page 77)
>
> " Local forces may have greater value than U.S. forces in many (potential conflict situations) particularly in meeting smaller conventional threats ... Military manpower is more costly for the U.S. than for any of our allies ..." (Report page 78)
>
> "...adjustments should be made in the balance of U.S. and allied contributions to our combined capabilities to better use the advantages of each country as we move toward more self-reliant allied capabilities. In some cases, our allies can and should improve the capabilities of their forces without U.S. assistance. However other allies ... cannot make their maximum potential contribution without outside assistance." (Report page 78)
>
> "... it is one of our goals for the 1970's that our Atlantic and Pacific allies should provide a major contribution to protecting the convoys that in war would be carrying material for their sustenance.
>
> " Another area in which our friends and allies should be able to make a substantial contribution is the provision of land-based anti-submarine warfare (ASW) aircraft to patrol the seas within range of their shores.

.../6

" (Our allies) should be able to bear the burden of carrying out many of those missions for which conventional submarines are suitable .... Thus, it is clear that allied capabilities will figure more prominently in our plans for escort ship and conventional submarine forces than in our plans for carriers and nuclear attack submarines." (Report page 82)

11. In discussing Total Force Planning the Defense Report refers to the need for new initiatives towards "closer integration of our planning with our friends and allies". The bulk of the discussion refers to NATO. A brief mention is, however, made of the modernisation of the Korean armed forces and of the Vietnamisation programme (dealt with extensively elsewhere). Some stress is placed upon U. S. interest in developing a broad variety of more simple, less expensive and more maintainable equipment to meet the needs of less developed allies - light attack aircraft, fast patrol boats, low maintenance small arms, etc. The concept~~ion~~ could perhaps open the way to possibilities of technological and logistic co-operation with the U. S. The recognition that there is a need for closer integration of U. S. planning with Allies and friends is meanwhile noteworthy.

12. In so far as the Strategic Basis identifies as a major difficulty for Australian policy the uncertainty whether adequate U. S. military aid will be given in all circumstances in which Australia might need it, the Defense Report provides no real assistance. It deals, in fact, only with the question of what the U. S. would do if it decided to do anything at all. The "Total Force" - U. S. allied - with which it is concerned relates to conflict situations in which the U. S. would contemplate involvement and not necessarily with all those in which its allies might willy-nilly find themselves involved.

.../7

The idea in the Defense Report of the U. S. henceforth complementing the capabilities of its allies, rather than, as formerly, the latter supplementing the power of the U. S. suggests the need for bilateral consultation between the U. S. and its allies. In such consultations opportunities would occur - or could be created - to bring to the attention of the U. S. the strategic problems arising for Australia if single minded pursuit of a policy of inter-dependence - whether with the U. S., with our Asian friends, or with both - in the development of the Australian force structure were to be envisaged.

14. A comment by the Australian Embassy, Washington, in its recent "Assessment" of President Nixon's State of the World Message is closely relevant to the above:

> " If our reading of the Nixon Administration's message to friendly governments is accurate, it would prefer the Australian Government to formulate its own strategic interests (Australian and regional) and seek U. S. co-operation. In this context the report says 'Nominate your principal security interest, tell us what you propose to contribute and then discuss partnership with us'. If this means what it says, it may be to our advantage to examine Australia's existing security commitments with the aim of isolating those which Australian Governments have entered into in the past on the assumption that they fitted into our American ally's global strategy, but which may not meet the criteria described above."
> (Washington Savingram No. 3/71 of 5 March)

15. In contrast to the highly classified Strategic Basis, the U. S. Report ventures almost no specific discussion of Thailand, Malaysia/Singapore, Indonesia or Japan. No reference is made to the Five Power Arrangements. There is no disucssion of Japanese or

.../8

6

onesian policies. The Soviet presence in the Indian Ocean is not ecifically mentioned. Diego Garcia is not mentioned.

16. There is noteworthy accord between the two documents in the renewed emphasis which both place on defence and economic aid.

Department of Defence
May, 1971

FOREIGN AFFAIRS

SECRET

AUSTEO

16

FILE No.....

DATE 2 June, 1971.

My impression from the attached Defence Department paper is that Defence is putting us on notice that it now believes there is a greater degree of uncertainty about American support for Australia than is assumed in the Strategic Basis paper, and that, to obtain American support, Australia may have to accept heavier military obligations than thought previously. This is illustrated by the following excerpts from the Defence paper:

para 5 ... friends and allies of the U.S. must themselves accept obligations as much to deter as, if necessary, to combat (conventional) assaults if they hope to receive a measure of U.S. assistance.

para 6 The military obligations seen by Laird to devolve upon the friends and allies of the U.S. are thus somewhat broader than might be inferred from the Strategic Basis paper.

para 7 The emphasis in the American Report on the role of its allies in the field of deterrence reinforces the recognition given in the Australian Strategic Basis to the need for having a credible armed capacity even in situations of low threat.

para 8 Assurance of U.S. support might be regarded as rather more ambiguous in Laird's Report than in the text of the Strategic Basis.

2. The Defence paper also emphasises the fact that the Laird Report is by no means clear on the manner in which independent or regional responsibilities should be encouraged to develop, and provides no real assistance on a major difficulty for Australian policy - the uncertainty whether adequate U.S. military aid will be given in all the circumstances that Australia might need it. The paper goes on to talk of the need for bilateral consultation with the U.S. to determine whether Australia's existing bilateral security commitments are ones in respect of which the U.S. is prepared to "discuss partnership" as Mr Laird put it.

.../2

AUSTEO

SECRET

SECRET
AUSTEO

3. In short, I wonder whether, when Cabinet takes the Strategic Basis paper, the Minister for Defence might not argue that in certain important respects it has been overtaken by developments in American policy. It also seems possible that he might press for early action to "discuss partnership" with the U.S.

P. G. F. Henderson
(P.G.F. Henderson)

AUSTEO
SECRET

SECRET

CO. 1191
111

Copy No. 31

C A B I N E T M I N U T E

Canberra, 8 June 1971

Decision No. 197

Submission No. 107 - The Strategic Basis of Australian Defence Policy - 1971.

The Cabinet noted the report of the Defence Committee entitled "The Strategic Basis of Australian Defence Policy - 1971". Against the background that it is Australia's own interests that are of fundamental importance, it noted in particular paragraph 167 of the Report which showed requirements for force capabilities.

Certified true copy

Deputy Secretary to Cabinet.

SECRET

SECRET

118

COMMONWEALTH OF AUSTRALIA

MINUTE PAPER

THE DEPARTMENT
OF THE
PRIME MINISTER AND CABINET

The Prime Minister

You asked for a note of the main points made by Ministers during the Cabinet discussions on 8 June.

2. The attached paper has been prepared in response. It makes no attempt to reflect the ebb and flow of discussion. Its object is to provide you with a relatively unvarnished summary of ~~each of the~~ the main points ~~made by Ministers~~. "A"

3. I should perhaps add that it has never been practice for those attending meetings of Cabinet or its Committees in a secretarial capacity to make any record of what is said during the Cabinet discussions apart from the Cabinet decision and the manuscript notes we make at the time.

4. The attached notes are supplied to help you in reviewing the points made, on the basis that the Cabinet Minute itself does not on this occasion provide any background. It is, however, different from an ordinary Cabinet Minute in that it is not designed to record agreed conclusions or points of emphasis - rather, it records points as made.

(P.H. Bailey)
First Assistant Secretary

10 June, 1971

SECRET

1321

~~SECRET~~ AUSTEO

NOTES:

1. The Cabinet was invited by Mr. Gorton to note the Strategic Basis Report on the footing that it involved "a considerable variation from previous approaches".

2. ~~The~~ A variation from previous policy was identified - see Page 3 of Submission (from the Minister for Defence) - as more emphasis than hitherto given to continental defence - in other words to "Fortress Australia".

3. There was a clear view in Cabinet against ~~greater~~ exaggerated emphasis on continental defence and the Cabinet indicated, in terms, that it did not accept the concept of "Fortress Australia". On the contrary, it reflected a strong feeling that to do so would be and would seem to be a sudden switch in policy when the Cabinet's wish was that policy should remain very much as it is (and in accordance with paragraph 4 of the Report) - that is to say that Australia participating in forward defence where she can and maintaining an overseas presence.

4. Referring to the concept of "forward defence" the Cabinet reflected a view that Australia should sustain a forward defence element for as long as she can and "not be prepared to depart from a wish and a will to have defence as far away from Australia as possible".

5. Consistent with this position the Cabinet did not accept an emphasis suggesting that the ~~first~~ one test in the acquisition of arms or capacity should be whether such would contribute to the defence of continental Australia.

6. In so far as it made reference to the force capabilities required, the Cabinet did so in passing with the understanding that the particular requirements for force capabilities were to be taken up later in separate papers. The Cabinet did not refer in any specific way to the requirements of

.../2

SECRET AUSTEO

ECRET AUSTEO

force size/composition or capabilities except to indicate that as a basis for planning it was prepared to see an army of existing size (in terms of 9 battalions) and manpower structure, noting that existing formations are under full strength. At the same time, the Cabinet made clear that its reference to the size of the army was subject to considerations of balance between various commitments and that defence planners should "act rationally" in fitting their proposals into the overall economic context and financial capability of the nation.

Carefully read this all its assumptions and qualifications & against the background of the previous paragraph

There was considerable argument about the interpretation of paragraph 167 of the Report, the weight of opinion being that the paragraph must be

7. The Cabinet's attitude was against the background of some questioning of the emphasis given to naval and air forces in the case as put and a willingness, reflected in the Cabinet discussion, to see ground troops stationed in Malaysia and other forward areas.

8. Although the Cabinet had put to it a view that large additional funds would be called for to meet defence requirements, it did not assent to this view. Nor indeed was it accepting that it was, at that stage, determining in any way the financial provisions to be made in respect of defence.

9. The whole thrust of the Cabinet discussion was that forward defence stands and the inclusion in the Cabinet Decision of a reference to paragraph 167 of the report was precisely to minimise impressions which Cabinet felt might otherwise be conveyed by paragraph 184 of the report or any impression that Australia is becoming isolationist.

(Points 1 and 2 of the attachment to Decision No. 47(M) of 30 March 1971 may be relevant.)

Appendix F:

Selected Documents on the Defence of Australia (1974-1975)

188

SECRET

AUSTEO

COMMONWEALTH OF AUSTRALIA

MINISTER FOR DEFENCE
PARLIAMENT HOUSE
CANBERRA A.C.T. 2600

29th January, 1974.

I have studied the Strategic Basis of Australian Defence Policy 1973 and discussed it with the Prime Minister and Foreign Minister. As a result of this discussion the Government has accepted the conclusions of the Report as expressed in Part VII entitled "The Development of Australian Defence Capabilities". The Government has noted the assessment of the threats to Australia as outlined in Part V and endorses this assessment.

In accepting these conclusions it must be stressed that this Government has no intention in present and foreseen circumstances of committing combat forces in a counter-insurgency role. I note the reference to "an element which could be deployed should a future government wish it". (p 81) Of course no procurement or training is to be undertaken specifically for a deployment, foreseen or conjectured as desirable for a future government, but not favoured by this Government.

1/2/74

.../2

SECRET AUSTEO

SECRET
AUSTEO

Supporting sections of the paper, as one must expect of assessments covering such a wide field, are capable of a range of interpretations. Officials using the document as a basis for recommending policy to the Government should be conscious of the Government views set out in the attachment to this letter.

Yours sincerely,

(Lance Barnard)

Sir Arthur Tange, C.B.E.,
Chairman,
Defence Committee.

AUSTEO
SECRET

197

SECRET
AUSTEO

AUSTRALIAN GOVERNMENT COMMENT ON

STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY 1973

1. Australia's Strategic Interests

The Defence Committee report includes as an Australian strategic interest "the pursuit by these same countries (i.e. South East Asian and South West Pacific) of domestic objectives without substantial disruption of their domestic peace and economic development". (p 2, 3)

This is not a strategic interest in its own right . On the other hand, we may be concerned lest any "substantial disruption" is inimical to one or more of the other strategic interests specified in Part I of the Defence Committee report.

2. Neutralisation

It is Government policy to encourage the formation of a region of neutrality in South-East Asia. Of course we agree that the arrangements under which "neutrality" is established should not be such as to disadvantage Australia strategically or to inhibit transit to or from Australia of shipping and air traffic.

The need for Australia to pursue its own independent interests is more important than any advantage which may be gained by "concerting with the U.S. and Japan in developing common policies towards proposals for a zone of peace, freedom and neutrality in South-East Asia". (p 76)

3. Defence Aid and Internal Security in S.E. Asia

The Strategic Basis lays considerable emphasis on the importance of internal security to the ASEAN countries. Dissidence and insurgency may lead to situations in which outside powers can intrude in such a way as to damage Australia's strategic interests. Yet in some countries, political opposition is suppressed and must either become ineffectual or operate "outside the state and national politics" (p 32). While this Government hopes that change in the region will be peaceful and recognises that unrest may be against its strategic interests, it wishes to avoid interference in the internal affairs of other countries by deliberate support of governments against their domestic opposition. In the long run such interference is likely to cause great damage to our interests.

.../2

AUSTEO
SECRET

1976

SECRET

AUSTEO

These considerations have an important bearing on the nature of defence aid that we provide to South-East Asian countries. Ideally, equipment provided under defence aid programs should demonstrably be of use for defence against external attack. If they have economic merit as well (viz Patrol boats provided to Indonesia and used in an anti-smuggling role) so much the better. It is acknowledged that many items of equipment needed for defence against external attack are useful against domestic opponents and should not be excluded on the latter grounds. However, defence aid which is predominantly directed to securing the position of the government of the day against domestic opposition is to be avoided.

4. Communism in South East Asia

The point is well taken that ASEAN countries are concerned because of their recent history, about the dangers of Communist insurrection. Insofar as such insurrection is a device by which outside powers may increase their influence in the region it must concern the Australian Government as well.

However, an opposition movement must not be presumed to be a proxy for hostile great power interests merely because it is Communist. Its motives and connections should be objectively evaluated as should those of any such opposition movement.

5. British Involvement in South-East Asia

The Government values our defence relationship with the United Kingdom and that country's role in South-East Asia. However the Government is opposed to the stationing of British forces in the area other than for the purpose of providing assistance in the training of indigenous forces. It is on the latter ground that we justify the presence of those Australian forces which remain in Malaysia and Singapore. The platform of the ALP states: "Labor will seek to end the presence of military forces in countries other than their own".

6. Strategic concern with Organisations other than Nation States

A discussion of factors which might cause instability in South-East Asia is not complete if it ignores security threats other than from nation states.

.../3

AUSTEO

SECRET

A number of countries have experienced threats to their security as a result of activities of international organisations which are not identified with a particular nation. For example Jordan and Lebanon have had major problems with Arab guerilla organisations. An assessment spanning 15 years should discuss the likelihood of such problems arising in South-West Asian countries and the responses which Australia might make to them. Indeed the prospect of harassment on the Australian continent or in the Australian maritime resource area should not be ignored in the assessment.

The activities of large commercial organisations could threaten the stability of under developed countries. In particular, international companies could find it in their interest to enourage secessionist movements in Papua New Guinea. It is unlikely that such seccessionist pressure (if it ever arises) would require a military response from Australia. Other remedies are probably more appropriate. Nevertheless our intelligence assessments of the region should take account of the activities of large non-indigenous corporations.

29.1.1974

SECRET AUSTEO

DPB (FA)
18 221

DEPARTMENT OF DEFENCE
JOINT STAFF DIRECTIVE

JSD No: 6 /1974
File: D308/12/2
Dated: 31st May 1974

DJOP

Information: JPC Service Members

DEFENCE OF CONTINENTAL AUSTRALIA

Reference: JSD No: 2/1974 dated 21 January 1974

Background

The above reference directed the Joint Operations Staff, in consultation with the Services, to prepare an Australian Joint Service Plan (AJSP) to determine possible military solutions to meet enemy actions described in the "Low Level Confrontation" and "Active and Continuing Confrontation" situations.

2. As a result of the Working Party considerations and comments from the Services it has been decided that an AJSP is not the appropriate document for an examination of military capability against an imaginary threat in a hypothetical situation. Such a study would be more appropriately handled by a Contingency Planning Study (CPS) which would have the format of an AJSP and could readily be upgraded to plan status if required at a later date.

Directive

3. The Joint Operations Staff, in consultation with the Services, is to prepare a Contingency Planning Study

SECRET AUSTEO .../2

to determine possible military solutions to meet enemy actions in a "Low Level Confrontation" situation in North West Australia. The scenario for the CPS is to be developed by the Working Party from the guidelines shown at Annex A of this paper.

4. The Working Party established by Joint Staff Directive 2/1974 is to be reconvened under the chairmanship of the Joint Operations Staff, and is to prepare a draft CPS for formal consideration by the Joint Planning Committee.

5. Should the Services wish to replace members of the original Working Party with other officers of equivalent rank the names of the new members should be passed to Commander T.A. Dadswell (Ext. 2949) by Tuesday 4 June.

6. The Working Party is to reconvene at 0930 Thursday 6 June in the Defence Operations and Intelligence Centre. (Room 5-3-33)

(A.M. SYNNOT)
Rear Admiral
DIRECTOR JOINT STAFF

Distribution

List A plus JOS, JOLS, JPS, JSCS

SECRET AUSTEO

ANNEX A TO
JOINT STAFF DIRECTIVE
/1974

219

GUIDELINES FOR DEVELOPING A SCENARIO FOR A LOW LEVEL CONFRONTATION SITUATION IN NORTH WEST AUSTRALIA

The following hypothetical situation has arisen in the North West of Australia. A new terrorist organization under the tutorship of the Black September Organization is based on an island about 500 miles north west of Darwin. One of its aims is to incite dissident elements of the population in the Northern Territory and North Western Australia to terrorist activity against national authority, public facilities, mission stations and mining and pastoral undertakings.

2. The movement has approximately 200 members available for deployment to the Australian coast line by luggers and public transport. Future recruitment is likely to depend on the success of organization's early operations.

3. The members of the organization are well trained in the use of, and are equipped with, small arms, explosives and simple tube-launched rockets. The organization has no capacity to threaten Australian areas east of Gove and south of Broome, nor are its members likely to penetrate more than 50 miles inland.

4. Infiltration of mission stations at Millingimbi, Bathurst Island, Melville Island, and Drysdale River has been reported. The infiltrators are gaining support from idle elements of the Darwin population. Terrorist attacks on installations can be expected as a part of the terrorist plan to demonstrate how easily and effectively local law and order can be disrupted.

5. The Australian Government has decided that military operations against terrorist bases overseas will not be permitted.

SECRET AUSTEO

SECRET AUSTEO

74

Department of Defence Copy No: 12

DEFENCE COMMITTEE

CONFIRMED

DC/COS Meeting MIN 1/76.

Date 8/1/76

MINUTE OF MEETINGS HELD ON 29th AUGUST, 1st, 5th, 17th, 18th, 22nd, 25th SEPTEMBER, AND 3rd OCTOBER

AGENDUM NO. 5 /1975 MINUTE NO.11 /1975

STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY 1975

MEETING OF 29th AUGUST

Among introductory remarks relating to the timetable of, and procedures for, the series of Committee meetings to develop the 1975 Strategic Basis Paper, the Chairman emphasised the desirability and importance of producing the paper as quickly as possible since there had been a public commitment to have a review of the previous paper, which for practical purposes made the 1973 Strategic Basis sterile.

2. The Chairman also reminded the Committee of the need to consider the question of presenting the paper in a form that would permit publication if the Minister decided that this was required. The Committee at an

.../2

SECRET AUSTEO

earlier meeting had concluded that for security reasons it would not be practicable to publish the full paper, but in his view there would be merit in having a second paper, probably one essentially summarising the main paper, at a Restricted level of classification which could be widely distributed in Australian Government Departments and the Services and which, if required, could be published.

General Observations

3. The Committee discussed the draft as a total paper considering the general presentation and text. The following points on presentation were noted -

- There was a need to examine Chapters 5 and 6 with a view to drawing together more clearly the implications for Australia's strategic policy and defence capabilities of the intelligence assessments made in earlier chapters.

- Implications for Australia would not be included in Chapters 2 - 4. These chapters were directed towards intelligence assessments.

- It appeared desirable to bring out the importance to Australia of the immediate

.../3

neighbourhood at a point earlier in the paper.

. A statement of Australia's strategic interests should be included in the introductory Chapter.

. Rather than make military deductions from potential threat situations described in the paper, these would be developed in a subsequent defence force capabilities paper. It was part of the accepted process in the development of the Five Year Defence Program.

4. Regarding content members drew attention to the following matters which required further consideration -

. the consequences of international terrorism in Australia;

. the extent to which the use of American forces in aid of Australia's interests can be assumed;

. the implications for Australia's security of developments in the Indian sub-continent, and of the Sino-Soviet rivalry there;

. the significance of the New Zealand proposals for a nuclear free zone;

. the implications for Australia of the switch of wealth to the Middle East;

.../4

. regional military capabilities and prospective deployments (including arms supply and arms running).

5. The Committee noted that some refinement of Australia's interests and responsibilities in the neighbourhood as compared to the region (Chapter 6) was necessary in order to ensure consistency of treatment. There was also a need to bring out the importance of having an independent capacity for intelligence collection in the Australian neighbourhood.

6. The consensus of the Committee was that the paper covered an appropriate range of the strategic considerations relating to Australia's defence and would be a suitable basic draft for policy development.

7. The Committee began the detailed examination of the paper.

SUBSEQUENT MEETINGS (1st, 5th, 17th, 18th, 22nd, 25th September and 3rd October, 1975)

Procedure

8. The procedure for the subsequent meetings of the series was for the Defence Committee to consider, in detail, the text of each Chapter. The Committee revised phrases or sentences to give improved definition or clearer presentation, or directed the revision of

..../5

paragraphs to take into account the concept or views required. Redrafted sections were reviewed by the Committee before consolidated revised chapters were given final clearance.

9. The Committee was conscious during all its discussions of the risk of sentences or paragraphs being taken and quoted out of context. Accordingly, every effort was taken to ensure that statements susceptible to this action were appropriately qualified, but the Committee recognized that it would not be possible to cover all such points having regard to the need for both brevity and clarity in dealing with a very complex topic.

10. Points noted by the Committee during the discussion included:

(a) the need to emphasise Australia's requirement to encourage the US to continue to support US/Australian Defence relationships;

(b) CAS considered more emphasis needed to be placed on the importance to Malaysia of the RAAF Mirage squadrons at Butterworth, particularly as part of the Integrated Air Defence System. It was agreed that all the issues were too detailed to be discussed fully, but the paper should mention the major considerations in preparation for the review scheduled ~~for the~~ end of 1976;

on Australia. He emphasized that he accepted the core force concept contained in the Strategic Basis paper. He was referring to the thinking and planning stage of the analytical procedures that needed to be undertaken in order to form a comprehensive picture of the size and shape of the force structure if it is to be organized, equipped and trained so that it is capable of expansion in the required way. This implied no commitment to bids for increases in manpower or hardware. He believed it was wrong to give priority to the study of lesser contingencies, and pointed out that Army had already undertaken a considerable amount of work on major defence of Australia studies. He considered that there was still a great deal to do, and that the pressure to undertake this work should not be removed now.

12. The Chairman pointed out that it would be wrong to assume that military capability to deal with very unlikely, though important, contingencies would necessarily be the appropriate means of dealing with more probable, though less dangerous, contingencies. CGS agreed that, provided its capability for expansion was not affected, Australia should not organise its Defence Force to meet the most remote contingencies, and accepted that the Government would expect to be given advice on those

.../8

contingencies which were of immediate relevance. The Chairman pointed out that there was only limited capacity to undertake the whole range of defence studies required and that it seemed logical to start with those situations which were most credible and relevant, while acknowledging that planning and analysis of strategic and operational doctrine should address the full range of contingencies. CGS noted that he was not suggesting that the shorter term contingencies should be deferred. There was a concurrent need. Following further discussion, a revision of the section was directed to take up the points agreed. The redraft was accepted at the subsequent meeting.

Defence of Australia - Means

13. CAS raised the desirability of adding a paragraph towards the end of Chapter 6 which would state the basic concept of the manner in which the Defence Force would defend Australia. The Committee endorsed the addition of a strategic concept which acknowledged that because of Australia's geographic circumstances, any assault would have to come by sea and/or air and therefore Australia's strategy should be to meet the enemy in a maritime environment before they reached the shore. At the same time, Australia needed ground forces in being and appropriate air support to deal with lodgements that might occur. An appropriate form of words was agreed.

Consideration of the Introduction - Chapter 1

14. The Committee considered the revised draft of Chapter 1 prepared by the Secretary Department of Defence. This had been edited to reduce to the bare essentials the bases for the strategic appreciation paper and to avoid becoming involved in detail on these issues. The Secretary said that he had not overlooked the Committee's earlier views that a list of Australia's strategic interests should be included, but as the Committee had now structured the report he considered that the listing was unnecessary. The Committee agreed Chapter 1 with minor amendment.

15. The Secretary for Foreign Affairs (Mr. Renouf) found difficulty with the passage in paragraph 3 reading

> "This paper draws attention to the desirability of co-ordinated national policy which does in fact protect the national defence interest."

which suggested that supremacy be given to Defence considerations in the final definition of policy whereas the original concept was to call only for "co-ordination". The Chairman explained that he wanted to go beyond a somewhat trite statement about co-ordination and state absolutely that policy ought to be such as to protect Australian security interests. This did not specify what weight was to be given to various conflicting interests;

.../10

moreover, the final decision on policy might fall, for example, to Foreign Affairs which would have substantial authority in such matters. But he did not believe that any Minister would publicly stand by a policy which did not protect "the national defence interest" and that the proposed passage was justified. Mr. Renouf and Mr. Daniel indicated that, in the light of this interpretation of the significance of the words, they would accept the text.

Requirement for a shorter version

16. On the question of drafting a version of the Strategic Basis paper suitable for public presentation, the Committee generally agreed that this was hardly practicable. The naming of countries as a potential threat raised sensitive issues, and in addition, there was the source material from which assessments had been made. Without recourse to this information many judgements could be difficult to justify.

17. Bearing in mind the limited distribution to be applied to the main paper, the Committee considered that there would be many advantages in editing the main paper, to produce a shorter version at "Confidential" level. The purpose of this paper would be to permit a wide distribution among the Department of Defence, Service Commands, and selected other Australian Government

.../11

Departments with defence interests. The Committee was agreed that it was highly desirable that senior Service and Departmental officers be able to read and understand the policy objectives endorsed by the members of the Defence Committee. The Chairman added that the short version would assist in avoiding a situation such as had occurred previously when a member of the Defence Committee made a public statement in conflict with the position he had endorsed as a member of the Defence Committee.

18. The Committee also acknowledged the need to make available to New Zealand to assist in their defence policy formulation, a suitable version of the Strategic Basis paper. After discussing whether this could be achieved by simply deleting sensitive sections relating to New Zealand and passing over the rest intact, it was decided that this might strain New Zealand prudence and that some emendations of more sensitive opinions might be desirable. The security classifications ANZEO and WELCAN were to apply to any document given to New Zealand.

CONCLUSION

19. The Defence Committee, on 3rd October -

(a) approved the text of the Strategic Basis of Australian Defence Policy 1975;

.../12

(b) invited the Chairman to submit the Report to the Minister for Defence requesting his endorsement of it as a basis for defence planning and programming, and proposing that it be transmitted by the Minister seeking similar endorsement by the Prime Minister and the Minister for Foreign Affairs and such other Ministers as the Prime Minister might indicate;

(c) subject to views expressed by the Minister, agreed the preparation of a shorter version at 'Confidential' level for wide distribution to senior departmental and Service officers in the Department of Defence and Service commands, and selected Australian Government Departments;

(d) agreed to the preparation for the Committee's consideration another version appropriately edited ~~(see~~ para 18 above) and classified ANZEO and WELCAN, to assist New Zealand in defence policy formulation.

(Members)

Sir Arthur Tange CBE
Secretary, Department of Defence
Chairman

Admiral Sir Victor Smith
AC KBE CB DSC
Chairman,
Chiefs of Staff Committee

Lieutenant General F.G. Hassett
AC CB CBE DSO MVO
Chief of the General Staff

Vice Admiral H.D. Stevenson
CBE
Chief of Naval Staff

Air Marshal J.L. Rowland
CBE DFC AFC BE
Chief of the Air Staff

Mr. A.P. Renouf OBE
Secretary,
Department of Foreign
Affairs.

Mr. J.L. Menadue,
Secretary,
Department of Prime Minister
and Cabinet

Mr. R. Daniel
representing the Secretary
to the Treasury

Adviser to the Committee -

Mr. G.A. Jockel CBE, Director Joint Intelligence Organisation

Also attending -

Mr. W.B. Pritchett, First Assistant Secretary, Strategic and International Policy, Department of Defence, except for the meeting of 5th September.

Mr. G.E. Blakers OBE, Deputy Secretary (B), Department of Defence, attended the meeting of 5th September.

Note on attendance -

Messrs R. Fernandez and Mr. N. Parkinson represented Mr. Renouf at the meetings of 1st and 18th September, 1975, respectively.

Mr. D. Munro represented Mr. Menadue at the meeting of 5th September 1975.

(D.A. HORT)
Secretary
DEFENCE COMMITTEE

3 October, 1975

Appendix G:

Selected Documents on Self-Reliance Under the Fraser Government

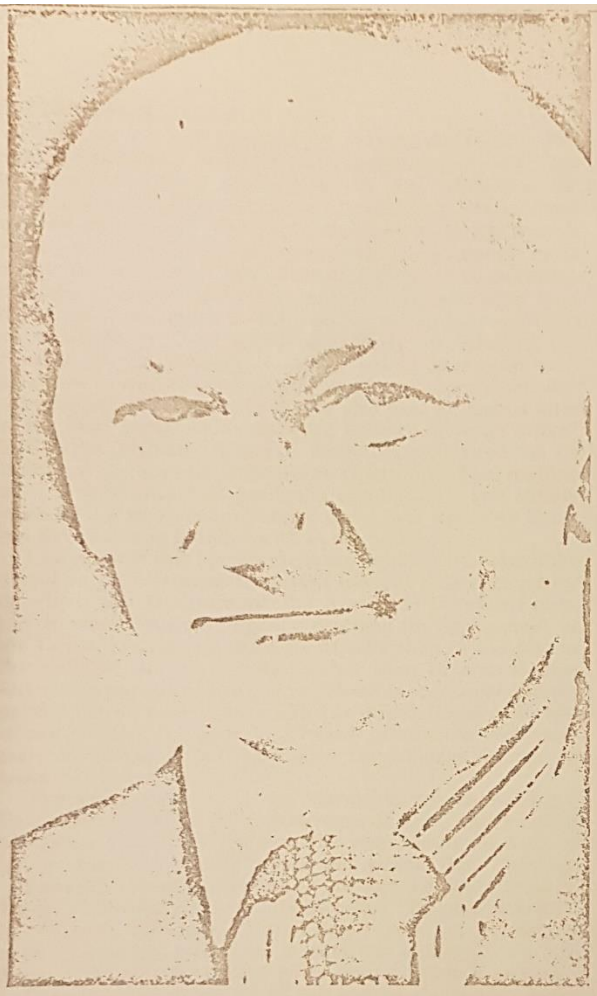
(1976-1983)

DSM611

DEFENCE POLICY MAKING IN AUSTRALIA

by

Sir Arthur Tange CBE



To decide how best to provide security for Australia is a serious matter for any Government and the advice that Governments receive embraces many types of professionalism. It involves the separate technical knowledge, judgement and interests of the sailor, the soldier, the airman, in all their different specialisations, the scientist, the financial administrator, the systems analyst, the engineer, the intelligence analyst, the diplomat, the production planner and manager, the computer programmer, industry adviser, cost accountant, the academic analyst and – not least for being mentioned last – the citizen who looks to government to provide him and the nation with security, and who pays for it all.

The inherently complex subject is exposed perhaps more than most to answers that come more emphatically than reasons.

The concerned citizen is entitled to know – and to be able to form his own judgement upon – the kind of people who advise Commonwealth Governments.

At the same time you will, I hope, forgive me if on some subjects – such as for example which countries might be able to offer military threat to Australia, and wish to do so – I remain obscure.

There are others who are less inhibited than a government adviser must be in public discussion on definition of potential future sources of threat to Australia.

Indeed "definition" is too ambitious a word – whatever they may say to you, and one of my purposes will be to draw to mind some of the ambiguities, some of the dilemmas and, perhaps, expose some of the less helpful simplicities that befog understanding of Australia's future defence problems. The assessment of a threat to our security as a nation is a highly complex judgement requiring attention to far more than the military capability of a potential enemy to launch and sustain an attack – which is a difficult enough judgement – but demanding a sober calculation of motives of the leadership of that country, – as well as an estimate as to how *other* countries would react to his actions.

I shall be suggesting that this is one subject upon which Australian military history may be a distraction rather than – as history often is in other matters – a signpost to the future.

My role is not to discuss what our defence policies and effort ought to be – a subject I leave for members of Parliament who carry more responsibility than I, and to the independent analyst to whom I concede nothing in responsibility but who enjoy more freedom in public debate than I. I shall try to contribute by offering some thoughts on how we ought to go about assessing the kind of defence capability (the forces, their operational orientation, their size, and their weapons and equipment) that government should create for the country.

It is perhaps sufficient for me to remind the reader that this financial year we will be spending, depending on decisions in the additional estimates, something between $1800m and $1900m on defence; that we are employing on full time some 102,000 personnel (of which 69,000 are in uniform and 33,000 are civilians in various production, research, repair and maintenance, and administrative services and management functions). There is another 23,000 in the Reserve Force with training obligations. The value of buildings and stores and stocks held is several thousand million dollars. Expenditure this year will be something less than three percent of the expected gross domestic product.

MATTERS FOR DECISION

There are no soft options for making Australians feel secure. Absolutism views about defence requirements are sometimes presented without posing and answering the question who is going to pay or, alternatively, what should be given up in order to find the resources to satisfy what is said to be a defence requirement. Moreover, voting more money for defence is not of itself a solution to anything. Australia's present and future task is to discern what kind of defence capabilities at the disposal of our Service Chiefs are more likely, and which less likely, to advance the security of the country – which would throw up such questions as do we need to give emphasis now to maritime surveillance? What priority do we give now as against later to the land battle or to maritime defence or to air strike? And what civilian industrial resources will need to be mobilised in various contingent situations? The requirement is wise choice of particular capabilities – not simply more of the weapons or trained manpower which we know and have become familiar with in the past.

I emphasise this because it is my opinion that Australia is still in an historical transition towards a defence policy in which the structure of the Australian Defence Force, and in which our contingency planning for deployment of the Force, are related more specifically than in the past to the defence of this country rather than to contributing Australian expeditionary forces. Those expeditionary forces usually served under major allies in international collective security where the interests of those allies were predominantly involved but the Australian Government decided to make common cause with them.

The consequences of the transition are far reaching. They have involved the questioning of many assumptions which have accumulated over the years about the kind of forces Australia should have, and about their location.

I am not intending to open an ideological debate between the two over-simplistic doctrines called "forward defence" or "fortress Australia". Nor, I assure you, am I taking it upon myself to offer you a personal ideology. Nor are these matters of Australian party political choice or fancy.

Changes have occurred in the rest of the world, and a transition of the kind described had to follow, whatever Australian domestic political opinion prevailed, although there may well be differing political judgements about the desirable speed and extent of the transition. Significant changes in the rest of the world have included the virtual disappearance east of Suez of British military power and the capacity to deploy it; the Guam Doctrine of limited commitment propounded in 1969 by the President of the United States: and subsequent American decisions to run down its resident forces and avoid new commitments in South East Asia; the new contracts of Western Powers with China; the growth of the capacity of countries in Australia's north to defend themselves from outside interference and of a desire not to have any of the great powers (including the United States) extensively involved militarily in their affairs.

These changes suggest that the international circumstances no longer exist that took Australian forces to Europe, the Atlantic, the Mediterranean; the Western desert, Korea, Malaya and Vietnam. If we were again engaged in war in any of these areas the circumstances would be different; and for my part large scale involvement in the places more remote from Australia seems to be highly improbable.

So far as South East Asia is concerned the trend of Australian policy now is towards defence co-operation of a kind not involving formal alliance or operational commitments; but including joint exercise of the forces, extensive training in Australia, and transfer of some Australian equipment.

For defence policy we need to assess the changes going on in the world with the best judgement we can bring to bear, debate the differing interpretations which there will always be about such matters, and plan and build in Australia now a structure for the Navy, Army, Air Force, and for their scientific, industrial, diplomatic and intelligence support, which is relevant to both the probabilities, and to the more improbable contingencies, of the last quarter of the 20th Century.

We have to bypass some stereotypes which have a strong effect on Australian thinking.

TWO DETERMINING CONSIDERATIONS

The level and structure of Australia's Defence Force should be principally determined by the strategic outlook (and I shall want to say more about this); but in addition the physical environment of Australia – independently of what is going on in the rest of the world – has enduring features which of themselves should be a determinant of the structure of our Defence Force. Under this I include our physical environment and national geography, the distribution of population, the distribution of the defence and industrial infrastructure of the country, and the distribution of the country's resources.

The strategic outlook involves the recognition of and responsiveness to international situations and contingencies that, in either the short term or the longer term, are deemed likely to support our security interests or to endanger our security interests.

When I say "our" security interests, I mean that – Australia's and not those of other countries. Where we concern ourselves with the security interests of another country – be it in our neighbourhood or the security interest of a major ally like the United States – in the Pacific or Indian Oceans at large – it is only rational that we should establish a convincing connection with our own security interests.

I further suggest that the security interest of Australia involves primarily two freedoms which we must preserve –

- freedom of our territory from interference and,
- freedom to pursue national and international policies without pressure or duress from a militarily superior power.

These, I suggest, are the objectives of Australia's defence policy.

The origins of what I call a "neighbourhood" defence policy are not the sole creation of any single Australian political party. In 1971 the Strategic Basis Report by the Defence Committee[1] advised that maintaining a capability for operations overseas should not dominate the development of Australia's defence force and that more emphasis sthan hitherto should be given to what was called "the continuing fundamental obligation of continental defence . . .". In 1972, before the election of the Labor Administration, various statements by the then Minister for Defence referred to the 'great changes occurring in Australia's external environment', and the need for "defence equipment and manning giving Australian Services an increasing measure of self reliance and ability to act alone in certain situations". The run-down of British and American strength in Australia's area of strategic interest was recognised and

(1) Chairman Chiefs of Staff Committee, Chiefs of Staff, Secretaries of Defence, Foreign Affairs, Prime Minister's and Treasury.

government policy was to ensure "that we had the capability to pursue Australia's interests by our own defence efforts to a greater extent than in than in the past". Defence planning was being directed towards increasing

Moreover, when assessing the adequacy of our defence effort, it must not be supposed that it is only that policy which serves the objectives of freedom from external interference. The first and ever present instrument of Australian policy must be our diplomacy and the conduct of our relations with the rest of the world.

Even in future conflict in which Australians are at war in defence of Australia's interests, the conduct of our relations and negotiations with powers not involved could prove to be of supreme importance in the outcome.

ASSESSMENT OF THE STRATEGIC OUTLOOK

It would not be credible to expect the Australian electorate to approve, in international circumstances such as we have at present, the financing and manning and equipping of a defence force, and industrial backup for maintenance and new production, of the size that would be required were Australia defending itself against a significant military power.

If we start with that assumption, the security of the country demands three things:

- First, that the force in being, and the equipment under procurement, will enable us to deal with current and foreseeable tasks, and with low level contingencies that could arise at short notice;
- second, that governments in Canberra have the capacity and willingness to recognise larger adverse changes if and when they occur in the world, and to authorise in adequate time the build-up of relevant defence capabilities – i.e. without awaiting a specific threat of attack against Australia;
- third, that the core force that we maintain in low threat times contains the essential skills and doctrines, the volume and required technology of equipment, the industrial support, and adequate numbers of trained men that would permit expansion of the Force in consonance with the maturing threat.

These assumptions have been accepted in our present force structure.

I cannot predict public opinion or political will in the uncertainty of the future. I do predict that we will have a generally adequate organization for informing and warning governments of the probabilities and contingencies in the world outside.

This starts with the functions of intelligence collection and intelligence estimating.

The Australian intelligence function is to identify and analyse for Ministers, Service Chiefs and civilian defence advisers, the circumstances and the motivations which are at work upon other countries and which influence the course of action which their governments – or their alternative governments – may take.

Some lesser calls on the Services – e.g. intrusion into our territories by fishermen or a call for evacuation of citizens resident abroad – can occur at short notice, and the Defence Force contains the means of dealing with these demands that arise in peacetime circumstances.

If one rejects the view – as I do in *present* international circumstances – that a major threat threatening the whole security of Australia (threatening the freedoms that I referred to) can arise at short notice, and if the country is to rely on its government acting in good time, the perceptiveness, integrity and persuasiveness of the intelligence and strategic analysis given to governments takes on very great importance.

We shall be a far cry from the past, when the War Book told us that a state of war would be announced to the Australian Government by a British Secretary of State. We shall be dependent on Australian resources of information and judgement supplemented with the highly valuable support of co-operating allies in the intelligence field.

To assess Australia's strategic outlook for the purpose of defence decisions we must distinguish between tides and eddies. There are types of violent events which, like eddies, are sometimes not predictable. They may well be injurious to others but they will not necessarily be a threat to the security of this country. Events of this kind – outbreaks of religious violence, border disputes and the like might contingently impose on Australia an obligation to contribute to the United Nations collective action but experience suggests that this uncertain prospect in itself should not be a determinant of this country's defence effort.

It is sometimes argued that the unpredictability of violence demonstrates that Australia should not rest on the assumption that we will have sufficient time to develop our defence effort from a core force to a force capable of defending our country. Those who argue in this way do not always note the need to differentiate between those violent events which credibly have a bearing on Australia's security interests and those which do not.

But if we can ignore the eddies, or at least not over-react to them, we must study the tides of international movements and such things as the changes in the distribution of military and economic power in the world and in the political power of groups of countries, and in their objetives towards countries in Australia's position. These I believe are the tides which in their ebb and flow increase or decrease the vulnerability of Australia to threats of real consequence. They do not flow regularly. Their movement is, however, discernable and their implications for our future security can, I believe, be estimated. This is what the periodic Strategic Surveys by the Defence Committee set out to do for the Government. Such measurement will never be precise. It does however help us to clarify our thinking on the direction and urgency of the national defence requirement.

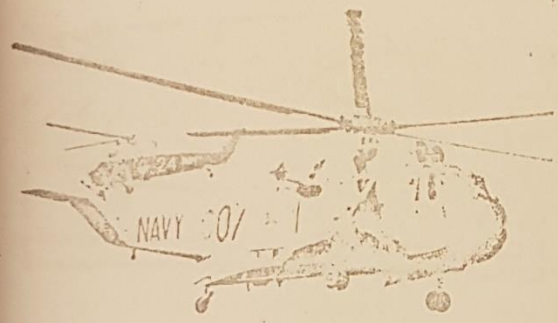
There will inevitably be a diversity of interpretations. Thus events in and around the Indian Ocean seem to me to provide a mixture of tides and eddies calling for discriminating assessment of their varying importance to Australia's security.

I now comment on the role of intelligence gathering and estimating. There are those who disparage intelligence as an activity which is unworthy, whether because of methods assumed to be used, or perhaps because of a highly developed trust in the motives of other powers in the world. I need hardly tell you that other powers, possessing a present or latent capacity to act against Australia's interests, are not inhibited from using intelligence.

It is essential to gather information needed for planning of policy, the equipment of the Force and conduct of military operations. Moreover, we must look into the future where vision becomes clouded. We must foresee the more likely course that international events could take, and the political motivations at work in other countries (which is always as important as estimating and predicting its military capabilities – countries do not attack you just for the military experience they get). I make no apology for saying that we need to do more rather than less of this kind of forward estimating in the Department of Defence. Cabinet Ministers, when they decide the weapons fit and performance of our next tactical air fighter or the degree of sophistication in our anti-submarine surveillance forces, or in



The author, Sir Arthur Tange, and Dr. J. Farrands, Chief Defence scientist, being briefed by directing staff at a combined exercise held in Queensland.



A Navy SEAKING Helicopter – an example of the current equipment requirements the author mentions.

electronic warfare equipment, are in fact making an assumption about the kind of enemy we may have, and the support he may get from others, at any time in the next twenty years. It seems to me logical to marshal all the various Service and civilian skills that will throw light on the orders of probability – nothing so ambitious as firm predictions.

Intelligence is an important component of peacetime policy judgement. Intelligence about the outside world, and advanced forms of external surveillance are required by Australia, applied to the areas of strategic importance to us, because of a combination of circumstances – our physical size, the extent of our territorial limits and of the key approaches to them, the impediments to and high cost of surface movement in and around the continent, and other considerations.

A significant part of the research in our Defence Science Laboratories is directed at the surveillance requirement and defence equipment on order or being examined with a view to submission for consideration by the newly elected government aims to improve our surveillance capability in our maritime environment – air, sea and sub-surface.

SOME IMPLICATIONS OF A MORE SELF-RELIANT DEFENCE CAPABILITY

I have pointed out that Australia's present defence posture assumes a capacity to expand adequately within a time of warning – preferably to deter attack rather than to defeat it when it occurs.

Apart from lesser situations with which our present Defence Force could have to deal, it can be argued as of today, that we would have several years' warning of an attack of such intensity as to threaten the security or freedom of Australia. The countries which now have or could acquire in the next five to ten years a credible capacity combined with motivation, to attack and occupy Australian territory are very few in number. I would believe that all of them would be subject to restraints of one kind or another. There would be the restraints caused by the possible shifting of realignments against it if it seriously threatened to carry out such an attack, the restraint of the dangers to which it would expose itself, the restraint of distance and logistic problems.

In justifications of these views I must add that I believe the United States and Soviet Union each have sufficient material interests and enough mutual understanding and fear of each other's capacity for destruction to avoid war which would involve us all. While this relationship by no means excludes outbreak of conflict between some other powers – as we see in the Middle East – I do not consider that at present any power becoming capable of successful attack on Australia could expect both super powers to stand aside.

Doubtless you will hear other opinions on this; and on the vitally related question whether we are capable of recognising a deterioration in Australia's strategic prospect; and whether our present force is so composed and trained and equipped as to retain an inherent capacity to expand adequately within that time frame.

RELATIONS WITH ALLIES

We have had, since 1952, a valued alliance with the United States; we have had a long uncodified alliance with Britain; and we have international defence arrangements of various kinds with New Zealand and with countries in South East Asia.

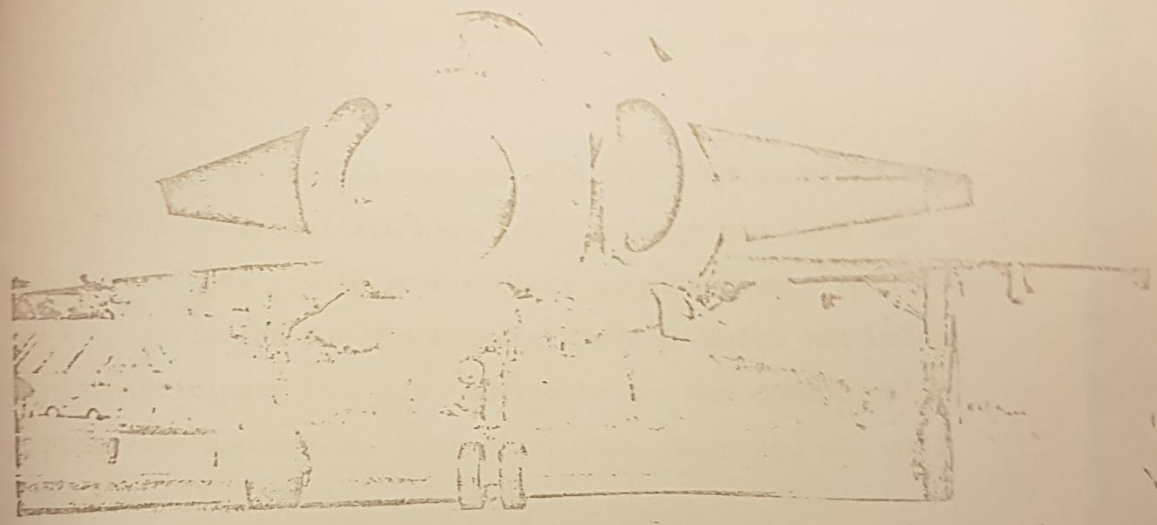
I would not wish anything that I have said to suggest that I am predicting an Australia without alliances. What I think it is valuable to do is to discuss alliances in a practical way because that is very likely the way that our allies look at them. It is a disservice to discuss ANZUS as a kind of incantation.

The defence relationship with the United States, which is embodied in the ANZUS contract to develop individual and collective capacity to resist armed attack in the Pacific area and to act to meet a common danger, is full of practical advantages in peacetime for our Navy, Army and Air Force, and the alliance is not to be measured only by the contingency of Americans going to war in defence of Australia. There is a substantial transfer of military technology and information to Australia of immeasurable value under the umbrella of this agreement.

I do not wish to add anything to all the words that have been said about the potential value of this alliance to Australia under attack except to offer one comment. If we value the association it would be prudent to ask ourselves whether Australia is, consistently with other major national interests and objectives, sustaining American strategic interest in Australia. Perspectives in Washington and Canberra – the capitals of countries of immensely different power and international involvement – may differ and we should not take too much for granted.

A changing relationship with allies follows from decisions those allies made themselves – the British to run down their commitments, the United States to reduce its presence in Asia and to turn away from open-ended offers to police the world with such help as allies, such as Australia, were prepared to offer.

We are re-thinking what further changes in our own forces will be required. In the circumstances of the 1950s and 1960s we were able to assume that our forces were engaged with allies who undertook to take the major shock



A SAAB VIGGEN fighter – one of the aircraft presently under consideration for the Mirage replacement order.

of combat and who did not require Australian forces to be immediately present. If we are talking about the defence of Australia, neither of these conditions would apply. For that purpose we would need a logically composed and integrated Australian force balanced for defence against an enemy attacking a defined territory – namely our own. This may be different in some respects from having three forces capable of contributing – as Australian Services have on so many occasions – something worthwhile to principal allies operating in or in connection with the defence of a third country.

ISSUES AND DILEMMAS FOR THE FUTURE

I have sought to explain the issues upon which the Chiefs of Staff of our three Services and the Department of Defence – consulting at various levels and in various committees – set out to advise your government. I can see many perplexing problems arising for future discussion and decision. Without offering you answers, can I put in your mind the following list:

- In what particular military capabilities do we go for self-reliance as against relying on allied support?
- How much high weapons technology (at a cost) should we prefer as against numbers in the ships, aircraft, armour for the Army that we buy?
- How much expenditure do we put into longer term capital equipment and other enduring acquisitions rather than into recurrent and evanescent expenditure on exercising manpower?
- How much resources should we provide for mobility as an alternative to a dispersed local presence in various parts of Australia?
- How much specialist capability for fighting externally from Australia (with logistic support) do we need, and what do we give up to achieve it?
- How much public support can be expected for a function for the reserve forces enabling them to be called up in less than total national emergency?
- How much Australian production of military equipment should we accept at non-competitive prices as against being dependent on overseas supply?
- How much static infrastructure of roads, ports, airfields repair and maintenance facilities do we prefer as against manpower and equipment for the Services?

We Government advisers have questions such as these constantly in mind, and successive governments have taken decisions upon them. One of my purposes in this presentation has been to invite attention to the great changes occurring in the external environment of Australian defence and the need to keep re-examining policies on such matters as well as the suitability of defence priorities and organization.

This article is based upon the text of Address to Summer School, University of Western Australia by Sir Arthur Tange CBE, Secretary to Department of Defence, on Tuesday 13 January 1976. Minor references to the local scene at the Summer School have been excised.

How important is American military assistance to Australia? In the second part of his article in the Herald's defence series, SIR ARTHUR TANGE, Secretary of the Defence Department, continues his look at Australia's future military needs.

Making the most of ANZUS

SMH 5/7/78

THE first part of Sir Arthur Tange's article, wh based on an address he gave to the Australian-Am Association, appeared yesterday. Other articles pu so far in the Herald's defence series, and da appearance are:

June 20, The Soviet Union's military bui (Commodore K. D. Gray, RAN ret); June 2 Australia threatened? (Peter Hastings); June 23, Australia must continue military aid (Peter Has June 27, How self-reliant is Australia? (Dr O'Neill); June 29, How to keep the invader o (Dr R. J. O'Neill), and June 30, The questio surveillance (Peter Hastings).

AUSTRALIAN defence policy involves a judgment not only about what is likely to happen in the world around us but how the Defence Force can best be used to meet likely contingencies.

The changes that have occurred in the last two decades have influenced the structure of the Australian Defence Force and its equipment. Moreover, there are changes in employment. A significant Australian military effort now goes into training assistance to neighbouring countries.

What do our military advisers say about the kind of self-reliant force that we should aim for? Our geographic environment is a powerful determinant. Performance, range and endurance of vehicles, ships and aircraft have to reflect Australia's vast size, its scarcity of ports and, in much of the continent, a lack of industrial resources and surface transport.

Externally any confrontation or conflict would be, initially at least, maritime in character. The approaches to the country can only be on or in the sea or in the airspace over the sea.

These factors combined with a modest-sized population, manpower costs and the need to secure a dispersed population, create a very strong case for having high technology in our defence equipment.

This has some obvious implications, for example in the areas of cost, as any observer of the price of military aircraft, military sensors, missile systems, combat data systems and fire control systems will readily agree.

But there are other implications. One of them creates a seeming paradox. High technology defence requires a significant reliance upon foreign sources of supply for the more advanced weapon systems and for the spare parts, improvements, modifications and replacements that would be necessary under conditions of war-time attrition.

In our maritime approaches a surveillance capacity to locate, identify and, in extreme circumstances, destroy, a target involves many co-operating, highly sophisticated, highly expensive forms of technology. In acquiring it our forces are simultaneously looking for means of reducing the call on manpower, and lowering the idle time of equipment under repair or refit in naval dockyards or air bases.

In some areas we can economise both in weapons quantity and the manpower and yet achieve the same performance as would be provided by a lower technology based on larger formations of manpower. The use of miniaturisation, and of modular systems and subsystems in combat aircraft are an example.

For example, the guided-missile frigates now being built in the US will be manned by 187 personnel instead of 303 on former manning standards, but will have new and greater fighting capacity, for example, through the carriage of helicopters on board.

The manpower saving will be achieved in large part by the concept of repair by replacement, and by taking major modules out of the ship to be sent to a shore base for repair. By these and other methods less technical manpower is required at the front line and the point of deployment.

This has implications for Australian industry which will be asked to do some of the things which were formerly done at sea.

The best contribution to Australian self-reliance is to be able, at an acceptable economic cost, to have the maintenance, support and replacement capacity located in Australia itself — in its factories, in its dockyards and its service industries, such as computers.

But there is a point, admittedly difficult to define, at which the cost to the peacetime economy is not acceptable. We must acknowledge that there is a degree of vulnerability to the extent that we are dependent upon overseas sources for our equipment, whether prime equipment or what is needed to support it and keep it operating.



Sir Arthur Tange

At the ANZUS council meeting in Washington on June 7 and 8, 1978, the US, Australia and New Zealand responded to an Australian proposal by acknowledging the importance of practical co-operative supply and support arrangements within the ANZUS alliance which would facilitate the expansion of Australian and New Zealand forces in contingent circumstances. Pursuant to this, further work is to be done in specialised ANZUS forums.

We have already achieved a technologically advanced linkage with the logistic services of the US. In a number of fields our supply organisations have a terminal link in the US Armed Forces Automated Digital Network, enabling us to transmit our day-to-day requirements for spare parts directly to the US Inventory Control in a matter of hours rather than the weeks involved earlier. We have thus been able to reduce our investment in local inventories in peace time circumstances.

Unavoidably, there will be uncertainties about the means and security of overseas sources of supply in a war of high intensity, and certainly in global war. But this is the case with virtually every country. Some technological changes are advantageous for example in the use of containers and container ships and in air transport.

The Australian Defence Forces are actively studying developments in this field and are moving extensively into containerisation. The development of the larger, faster and more versatile transport aircraft add to the advantages of more secure and more direct distribution of supplies from abroad.

None of this denies there are future dilemmas for the country and for Australian industry. For industry in Australia to keep pace with the expansion of all the technology throughout the defence forces of the advanced countries would be impossible. It is impossible in fact for most countries of the world. All countries are falling further behind the technological defence frontier set by the US.

This situation has, I suggest, some implications for American policy as well as for Australian. If self-sufficiency is not technically possible, or economically desirable, in Australia and elsewhere, one has to set some point that prevents self-reliance becoming dependence of a different kind on allies in war.

It could be that there is

CONTINUED ON PAGE 4

The realities behind the ANZUS pact

CONT FROM PAGE 3.

scope for further understandings between Australia and the US which will foster a common interest in assisting Australia to acquire, on a basis that has regard to cost and feasibility, greater independence in producing certain key military technologies.

Already the association between Australia and the US, symbolised and embraced by the ANZUS Treaty relationship among the two of us and New Zealand, fosters military co-operation of great value to Australia, the significance of which is not recognised as readily as it might be.

So much of the debate about the value to Australia of the treaty created 26 years ago concerns itself with the reliability of so-called American "assurances" of military aid to Australia if attacked. I venture to suggest that we would do better to work for the maximum advantage from the treaty in the forms of military and defence technical co-operation which are offered to us in circumstances of peace such as the present.

I also suggest that we regard the nature and extent of American military assistance to Australia when we are under military threat, as something that will be determined in the circumstances of the day and, by no means least, according to the degree of American strategic interest in Australia which our national policies sustain.

While it is not for me to enter the political debate which sometimes surrounds these matters, I can say that I think there has been a failure to acknowledge the great contemporary advantages that we receive in the flow of high technology to the Australian Services, and to our defence science and technology community and to some sectors of industry because of the condition of mutual trust and recognition of common interests that the ANZUS Treaty reflects.

The benefit extends to continuous access to scientific developments, to the results of performance tests on equipment, to the techniques of realistic military exercises (such as the Kangaroo series and Rimpac series) and the free exchange of intelligence information.

These are the present military realities behind the symbolism, the meetings, the formal consultations and the other business of State that surrounds the ANZUS association. These realities are fundamental to our nation's security. We cannot afford, therefore, to neglect them.

We must ensure that present understandings and arrangements between us and our American ally are closely nurtured and imaginatively developed so that, provided we are watchful that they are always consistent with our national objectives, the relationship between our two countries in the year 2000 will continue to have the vitality that has endured to this day.

SECRET

AUSTEO

Copy No. 54...

CABINET MINUTE

Canberra, 11 December 1979

Decision No. 10450

Submission No. 3577 - Australian Strategic Analysis and Defence Policy Objectives - 1979 (ASADPO 79)

The Cabinet noted oral presentations by the Director-General, Office of National Assessments (ONA), the Secretary, Department of Defence and the Chief of the Defence Force Staff on ONA's "Australia's Security Outlook" and ASADPO 79.

2. The Cabinet, without financial commitment:-

(a) generally endorsed ASADPO 79 as the basic guidance for the formulation of defence policies and the planning of Defence Force and infrastructure developmment;

(b) endorsed the need for sustained development of Australian defence capabilities with clear priority being given to:-

SECRET

AUSTEO

National Archives of Australia NAA: A12909, 3577

Decision No. 10450 (cont.)

(i) the independent combat defence of Australian territory and its direct interests;

(ii) the progressive enhancement of our national capacities to support this operational capability; and

(iii) the maintenance of a manifestly advantageous military capacity vis a vis our neighbours;

(c) noted that, subject to sub-paragraph (b) above, to policy judgement in each case as to the timing and scope of practical implementation, and to financial provisions which will be determined by the Government from time to time, the Minister for Defence has endorsed generally the defence objectives proposed in paragraphs 31 and 32 of Chapter Five; and

(d) noted the conclusions of the Defence Committee in respect of the following:-

(i) joint US/Australian defence facilities (ASADPO 79, Chapter 4, para 11 at p.45);

(ii) nuclear weapons (ASADPO 79, Chapter 4, para 70 at p.61);

(iii) requirement for defence related northern infrastructure (ASADPO 79, Chapter 1, para 24 at p.6 and Chapter 4 para 55 at p.57);

National Archives of Australia NAA: A12909, 3577

Decision No. 10450 (cont.)

(iv) priorities for defence co-operation (ASADPO 79 Chapter 5, paras 13-16 at p.67) - including in relation to supply arrangements (ASADPO 79, Chapter 4 para 27 at p.50);

(v) Butterworth deployment (ASADPO 79, Chapter 4, paras 33-36 at pp 51-52);

(vi) peacekeeping (ASADPO 79, Chapter 3, paras 52-53 at p.42);

(vii) the development of defence industry to produce key components and equipment for the Services (ASADPO 79, Chapter 1, para 22 at p.6 and Chapter 5, paras 19-20 at p.68);

(viii) peacetime tasks of the Defence Force (ASADPO 79, Chapter 5, para 28 at p.70); and

(ix) the need to examine the adequacy of defence energy supplies (ASADPO Chapter 2, para 12 at p.11 and Chapter 5, para 32 (xxxiii), at p.78).

3. The Cabinet agreed that the Minister for Defence bring forward for consideration in February 1980 a further Submission which provides an assessment of the readiness of the parties to the five Power Agreement and the Manila Treaty to act in accordance with their commitments and their expectations in this regard.

National Archives of Australia NAA: A12909, 3577

Decision No. 10450 (cont.)

4. The Cabinet agreed that this further Submission deal with the question of the extent to which the Defence Force should allow in its training, and equipment for combat engagements going beyond the requirement of the more immediate defence of the Northern Territory and our proximate lines of sea communications.

5. The Cabinet noted that the Minister for Foreign Affairs would bring forward a Submission for Cabinet on progress achieved in furthering Australian/Indonesian bilateral relations.

6. The Cabinet further agreed that the Minister for Defence make a major statement in the Parliament on defence in the Autumn Sittings.

Secretary to Cabinet

National Archives of Australia NAA: A12909, 3577

SECRET

AUSTEO

54

Copy No.....

THIS CABINET DOCUMENT HAS HAD A LIMITED CIRCULATION

CABINET MINUTE

Canberra, 12 February 1980

Decision No. 10698

Submission No. 3803 - The Implications of Recent Developments in Afghanistan for National Strategic Assessments and Strategic Policy.

The Cabinet:-

(a) noted the intelligence assessment provided by the Director-General ONA and the policy review prepared by the Defence Committee;

(b) subject to paragraph 2 below, endorsed the principal conclusions of the Defence Committee that:-

(i) the conclusions and recommendations of ASADPO 79 continue valid;

(ii) the Soviet movement into Afghanistan has raised new requirements beyond ASADPO 79:-

a) for Australian activity in the Indian Ocean;

.../2

National Archives of Australia NAA: A12909, 3803

Decision No. 10698 cont.

b) for support of and co-ordination with US military and political activity there; and

c) for a heightened state of defence preparedness, including measures to assist and co-operate with the US forces; and

(iii) sustained development of the Defence Force and national defence infrastructure will be necessary at a higher plateau of investment to meet Australia's increased national responsibilities and new obligations to our major ANZUS ally.

2. The Cabinet further:-

(a) noted that technical terms used in the intelligence assessment and policy review relating to the likelihood of direct military threat over the next decade may not appear to be consistent with the assessed potential for substantial change in the strategic order; and

(b) agreed that the matter of the consistency of the assessment be carefully handled in public presentation arising from the assessment and review; and

.../3

National Archives of Australia NAA: A12909, 3803

SECRET AUSTEO

[3]

Decision No. 10698 cont.

(c) agreed that the matter of consistency be further considered in oral discussion with the relevant officials in due course.

M. Codd

Acting Secretary to Cabinet

AUSTEO

SECRET

National Archives of Australia NAA: A12909, 3803

Appendix H:

Defence Expenditure During the Fraser Government

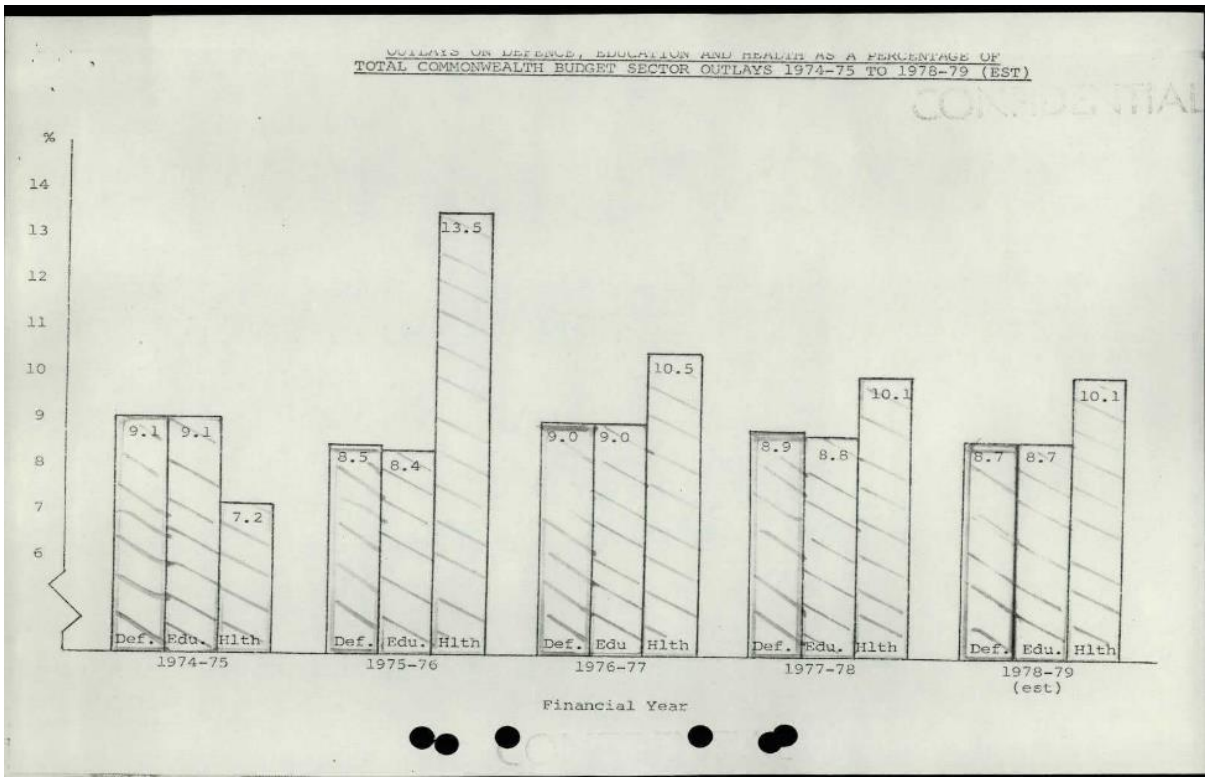
(1976-1983)

Appendix B: Defence Expenditure During the Fraser Government

The federal budget of 1978 had significant implications for defence expenditure and the implementation of a more self-reliant strategic policy as envisaged in *Defence White Paper 1976*. Treasury and Finance advised that defence expenditure needed to be reduced significantly in light of changing government priorities and deteriorating economic circumstances. The following diagrams are drawn from a Cabinet Submission developed in December 1978 to explain why defence funding needed to be reduced.

During the Whitlam Years, expenditure in the health portfolio had substantially increased with the introduction of a universal system of healthcare in Medibank. Healthcare funding increased from 7.2 percent of total Commonwealth outlays in 1974-75 to 13.5 percent in 1975-76. It fell to an average of 10 percent from 1976-77 onwards as the Fraser Government sought to shift costs to the patient, rather than the Commonwealth, through levies, means tests, and the privatisation of services where possible to reduce the cost of Medibank. Nevertheless, an overall increase in healthcare expenditure by three percent meant that funding needed to be cut from other portfolios. There were other fiscal pressures, such as a substantial increase in social security expenditure and a reduction in income tax revenue as a result of increased unemployment. These, however, are not captured in the Cabinet Submission.

Figure B1: Portfolio Funding as a Percentage of Total Commonwealth Outlays[1]

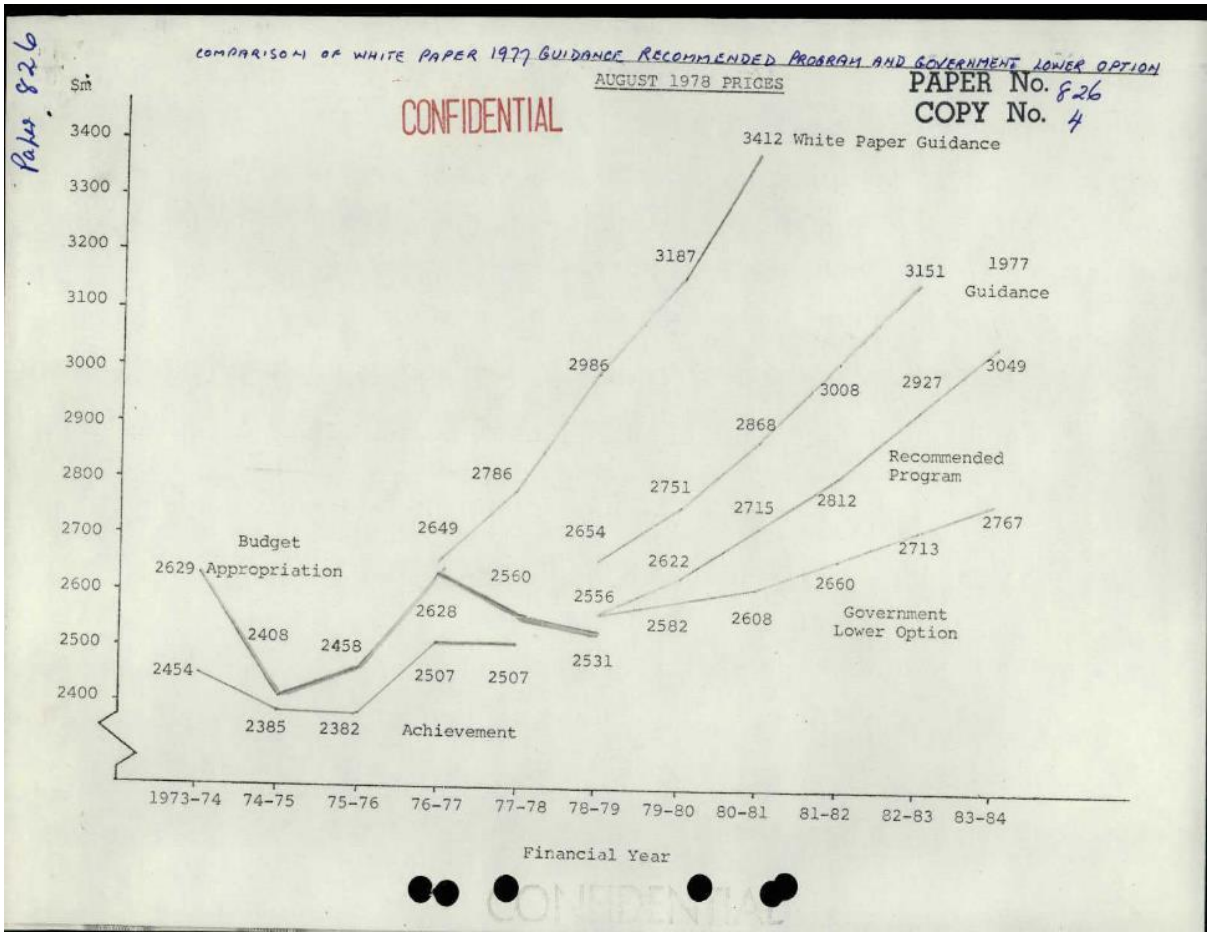


In July 1978, the Fraser Government reconsidered funding allocated for the implementation of the FYDP 1976-81 and *Defence White Paper 1976*. Treasury put forward four funding options in light

[1] 'Cabinet Minute – Cabinet Paper No. 826: Comparison of the White Paper, 1977 Guidance, Recommended Program and Government Lower Option, August 1978 Prices.' Decision No. 7389, 14 December 1978, NAA: A12933.

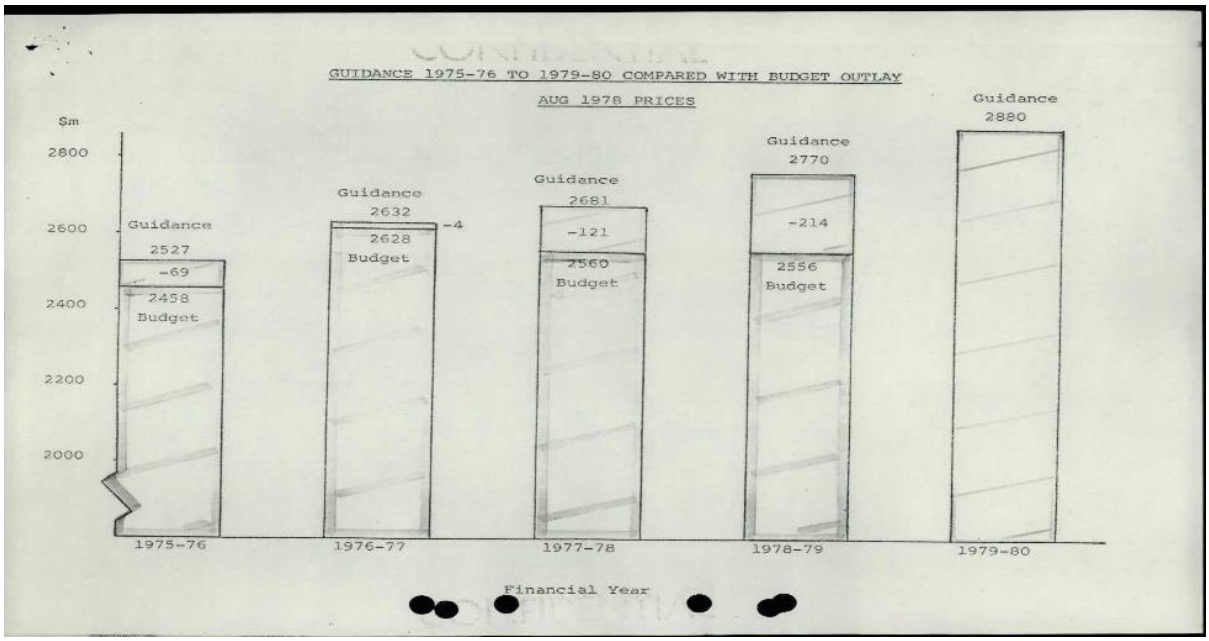
of Australia's weaker fiscal outlook. Option A represented the full amount initially allocated to the FYDP in 1976, which would have provided a three percent annual increase in real terms to $3.4 billion by 1980-81. Option B reflected a reduction in the budget increase to two percent annually in real terms as proposed in 1977, to a total of $2.9 billion by 1980-81. Option C represented a one percent annual increase to $2.7 billion by 1980-81, and Option D provided for no increase, resulting in total expenditure of $2.6 billion in 1980-81. Defence urged Cabinet to agree to Option A so as to fully implement *Defence White Paper 1976*. By contrast, Finance and Treasury pushed for Option D but accepted Option C. Cabinet decided that the need to address inflationary pressures and fund other portfolio priorities took precedence over funding *Defence White Paper 1976*, and agreed to Option C.

Figure B2: Defence Funding Trends and Options Considered in December 1978.



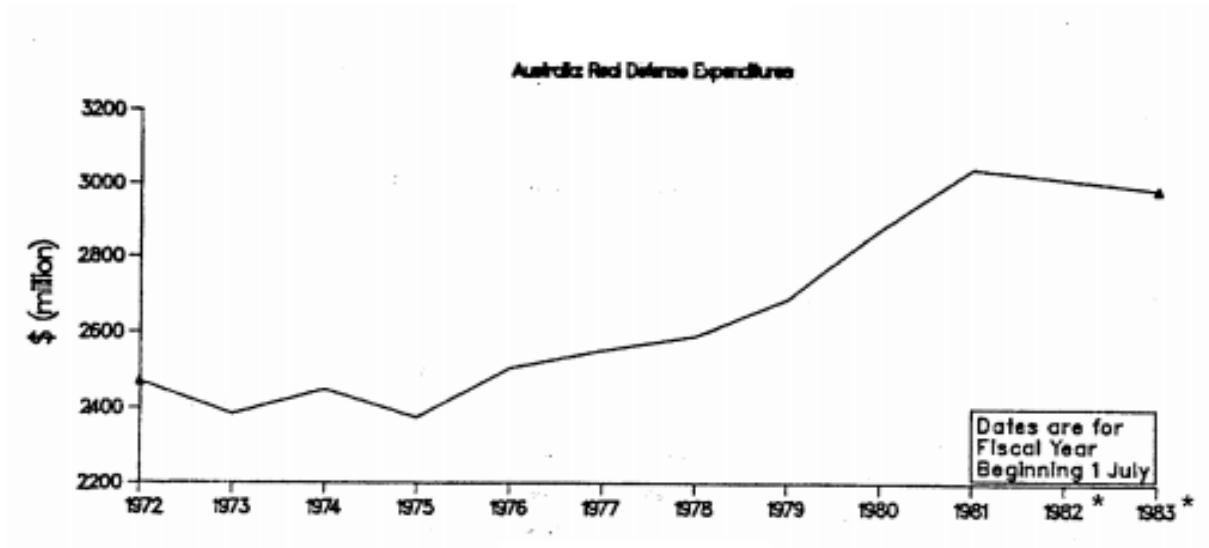
Finance further analysed the extent to which actual defence spending had diverged from projected expenditure during the early years of the Fraser Government. In its first year in office, the Fraser Government largely funded *Defence White Paper 1976*, with a difference of only $4 million between projected and actual expenditure. However, its decision to reduce the projected annual increase from three percent to two percent the following years meant that expenditure was $121 million less than anticipated in 1977-78. This situation was exacerbated by the decision to further reduce the increase in expenditure to one percent in real terms in 1978. As a result, the difference between planned and actual spending for that year was $214 million, or almost ten percent of total defence expenditure.

Figure B3: Comparison on Financial Guidance and Budget Outlays



At the time, the Central Intelligence Agency undertook an analysis of trends in Australian defence expenditure in light of these policy decisions. Their assessment shows that Australian defence spending increased steadily after the publication of *Defence White Paper 1976*, Cabinet approval of the FYDP, and the subsequent adjustments to defence funding between 1977 and 1978. Moreover, defence spending increased by $400 million as the Fraser Government took a more self-reliant posture after the Vietnamese invasion of Cambodia, the Iranian Revolution and the increased Soviet naval presence in the Indian Ocean in 1979. It then fell by approximately $100 million as the Fraser Government began to rely more heavily on the Reagan Administration after the Soviet invasion of Afghanistan.

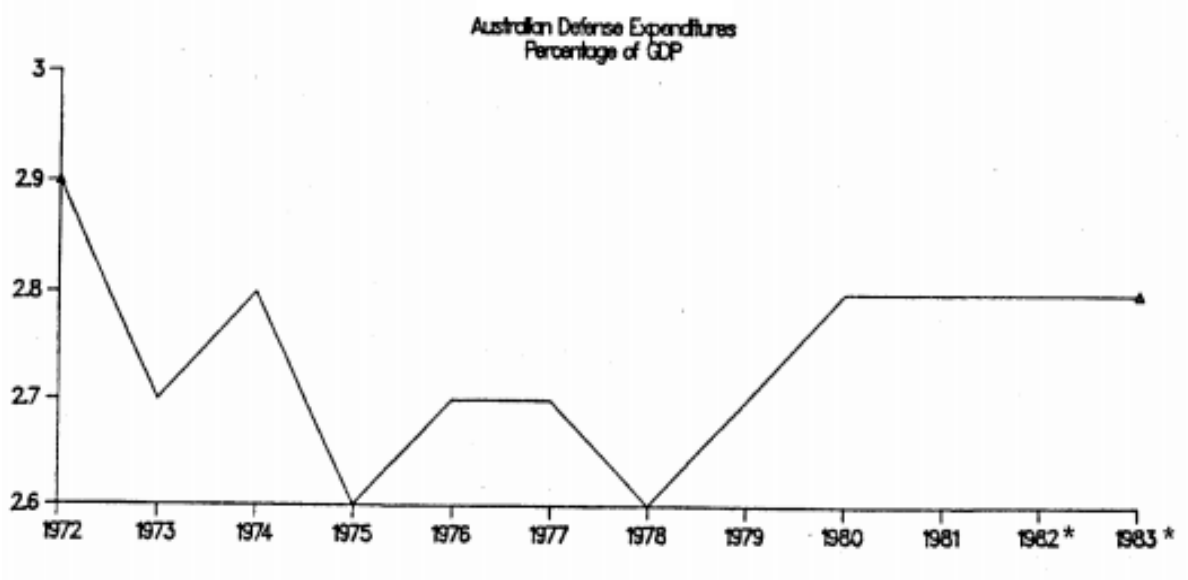
Figure B4: Trends in Australian Defence Expenditure in Real Terms[2]



[2] Central Intelligence Agency, *Australian Defense Policy: Labor's New Approach*, 1 June 1983.

The financial decisions made by the Fraser Government in the late 1970s had a significant impact on defence expenditure as a percentage of Gross Domestic Product. Defence spending increased with the approval of the FYDP from 2.6 percent to 2.7 percent of GDP between 1975 and 1976. The decision to reduce the projected budget increase in 1977, however, meant that expenditure remained static between 1976 and 1977. The subsequent reduction in 1978 caused expenditure to fall to 2.6 percent, a figure not seen since the final months of the Whitlam Government. The decision to reinvest in defence in 1979-80 saw spending increase to 2.8 percent but then flatline through to 1983.

Figure B5: Trends in Australian Defence Expenditure as a Percentage of GDP



The trends shown in the charts above had significant implications for the implementation of self-reliance in Australia defence policy. The Fraser Government began to implement self-reliance as envisaged in *Defence White Paper 1976* by acquiring a range of capabilities that would enable it to operate without assistance from allies in its immediate region. However, it began to rely more on the US as its strategic environment stabilised and its economic circumstances deteriorated. Australia's strategic environment deteriorated again in 1979, as its other powers became more active in the Asia-Pacific at a time when it felt that it could not trust the Carter Administration. The Fraser Government thus began to increase defence expenditure with a view to improving military preparedness. Fraser became more reliant on the United States under President Reagan in the 1980s and largely kept defence expenditure static. Given that funding was limited at this time, the Fraser Government nevertheless carefully considered what capabilities were needed to implement the FYDP and provide a more self-reliance strategic posture. It therefore chose to acquire the F/A-18 and not replace HMAS *Melbourne* despite the opposition of Navy Headquarters. While the Fraser Government struggled to implement *Defence White Paper 1976* due to budgetary issues, its capability acquisition decisions laid the groundwork for the further development of self-reliance by the subsequent Hawke Government.

Appendix I:

Selected Documents on the Formalisation of Self-Reliance

(1983-1987)

MINISTER FOR FOREIGN AFFAIRS
CANBERRA

CANBERRA

The Hon R.J.L. Hawke, A.C., M.P.,
Prime Minister,
Parliament House,
CANBERRA. A.C.T.

I thought it would serve to clarify the position if I wrote to the United States Administration at an early stage setting out the Government's perspective on relations with the United States and on ANZUS. This would be a preliminary note in fairly general terms designed to give formal notice of the direction of our thinking. Policy consideration of specific issues could follow and, subject to his views, I have in mind a joint submission to Cabinet with Gordon Scholes canvassing these matters in detail.

The United States Secretary of State, Mr Shultz, sent a message of congratulations on my appointment and this provides an opportunity to write to him in the terms I have mentioned. I have attached a copy of my proposed letter for your consideration and I would be grateful for your early response.

I am writing in similar terms to Gordon Scholes.

BILL HAYDEN M.P.

SECRET AUSTEO

Seen by 145
Mr Hayden.
Thro' Chely
W/ letter copy to IS PP?
F.

COMMONWEALTH OF AUSTRALIA

MINISTER FOR DEFENCE
PARLIAMENT HOUSE
CANBERRA A.C.T. 2600

15 APR 1983

My dear Minister,

Thank you for your letter inviting me to comment on the message you propose sending to the US Secretary of State in response to his message of congratulations.

I support the generally positive approach to ANZUS conveyed in the text attached to your letter, including its reference to the substantial security and other interests the US and Australia have in common. The ANZUS commitment to Australia's security, though qualified in its terms, provides significant strategic support vis-a-vis possible adversaries of Australia. Our regional neighbours do not overlook our US connection and Australia's status in regional matters is enhanced by it. Even though our nearer neighbours in South East Asia are formally non-aligned they, along with the South Pacific, see strategic advantage for the region in the continuing involvement of the US through ANZUS.

The vitality of the ANZUS relationship - in which foreign policy and defence interests are thus intertwined - is sustained by an extensive, working relationship with the US in defence matters. We have valuable consultations with the US on strategic matters, which span both our portfolios. The supply/support arrangements we have with the US increase significantly the effectiveness of our defence effort. The US is our chief supplier of defence equipment, our main partner in the exchange of intelligence, defence science and technology, and military doctrine, as well as in military exercising and military staff discussions. The support we provide for the US in return is not large and has not required of Australia special defence arrangements, such as the establishment of US military bases here, or contingency arrangements involving advance commitment of forces or special command structures. We host the joint defence facilities, at some political cost, and these provide valued support to the US. There have been long-standing arrangements for Australian defence support for naval visits to our ports, and in recent years other arrangements have been made for use of our training facilities by some US forces, and provision of overflight and transit facilities for B-52s. The balance of advantage between the US and Australia in the relationship thus seems not unfavourable to us, and we should seek to avoid nourishing misconceptions on the part of the US as to the prospects of significantly altering that balance.

SECRET AUSTEO .../2

SECRET AUSTEO

While Australian security interests, both in our own region and in the world at large, have much in common with those of the US, the interests of our two countries do not always coincide. The limited resources available in Australia make self-sufficiency in defence matters unattainable and our objective might, therefore, be better expressed in your letter as increased self-reliance. These limited resources together with the over-riding importance to us of ensuring adequate provision for our own national defence, restrict the scope for Australian contribution in support of those wider interests we share with the US. We make our most effective contribution to ANZUS, in both present and contingent circumstances, in the area of the world of direct strategic relevance to us. We do not need to maintain or develop capabilities in the Defence Force relevant to contingencies in more distant areas, rather than contingencies of national defence.

With these considerations in mind, you might consider some modification of the references to commitment in the draft attached to your letter. The US has recently been seeking to involve its allies in sharing more of the burden of defence against the Soviet Union and others which threaten Western interests. Advance commitments of military support to the alliance are part of the structure of NATO and are appropriate in an area where there is a common direct threat posed to the security of Western Europe and the US, but such commitments are not called for by current Australian circumstances. We would not want to give support to any inclination on the part of the US to regard ANZUS as a means of securing our defence involvement in regions or circumstances of limited strategic relevance to Australia or where our national interests and those of the US do not coincide.

The Prime Minister has, of course, publicly mentioned a review of ANZUS, to be undertaken in conjunction with our partners, and some reference to the review and how it might be conducted is appropriate for the message to the Secretary of State. I would have some misgivings, however, about committing ourselves formally at this stage to a searching look at the provisions of the ANZUS Treaty, its scope and objectives, and the obligations involved. It would be preferable for Cabinet to consider the way in which the review should be undertaken and its scope, before we formally advise the US of our intentions.

I welcome your suggestion that we arrange a joint submission to Cabinet canvassing the various issues involved. The

SECRET AUSTEO

.../3

SECRET AUSTEO

121

143

comments I have made above are intended as a contribution to development of that submission as well as responding to your proposed message to the Secretary of State.

I am sending a copy of this letter for information to the Prime Minister.

Yours sincerely,

(GORDON SCHOLES)

The Hon. W.G. Hayden, M.P.,
Minister for Foreign Affairs,
Parlaiment House,
CANBERRA. ACT. 2600.

SECRET AUSTEO

2204/022A
ANA

ACTION
TO MIN OFFICE
REQUIRED BY

MINISTER'S OFFICE USE ONLY
DATE REC 22/4
COPY FOR MIN Seen
TO:
FS:

(1) Secretary Copy to IS/H 22/4

pls see note on copy.

RECEIVED
22 APR 1983
Office of
The Minister for
Foreign Affairs

PRIME MINISTER
CANBERRA

21 APR 1983

Thank you for your letter of 29 March enclosing a proposed reply to the US Secretary of State's letter of congratulations on your appointment.

I agree with the general thrust of your proposed letter, particularly the emphasis given to commonality of interests and our intention to be a constructive partner of the United States. While it is appropriate and realistic to recognise that there will be differences between our two countries, this aspect has perhaps been given too much emphasis in the letter.

The Minister for Defence has sent me a copy of his letter commenting on the proposed reply. I agree with his view that it is premature to commit ourselves to a review of the ANZUS Treaty in any but the most general terms, before Cabinet has had the opportunity to consider the Submission which you are proposing to bring forward jointly with Mr Scholes. To this end, it might be preferable to talk in terms of examining how ANZUS as a Treaty relates to the present scene and in what ways it may need to be updated and strengthened to the mutual benefit of the Treaty partners.

In your further consideration of the proposed letter to Mr Shultz, you might see some merit in having officials of your Department consult with officials of the Department of Defence and my own Department, in the light of Mr Scholes' comments as well as my own.

I am sending a copy of this letter to Mr Scholes.

Yours sincerely,

(R.J.L. Hawke)

Mr Bill Hayden, MP
Minister for Foreign Affairs
Parliament House
CANBERRA ACT 2600

COVERING SECRET AUSTEO LIMITED ACCESS

AUSTEO

153

HEADQUARTERS AUSTRALIAN DEFENCE FORCE
DEPARTMENT OF DEFENCE
CANBERRA, A.C.T., 2600

CHIEF OF
THE DEFENCE FORCE

CDF 659/1985

19 August 1985

Mr P. Dibb
Ministerial Consultant
Anzac Park West 2-202

1. I enclose herewith the final minutes of the meeting of the Chiefs of Staff Committee on 24 July 1985.

2. Although it does not come clearly through in the minutes, you will have discerned that the statement on page 55 that "the entire Defence force is rather heavily skewed towards strategic strike and...preoccupied with large land invasion or a major maritime conflict" is not accepted by the Chiefs of Staff.

3. There has, as you know, been a conscious effort to balance an undue emphasis given to the importance of low level contingencies in force development, but there has also been a recognition of the need to be prepared for such contingencies. Indeed, much effort has been expended by the ADF and concern expressed by myself and others on the subject of readiness levels and operating costs. Without labouring the point too much, these factors make the statement difficult to believe and I suggest that you should either substantiate the assertion or modify it.

4. Enclosed for your consideration are some detailed comments on your papers that have been collated by staff of HQ ADF.

Ray Funnell AVM

for (P.H. BENNETT)
General
Chief of the Defence Force

Annex: A. Detailed Comments Parts 1 and 2

Enclosure: 1. COSC Minute 53/1985 Copy No 16

National Archives of Australia

Department of Defence

CHIEFS OF STAFF COMMITTEE

163

Minute No 53/1985
(without Agendum)

COPY NO: 20

MINUTE OF A MEETING ON WEDNESDAY 24 JULY 1985
DISCUSSIONS WITH THE MINISTERIAL CONSULTANT, MR P. DIBB,
CONCERNING PARTS 1 & 2 OF HIS DRAFT DEFENCE CAPABILITIES REVIEW.

Introduction

The Chairman welcomed Mr Dibb and looked forward to an uninhibited exchange of views. In particular, he sought to gain a clearer understanding of the background to important elements of the Review and considered it important for all members to gain an appreciation of the rationale behind the papers produced to date.

2. The Chairman then indicated that, following discussions, a resume would be given of progress on the concept behind the COSC Military Strategy Paper which would be completed by mid-August 1985.

Discussion

3. At the outset Mr Dibb emphasised the realistic financial constraints which would influence force structure planning. It was generally accepted that about 3 percent of GDP would be allocated to defence, unless there was serious deterioration in our strategic circumstances. The current force capabilities could not be directly replaced by follow-on equipment over the next decade without massive increase in funds, which was unlikely.

THIS IS AN ACCOUNTABLE DOCUMENT. IT IS NOT TO BE COPIED, IS TO BE HANDLED ON A STRICT NEED-TO-KNOW BASIS, AND KEPT IN AN APPROVED COMBINATION-LOCKED SECURITY CONTAINER WHEN NOT IN USE. WHEN NO LONGER REQUIRED, IT IS TO BE RETURNED TO THE COMMITTEE SECRETARY BY SAFE HAND CHANNELS.

National Archives of Australia A6967, 17

4. Mr Dibb considered that the 'system' had so far been unable to formulate agreed concepts and arrive at a basis and rationale for force structure. There was institutional resistance to change and the core force concept had failed to provide a system of priorities. He reassured members that he had found a highly competent, reasonably well-equipped Defence Force, though there were deficiencies in particular areas and some priorities would need to be re-ordered.

5. His philosophy was to pursue the art of the possible and not to suggest radical change for the sake of it. While he accepted that his parameters were governed by what the Government would accept, he was not interested in providing a party political platform or an 'ideal' force structure out of step with the realities of financial and strategic guidance.

6. His aim was, wherever possible, to find a common ground and identify the best features of various arguments. He looked on his first drafts as a chopping block for comment - which he welcomed.

7. The style of the Review was to use simple and clear language, not excessively bound by Defence "definitions". It was designed for digestion by Cabinet. It was also the Minister's intention that a public document would eventually be distilled from it. There were many incorrect views in the Australian community at large about the inability of the ADF to defend Australia and its vital national interests.

8. Judgements would need to be summarised if the Review were not to become too long. Certainly there were compressed judgements, some of which may need expansion, but these were based on some 15 years of his own experience in the Defence and Intelligence Communities and his interpretation of endorsed strategic guidance. Mr Dibb believed that he would meet his 12-

National Archives of Australia NAA: K967, 17

month deadline and to assist this process parts of the Review would be periodically issued for comment. He considered it crucial that the Review not bog down in too much military detail, but rather offer priorities and recommendations for force structure development that would need to be fleshed out and implemented by others.

9. Contrary to uninformed press comment, he had received excellent co-operation from the Services and the Department as a whole. The need for co-operation and consultation would increase as the review progressed.

10. The Chairman said that the Committee had expressed general support for Parts 1 and 2 of the Review, though he listed a number of areas for discussion, and expressed concern that an input of military professional views into the Review may come too late. For this reason he was determined that the final Military Strategy paper be passed to Mr Dibb as early as practicable. The statutory responsibility of CDF and the Chiefs of Staff to provide the Minister with military advice was an important factor and Mr Dibb would no doubt wish to be informed of their advice at an early date.

11 Mr Dibb explained that the Minister had tasked him with providing a rationale and basis for the structure of the Australian Defence Force. Capabilities would be examined later in the Review, which would be shaped by the Government's endorsed strategic and financial guidance. His first concern, however, was that there was neither an agreed strategic concept nor any clearly endorsed Defence priorities which would be helpful for development of a force structure. He would therefore appreciate the advice and views of the Committee. The Chairman was encouraged by Mr Dibb's comments and undertook to keep him abreast of the direction the Military Strategy Paper was taking.

12. The Chairman then opened detailed discussion by stating that the Review implied that previous decisions on force structure and development were inappropriate for present circumstances.

National Archives of Australia NAA: K967, 17

13. Mr Dibb was surprised that the Committee considered his paper took such a strong view. Certainly Australia had been faced by challenges in the post war period. He considered that since the fall of Vietnam and the development of a more self-reliant stance, change had been slow. Not much seemed to have changed since the 1976 Defence White Paper and certain deficiences stood out for low level contingencies - namely mine countermeasures, tactical mobility for Army and close air support.

14. The Chairman said that a whole range of deficiencies had been under consideration for many years but the pace of implementation depended on various factors, such as financial and assessed strategic priorities and departmental processes. With the current assessment of minimal threat there had been a consequent investment in long lead time items of major capital equipment, perhaps to the detriment of the acquisition of equipment for low level contingencies. There was certainly criticism in the earlier parts of the Review which he did not support, that force development and structure had been governed by ad hoc, unstructured decisions.

15. The Chairman acknowledged that there were deficiencies in force capabilities. However, this was not to say that requirements were not recognised, rather that the existing priorities have severely restricted the availability of funds. CGS said the Committee was also sensitive to criticism that the Defence Force was unduly influenced by NATO doctrine. He believed that the Review had greatly overstated the case for this and emphasised that the ADF had been developing progressively since 1973 its own doctrine, one more appropriate to our strategic environment.

16. Mr Dibb explained that he had encountered widespread resistance in the Services to the concept of prolonged warning time for higher level contingencies, and a tendency to accept NATO, including ABCA, warning time as relevant to Australia's unique strategic circumstances, when clearly they were not. The Chairman did not accept that this represented a military position and acknowledged that Army, while influenced by NATO thinking in the late 1950s and early 1960s, had been on its own path ever since.

National Archives of Australia NAA: K967, 17

Indeed, the Army had been highly praised for its independent tactics and doctrine in Vietnam. The question of warning time was, and always would be, a difficult area. It was incumbent on those responsible for military operations to take a "worst case" view, recognising however that the present situation was most favourable to Australia.

[redacted]

there had been an alarming trend to use the term 'many years' instead and implicitly to expand that time scale, when convenient, to 20 years. Mr Dibb agreed that 'many years' should not be interpreted to mean much more than 10 years. Guidance did not go beyond that formulation. The Chairman also confirmed that the Operational Deployment Force Concept was an implicit concession to a shorter warning time philosophy but explained that decisions made on major capabilities were guided by what could be reasonably acquired and trained on within anticipated warning times of many years.

18. Mr Dibb was then asked by the Chairman to define his strategy of 'denial'. (While there were a number of aspects endorsed by the Committee, there were others on which they were unclear).

19. Mr Dibb first explained that he had some problems with existing philosophies. The core force concept did not allow the establishment of rational priorities. Equally, he was unhappy with deterrence - something further was needed. While the strategy of 'denial' required amplification, he considered that it retained the useful attribute of both the core force and deterrence.

20. This defence strategy focused on the geographical features of our strategic environment. It would seek to deny any enemy successful military operations in the sea and air gap surrounding Australia, and prevent any successful military operations on Australian soil. The enemy would be presented with a layered defence which aimed to deny him freedom of movement, namely:

158

a. First, Australia should have high quality and comprehensive intelligence about military developments in our neighbourhood, as well as appropriate surveillance capabilities to detect hostile intruders in the sea and air gap. The possibility of a surprise attack would be denied an enemy.

b. Second, Australia's defence forces must have the capability to destroy enemy forces in the sea and air gap. This maritime requirement demands priority, particularly for our northern approaches which are the most vulnerable. We need to maintain a technological superiority over regional forces in order to deny them success in any military operations against us.

c. Third, closer to our shores defensive capabilities are required to prevent any successful military operations on our territory.

d. Fourth, if a landing on Australian soil should occur we need ground forces capable of denying the enemy our population centres, infrastructure and important installations. This will require highly mobile Australian forces to prevent any widening of the conflict, even at low levels of threat.

The mix of capabilities Australia would possess, both defensive and offensive, would be such that an enemy would be presented with the greatest amount of uncertainty as to the success of his own forces, either when in the sea and air gap or attempting operations on our soil.

21. Mr Dibb considered the concept of 'denial' demonstrated a strong 'defensive' deterrence in our own geographic environment. It sought to protect and defend our vital interests and focus our scarce resources in our neighbourhood, where we aim to apply independent military power. This was an important force structure consideration. The expansion base concept, which everybody seemed to endorse, would be retained in this approach.

National Archives of Australia NAA: K967, 17

22. The Chairman said that such a strategy was in line with the Committee's thinking on how military power might be employed. He agreed with CNS that some further explanation of the strategy was needed in the Review papers and would most usefully come earlier. The Chairman also explained that the major misconception with the core force concept was a fascination with a core force itself, and not with the concept which embraced the need for both readiness and expansion forces, the need for which Mr Dibb himself clearly supported.

23. CNS asked Mr Dibb where he saw the protection of trade fitting into his Review. CNS recognised that it may not be up to Defence alone to address this matter. Mr Dibb said that in his view there was not sufficient detailed reference to trade in the Strategic Basis. While he could see an important role for Navy in the protection of focal points, coastal shipping and our proximate maritime approaches, the broader question of defence of distant sea-lines of communication could lead to an open ended commitment of scarce defence resources. Convoying of ships was a doubtful proposition in the Australia area. In a global war, the Soviets would be otherwise pre-occupied and while there may be some regional contingencies to consider there was always the option of re-routing around the Australia continent. These views were in accordance with strategic guidance over the years. CNS said that re-routing was only part of the solution - it would not be possible to re-route around all areas of threat.

24. Mr Dibb said that it would require a major effort, for example, to interdict either US/Australian or Japan/Australian trade for a year and, even if it were successful the cost to Australia was estimated at less than 4% of GDP. Mr Dibb stressed these were in any case purely hypothetical situations. CNS said that it was all too easy to jump from local contingencies to a global war scenario and he considered that further dialogue was required. Mr Dibb agreed that the threat to coastal lines of communication and focal points could be crucial to Australia.

25. CAS said that while the Committee regarded deterrence as most important, it was not thinking of deterrence in the grand historical sense. While offensive/defensive deterrence had been

SECRET AUSTEO LIMITED ACCESS
National Archives of Australia NAA: K967, 17

discussed, retaliatory deterrence had not. Mr Dibb explained that there was demonstrable deterrence within his strategy of denial. CGS agreed but said that the Committee considered the stress on 'denial' as somewhat negative and passive, implying to some, a withdrawal to defence of Australia to the detriment of influence in the region. The Chairman explained that the Committee was troubled by the term, and while Mr Dibb's exposition of the strategy had somewhat reassured members, the term was far from descriptive and could become an embarrassing catch word to those less well-informed on strategic issues.

26. Mr Dibb emphasised again that he was searching for a concept that was appropriate to Australia's unique strategic circumstances. The term 'denial' was already in widespread use in military circles, but he did not consider that it only meant defensive denial of access. It could encompass, for example, offensive strikes in the sea and air gap, or conceivably at the enemy's bases, in order to deny a successful assault on Australia. At lower levels, it would seek to deny infringements of our national sovereignty. He agreed the term would benefit from closer definition. Mr Dibb went on to explain the difference, as he saw it, between our area of direct military interest, where we aim to apply independent military power, and our wider sphere of primary strategic interest. The former was a force structure determinant whereas the latter was not. This did not imply that forces could not be deployed in support of Australia's foreign policy or economic concerns beyond the area of military interest, if the Government so desired.

27. The Chairman acknowledged Mr Dibb's remarks on 'denial' which did have a specific and finite Defence Force meaning but said this highlighted the need for a term which fully described our national strategy in all its facets, otherwise a 'strategy of denial' could become a specific strategy in the eye of the beholder.

28. CGS supported the importance of PNG in the Review but pointed out its substantial force structure implications. Mr Dibb wondered whether the Committee agreed that, should PNG come under the control of a potentially hostile power, the approaches to

National Archives of Australia NAA: K967, 17

Australia would be more at risk. The Chairman, echoing the Committee's view, said that PNG was very important but not necessarily "vital" to our security and he would be developing further his own strategic views on this matter in a further Military Concept Paper. Mr Dibb said that he would take account of the Committee's views in the redrafting.

[redacted]

30. In response to a point made by CNS, Mr Dibb said he would ask JIO to advise him about the number of ports in our neighbourhood which could be used to project military power against Australia.

31. The Chairman then asked ACPOL to present a summary of progress on the Military Strategy paper.

32. Mr Dibb found the exposition of Military Strategy most useful and agreed that there was a great deal of common ground.

Concluding Remarks

33. The Chairman thanked Mr Dibb for the valuable insight he had given into his Review and confirmed that the Committee had found it a worthwhile discussion. He would provide detailed COSC Comments on the draft Review papers at an early date.

L.F. MAHONY
Joint Secretary
CHIEFS OF STAFF COMMITTEE
5 August 1985

SECRET

Retain

[167]

AUSTRALIA - UNITED STATES

MINISTERIAL TALKS

SAN FRANCISCO

11 AUGUST 1986

SECRET

REVIEW OF AUSTRALIA'S DEFENCE CAPABILITIES - THE DIBB REPORT

. The Dibb Report is a comprehensive analysis of Australia's defence capabilities by an independent Ministerial consultant.

. Its purpose was to review the content, priorities and rationale of defence forward planning in the light of the strategic and financial planning guidance endorsed by the Government, and to advise on present and future force capabilities.

. The Minister for Defence has accepted its broad approach and main principles.

. The Secretary to the Department of Defence and the Chief of the Defence Force have responded favourably to the Report.

. The Dibb Review will be a basic input for the development of a White Paper.

. The Dibb Report emphasises:

- the importance of ANZUS and close relations, including defence cooperation with regional countries; and

- the fundamental contribution of a self-reliant defence capability to the ANZUS alliance and to supporting Western strategic interests in our region.

. It is <u>not</u> a recipe for isolationism.

. Strategic developments in the last 15 years, including US policy, have required greater attention to developing an independent, self-reliant defence capability. That priority:

- is fundamental to Australia's responsibilities as a sovereign and independent nation; but

- does allow options to contribute further afield should Government consider this appropriate.

. Significant decisions have already been made to enhance Australia's independent defence capabilities:

- F/A-18 fighter aircraft, Blackhawk and Seahawk helicopters, new RAAF bases at Tindal and Derby.

. Other major commitments that the Government is actively considering include a costly program to construct a new class of long-range conventional submarine, to be armed with the Harpoon anti-ship missile and the Mk 48 torpedo.

The Dibb Report proposes a clear direction and provides a reliable basis for future defence planning, with particular attention to strong maritime capabilities operating up to 1000nm from Australia.

In addition to initiatives already taken, Dibb's proposals include:

- aerial refuelling, for the F/A-18.

- further development of surveillance and early warning systems, in particular Over-the-Horizon radar;

- an enhanced mine counter-measures force;

- new light patrol frigates with the emphasis on range, sea-keeping, endurance, good surveillance and local command, control and communications capabilities, to increase substantially our surface fleet; and

- improved ground force tactical mobility through significant expansion of the utility helicopter force, with the emphasis on the priority needs of dispersed operations in northern contingencies.

Dibb's recommendations are broadly consistent with defence policies of successive Governments since early 1970s. They would:

- increase significantly the effectiveness of our Defence Force, whose capabilities are already substantial in regional terms;

- allow Australia to apply independent military power in her area of direct military interest which extends some 1000nm beyond continental Australia in all directions and accounts for almost 10 percent of the earth's surface; and

- retain the capacity to contribute to allied operations further afield should the need arise.

SECRET 167

SUMMARY RECORD

AUSTRALIA-UNITED STATES MINISTERIAL TALKS

SAN FRANCISCO

10-11 AUGUST 1986

SECRET

SECRET 162

Australian Defence Review

Mr Beazley said he wanted to make two principal points about the Dibb Report.

Firstly, it was not a document which should stand alone. Historically, the Dibb Report was in line with the 1976 White Paper and with other statements made since by previous governments, all of which pointed towards increased self-reliance for Australia. Moreover, the Dibb Report was a force structure document, not a broad statement of defence policy. The broad statement of defence policy would be made in the government's White Paper.

Second, in its threat assessment the Dibb Report had essentially a regional focus. It did not focus on global warfare. It assessed that a regional power would need ten years to build up the capacity to attack Australia. As concerns lower levels of threat the Dibb Review upgraded the assessment of local contingencies, both with regard to their likelihood and to the level of possible threats to be faced.

Dibb therefore recommended a layered strategy of defence. In the prime area of responsibility for the Australian defence forces, covering ten percent of the earth, Australia should be capable unilaterally of destroying any enemy. This area covered half of Indonesia, and all of Papua New Guinea and the Solomon Islands.

SECRET

SECRET

161

In the second-broader-area, covering 25 percent of the earth's surface, Australian defence forces would be capable of co-operating with local and external allies to advance Australia's diplomatic interests. This included surveillance of Soviet forces at Cam Ranh Bay and the South China Seas, co-operation under the IADS, etc.

In summary, these elements recommended by Dibb constituted a basis to plan the Australian defence force, but they would also permit substantial out-of-area deployments.

Mr Beazley said he wanted to respond to some misleading external assessments that the Dibb Review was "isolationist". The force structure based on the Dibb Review would be able to be deployed further afield if that was what the government wished at the time. The FFG7's equipped with helicopters could co-operate with carrier battle groups; the restructured army capable of operating across Australia would be able to operate elsewhere as well. However the point was to establish discipline in defence planning. The Dibb Review looked at where Australia's defence priorities should be, and recommended appropriate equipment decisions. Some gaps, due to failures by previous governments, also needed to be covered, e.g. adequate counter-mining measures. Some of these new equipment decisions would require substantial expenditure.

SECRET

SECRET

160

The Australian forces structured according to the Dibb Review would be able to perform several functions:

a) they would be able to be used to meet regional threats;

b) they would be able to support diplomatic efforts, especially in the South Pacific area where Australia was doing a great deal; and

c) they would be able, if the government of the day wished, to operate in out-of-area deployments, with allies, in joint exercises, and in maintaining interoperability.

Secretary Weinberger said he found Mr Beazley's presentation reassuring. It had been some of the rhetoric and prose of the Dibb Review which some in the U.S. had found isolationist. That the Australian defence forces would be able to cover 10 or 25 percent of the earth's surface was welcome news, and indeed was a necessary capability. It was also welcomed that Dibb had given an impetus in this direction.

Secretary Weinberger noted that Dibb assumed throughout his review that the Australia-U.S. relationship remained intact. This was an important assumption and was perhaps the reason why Dibb treated the threat to Australia mainly in regional terms. However, it was this aspect which had led some in the U.S. to think that Dibb was concerned only with the

SECRET

159

regional threat. Secretary Weinberger said he hoped that the government's White Paper would bring out this point.

Secretary Weinberger said that the U.S. could not assume that there was any part of the world in which the U.S. did not have to be ready to respond to a threat. He thought that this was true to an extent for Australia as well: conflicts far from its shores could have effects on Australia. He therefore welcomed the expanded capacity of the Australian defence forces to operate in a broad region, and the capacity to operate with allies elsewhere. This fact reduced the impression which some in the U.S. had had that Australia was deciding to pull back to purely regional concerns. It was important that Australia be capable of taking part in actions further afield, and he hoped that the White Paper would include that point.

Moreover, in Australia's own region, an increased Australian presence could mean that the U.S. might be able to assign fewer of its own assets there, and that would result in a strengthening of both nations' capacities.

Secretary Weinberger concluded with the hope that the White Paper would be able to do away with some of the misperceptions of Dibb's Report.

Secretary Shultz said that Mr Beazley's description of the Dibb Report was very positive. Mr Beazley said that Dibb had given no comfort to the New Zealand government when he visited Wellington and had made the point that if he had had to produce a report to the Australian government excluding the U.S. alliance, he would have had to recommend a doubling of the defence budget.

Admiral Hays noted that the Dibb Report concluded that conflict between the superpowers was not likely but that Dibb also assumed that if there were a conflict between the superpowers it would be a nuclear one. This argument would lead one to assume that there were many actions of deterrence which need not be done on the conventional side: to do so would have a negative impact on basic deterrence.

Admiral Hays said he wished to take exception to this line of argument. He did not agree with the assumption that war between the superpowers would necessarily go nuclear.

Mr Beazley said he would take these points onboard. Firstly, he said that Dibb had not written the Australian strategic guidance from scratch. The assumptions in the Dibb Report were long-standing ones in Australia. Secondly, he wanted to make the point that the assessment in the Dibb Review that war between the superpowers was unlikely had not led to his recommending the elimination of any element

157

in Australia's defence force structure. To the contrary, Dibb had proposed upgrading the surface fleet (not by much perhaps but it would be expensive nonetheless), and the submarines which Australia was buying were long distance ones which would be capable of sealing off the Indonesian Straits. Australia's long distance capability would also be maintained through air activity from the bases in Malaysia, and by providing refuelling capacity for the F-111's. Mr Beazley said he was looking forward to further discussions on the Dibb Report during his forthcoming visit to CINCPAC Headquarters.

LEADER OF THE NATIONAL PARTY OF AUSTRALIA
PARLIAMENT HOUSE, CANBERRA, A.C.T. 2600
TEL. (062) 73 1717

RT HON. IAN SINCLAIR, M.P.

5 JUN 1986

IS:RH

Sir Arthur Tange, AC, CBE
32 La Perouse St
GRIFFITH ACT 2603

Dear Arthur

For your information I attach a copy of the Dibb Report as tabled in Parliament, the tabling statement by the Minister, and an associated press statement by Mr Dibb.

The report elevates the defence priority to be given low level insurgencies and prejudices Australia's wider ability to respond to regional pressures and the escalating Soviet presence in Cam Ranh Bay, the South Pacific and the Indian Ocean.

The 10 year non-threat scenario and the Minister's narrow interpretation of self-reliance are not in accordance with the reality of Australia's present strategic environment, even within present financial limits.

In my view once acted upon and given present man-power limitations and the lead time in new defence procurement, the report will reduce the defence options available to the Government, inhibit Australia's wider role in our geographic region, and restrict our role in ANZUS.

For each of the Services the implications are profound. While there are aspects of the report which I commend it is essential that it be adequately answered so as not to prejudice Australia's long term interests.

Accordingly I would appreciate any views you might have on the report and its recommendations, so that these may be taken into account in the formation of the Coalition's final response to it.

Kind regards

Yours sincerely

Ian.

IAN SINCLAIR

Recd. 10/6/1986

Sir Arthur Tange

32 La Perouse Street
GRIFFITH A.C.T. 2603

18 June 1986

Rt Hon Ian Sinclair M.P.

Dear Ian, DIBB RE PORT ON DEFENCE

Thank you for asking me to comment on the Dibb Report. Writing so soon after publication I cannot claim deep reflection, or to have gathered military opinion, about the military capabilities that he would produce, and their value.

2. Nor - and this is most important- have in been in a position to check the budgetary and programming feasibility of his force structure. Its fundamental weakness might lie in impracticability.

3. But this may be no help to the Opposition case if your strategy is going to cost more, as well it might. In that case you should be shot down because, in my opinion, you cannot credibly argue that (in the absence of a genuine national fright) you will spend more than 3% of the GDP. In the interests of the soundness of our actual achieved force structure (i.e. the safety of the country) you should question the credibility of an ALP promise at this level while leaving room (if only tacitly) for a Coalition Government to perform firmly on a slightly lower figure. The Services, and some other suffering members of the defcence community, deserve relief from the disruption of activity and waste of time in writing down programmes based on earlier promises.

4 There are other problems needing attention (going beyond Dibb - see below.) They are a by-product of uncritical acceptance, with Ministerial acquiescence over decades, of methods and concepts relevant in other continents, in other countries, in other times.

5 If you care to read the attached piece I gave the "Age" you will deduce that I believe we should abandon any notion of operations in far-off places being a significant driver in the force structure. The days for Australian force-diplomacy in SEA are over (PNG and the South Pacific are different). Britain succesfully exploited promises of power beyond their capacity to deliver. But Australia? We simply lack credibility and must not be deluded by pride in our militay history.

6 It is surprising that there has not been vigorous criticism of the strategic risk of keeping that highly insecure fighter deployment at Butterworth, dependent, in a low scale conflict, on the Malaysian Army.

7. History in Asia itself is making less relevant what we are able to do in relation to the regional pressures and Soviet presence that you refer to. History of budgeting is ruling out of attainability any real will to play a meaningful part in changes in Assia that Malcolm Fraser was advocating in 1970. With some reservations by Gorton this has been Coalition policy since; and I find it increasingly unconvincing.

8. Dibb accepts and repeats so much written in my time that I have to accept it. What is new? What realistically can be done by us about the Russsians in Vietnam that the Americans and adjacent Chinese are not prepared to do?. There are some prospects for good. Are the Viets going to let the Russians imperil their independence after 50 years of struggle?

9 There are some important areas where the Dibb argument is dogmatic or unrealistic or based on misunderstanding.

1 The American Alliance

10 The orthodox statement of the advantages of ANZUS is sound (avoiding as it does some of the exaggerated and misleading expectations of US combat support of past Coalition members)

11 As to what we owe the Americans, I hold firmly the view that henceforth we should respond only to such Americans requests as directly serve a material Australian interest, or cost us nothing significant. This is precisely the test the Americans will apply if and when we seek military assistance.

12 Thus there is a limit to the kind (and destination) of military help to them that we should hold in our froce structured if not otherwise justified. But Dibb is far too restrictive and complacent (see pages 4 and 46): "The presence of the joint facilties together with the access we provide for visits (sic "visits") by U.S. warships and the staging through Australia of B52 bombers, are a sufficient tangible contribution to the Alliance"

13 Much as I admire Dibb, this sop to ALP critics of the Alliance relationship is better left to the Minister to soften his acceptance of the reasons for keeping the Alliance. Did the Americans say this? Anyway it is a basic foreign policy rather than defence judgment. The reference to avoiding joint planning is a red herring.

14 The implicit proposition is that we do the Americans a favour by not doing an outrageous Lange on them while holding out the hand for continued practical support. Implicit also is the ALP belief that it is sufficient contribution to American global deterrence to expose three sparsely populated points in Australia to the hazard of a Soviet missile in the unlikely event of the deterrent failing, in which event there will be worse hazards for Australians - hardly the premium of a resolute and courageous people to pay for what we hope to extract from the Americans in the years ahead without nuclear war.

15 I would think a capacity for surveillance over the conjunction of the Pacific and Indian Oceans is a capability to retain of potential benefit to Asean and the US at a time of global tension. Query the intended force structure (LRMP; subs etc).

2. Strike and 1000 NM limit of military interest (pp 35-36)

16 I understand the motive of trying to find a satisfactory material yardstick for limiting the boundaries of Service acquisition bids, given the failure of the abstract arguments (Strat Basis papers) to curb people choosing the strategic scenario that best suits their Service interests and perceptions of what is good for Australia. It would be easy to mock the pseudo- precision of 1000 kms; but better to accept the broad idea without the precise figure (subject to keeping an expansion base -see below)

17 But rejection of a deterrence capability should be challenged; and dismissal of a retaliatory capability should be rejected(along with the argument pp 35 and 36) as showing a poor understanding of what the electorate would expect of an Australian Government.

18 It is right to warn against a warrior approach (and there is some on the Coalition side of politics); it is right to believe that, on the day, no Australian Govt. is likely to authorise pre-emptive strikes before Australian soil has been identifiably violated by an identified country. But it is no bad thing to have a capability that leaves others uncertain. Dibb says we cannot afford it. Budget limits may prove him right. But make no premature acceptance of losing the F111 in mid 1990;s.

19 And strike involves the ability to mount retaliatory deterrence. This is a real requirement and we should not be put off by Service staff-course arguments that ~~strikx~~ striking first is more important (I wonder when it was last practised by a democracy?). There are problems like Russian ships in target harbours (remember the reluctance of mighty America to bomb Haiphong?), Security Council calls for cease fires, worry about hitting civilian stc etc But it is political as well as military unreality not to possess, after an indentified company has set out to destroy Tindal (in his scenario), a capacity to do more than regret that we did not intercept it on the the water. What about an ultimatum threatening an air or submarine attack on a heartland target or a logistic target where it really hurt? Otherwise we have a strategy of moving Christian restraint in the face of wrong-doing, but costly in Australian lives- and I would have thought the prospect for the Government in office.

20 Unfortunately Dibb has allowed the illustrative scenarion of the vulnerability of our vast open areas to take on a real life precision of probability. I do not object to it as a generalised argument for more in the North and Nor-West- bases and mobility.
21. Using the Reserve as proposed is something to support as a welcome escape from the frustration of knowing that, while governments saw service abroad as the best means of defence, there was no likelihood that the Reserve would be called upon. There would of course be problems in the disruption of banks garages departments etc in the call-up of reserves in circumstances of minor threat. Indeed I doubt if Dibb understands how much assertion of Commonwealth power to restrict citizen rights and business-as-usual would follow any penetration of Australian soil.

3. The expansion base

22 Dibb claims that his starvation of conventional war capabilities will still preserve enough to permit revival if and when a threat of this kind emerges. See pages 45 and 67 on warning times. But see also his quite orthodox listing (pp 174 and 175) of future uncertainties of threats. The listing of Indonesia as a country in which the long term uncertainty does not provide a "basis for defence planning" is questionable indeed (perrhaps misplaced delicacy?). I think it important that we retain the skills and ability to expand on 10 to 15 years notice to a capability beyond 1000 NM. And his "turn of the century" with its vast potentialities for change is but 14 years away. For reasons of geography Indonesia may turn out to provide Australia"s most effective and secure external defence line . Prudence must accomodate the opposite possibility.

4. Other equipment matters

23 I do not have an opinion at this stage on the laywring of surface ships. The disappearance of the sole carrrier caused me no grief. Small frigates? I was attracted to this in the early 1970,s but deferred to the scoffs of the Navy about sea-keeping, vulnerability range. I do not know enough to say more.

5. Other unattended defence business

24 Dibb was not asked to address personnel management and the range of matters needing to be addressed by ~~xx~~ in the exercise of command by the top ADF hierarchy. It needs urgent attention. In my time I met no Minister prepared to touch it (perhaps because Fraser was not there long enough) or perhaps even to recognise that th

there were deficiencies to address.

25 The focus should not be merely on the structure of commands but to what effect Commanders are using their powers; which involves the question how theyu got to be there out of the education system, the promotion system, streaming or generalist systems, incentives, in-Service education providing awareness of relations with the processes of government and society (emphatically not a matter of "training"). In these areas lie the causes of the periodic inadequacies of intellectual resources and innovative abilities at the top, and the reasons why one particular Service is so much worse in these respects than the others.

26 Finally, when will a Minister demand of the CDS and the Chiefs that CDS use the power he has had for ten years and bang some Service heads together. As to to this, a rule of thumb to test a CDS's dedication to real reform is that he be not popular in two Services (obviously his own plus one other).

I hope this may be of use. Perhaps I may see you shortly in Melbourne.

Yours

(A.H. TANGE)

THE DIBB REPORT

The Age 5/4/1986

After the excitement of heroes and villains...

By SIR ARTHUR TANGE

THE Dibb Report is a great achievement for both minister and author. If the aftermath is sensibly handled by all it affects, it will be the catalyst for needed change and for common purpose in defence preparations that was hoped for when Dibb was commissioned.

It would do no service to exaggerate the novelty the report contemplated in either the strategic outlook, or in the recommended equipment acquisitions and force deployments.

Not a little equipment has previously been identified for acquisition and has been waiting a place in the queue; to look 10 years ahead and to have speculative hopes of governments putting up the money enables the equipment to be fitted into a coherent plan, if only notionally. This is an accepted method of programming. The reality comes later. The progressive moving of our defence facilities and units northwards dates back many years. The Dibb Report argues for greater urgency at the expense of other capabilities that will be pushed out of the queue.

Some finite changes in service capabilities are indeed involved. They would mean changes in the capability of the country that go wider than military techniques of dealing with an adversary. After the early media excitement over change, and interest in winners and losers and heroes and villains, the country needs some sober discussion of what national diplomatic and defence capabilities will be foregone by accepting the force structure now proposed.

Again Dibb has developed, in his lucid exposition, a trend in official outlook going back to 1976 and a good deal earlier among the advisers as Mr Beazley has pointed out. The report draws heavily on the Fraser Government's White Paper of 1976 which defined the South-East Asian region, Indonesia, PNG and the SW Pacific and adjacent maritime areas as having prime strategic interest for Australia. One assumes the present Opposition will not walk away from this deliberate document. Australia by then had come a long way from the prevailing convictions of the 1950s that a shot in anger anywhere was a potential threat to Australia's security.

Over three decades we have contracted our areas of potential commitment of our military forces. As we stepped back, we barely kept pace with the decline or departure of traditional allies on whom our forces depended for support. From time to time we reduced our commitments nearer to our modest capabilities of extending military power abroad.

Progressively we have become more discriminating as to what forms of support Australia owes to friends and allies. This attitude was subject to occasional impulsiveness on the part of our political leaders in diplomatic initiatives which were at odds with our military strength.

There seems less popular disposition than two decades ago to fear the emergence of instant threats to Australia. Both sides of politics when in government have accepted advice that we would have years of warning of attacks in strength. More rationality in surveying the world was helped by the defence force leadership in 1979 explaining convincingly how daunting would be the task of enemy occupation of Australia. We are getting used to the idea of fighting without an ally beside us or over us.

We will have less certainty of political agreement on the Dibb strategy of drawing a line that defines a more restricted area of military interest to govern our military capabilities. Notably, it excludes the South East Asian mainland. Some may detect a whiff of ideology in this renunciation of the hazards of far-off jungles in countries where (with some help from those earlier policies of ours) stability and strength now exist.

The role for which the army is equipped is a litmus test of our foreign policy intentions today and the policy options open to future governments. The army has long needed political direction as to what to train for and where it might be called on to fight. Wet mountain terrain is different from Australia's arid plains. There is a curious silence in the report, as published, about the Papua New Guinea contingency. One would have thought that there is an Australian opinion that would not accept that Australia would wash its hands of a country so bound with us in history. At the minimum, are we studying that country's capacity to deal unaided with lower level attacks of the kind which are assumed as a credible basis for defence preparation by us when directed against Australia?

These first reactions to the report offer no judgment on the soundness of the military preparations defined in the report, although the diplomatic implications of relying so heavily on defensive air power in the face of its proven limitations invites some debate. The debate, too, will have to probe the military validity of renouncing offensive deterrence (symbolised by the F-111s) as the preferred strategic posture. Is there some party ideology in the air here as well?

What is foreseeable in the debate is the argument that increased funding would avoid the loss of national opportunities and professional competences accepted as either desirable or unavoidable in the report. We must hope for an honest acceptance of unpalatable truths. Dibb made 3 per cent of the gross domestic product his benchmark. One notes that that level would be above the level of most of the past 15 years under several governments.

Defence more than most needs broad political consensus. Today's ministers are always administering their predecessors' decisions. Constancy in policy objectives and material funding is vital. Dibb rightly describes the past wasteful diversion of the intellectual resources of the departmental and service leadership to recurring budget cutting exercises and stoppage of programs while fundamental policy problems stayed unattended.

Mr Beazley's program, however logically related to the strategic outlook and to Australia's geographic and other circumstances will be frustrated if his colleagues in cabinet and caucus do not accept the obligation to give consistency to funding year by year and understanding of the strategy the defence community is directed to follow. Irrespective of party, intellectual grasp of the interactions of defence capabilities with policy is required, no less than willingness to support defence with scarce resources. There is plenty of experience to substantiate this.

As Dibb says, the next review should come from the defence organisation. As to this, the onus will be on the defence force to use the centralised command that has been in place for several years. A capability program is an exercise in constructive intelligence combined with authority over resistance to change. It is inconceivable that the services, or the outside critics of the bureaucracy, would tolerate a senior departmental officer drafting a report on military capabilities for the minister. Dibb was presumably accepted because of his abundant abilities; and because he was no precedent for the future.

Sir Arthur Tange is former Secretary of the Departments of Defence (1970-1979) and External Affairs (1954-1965) and author of reforms of defence organisation adopted by the Government in 1973.

SECRET
0520n

SUMMARY RECORD

AUSTRALIA-UNITED STATES MINISTERIAL TALKS

SYDNEY

22 JUNE 1987

SECRET

concern expressed by Churchill after Pearl Harbour - Churchill's main worry had been that United States industrial capacity might turn inward and be unable to serve the needs of allies. He stressed the need for defence industrial capacity to be maintained.

37. The problem was to keep defence and security issues separate from trade. The only approach was to encourage increased trade. This could not be accomplished if we weakened ourselves by undermining defence cooperation. He realised that it was politically difficult for such protectionist pressures to be resisted, particularly efforts to draw a linkage with defence cooperation. It was vital however to ensure such arguments were resisted and did not intrude on defence-security relations.

38. Mr Shultz asked if the catalogue was in colour. Mr Weinberger commented that it contained some very lethal looking devices. Mr Hayden suggested discussion move on to the Defence White Paper and invited Mr Beazley to speak.

Defence White Paper

39. Mr Beazley said the context of the White Paper had been set out at San Francisco last year. The program outlined then had now been established. He expressed appreciation for Mr Shultz's references to the defence review in his opening remarks.

40. Regarding the White Paper, the first point he wished to make was that the defence philosophy set out in the White Paper placed great stress on Australia being part of the Western community of nations. It was against this background that the strategy of self-reliance should be seen. The two were not in conflict. There was no doubt that we would have a strong national interest in ensuring that the position of the West was upheld in the event of a global conflict.

41. He added that there had been a debate in Australia amongst serious defence commentators for the last twenty years over defence strategy. Stated simply, this was an argument between those who thought it desirable that Australia shift to a position of armed neutrality, and those who upheld the current reliance on the alliance relationship. He thought this debate had now largely ended, and that the intellectual concerns of those who had advocated armed neutrality were largely met by the stand on self-reliance outlined in the White Paper, particularly in responding to any lesser regional conflicts. The White Paper had put forward the argument that self-reliance is possible, without arguing that Australia would necessarily be able to respond to all possibilities. The emphasis had been somewhat different from the earlier Dibb Review, particularly on material requirements. The study had thrown up some obvious weaknesses in the defence force structure, which are now being remedied.

42. The White Paper had also emphasised the importance of regional defence relations. There had been a systematic assessment of what the various regional agreements meant. One example was the Five Power Agreement. The assumption had been that this Agreement had primarily been intended to provide aid and comfort following the British withdrawal from the region. It had been looked at anew and the judgement made that it served a worthwhile purpose. It served some immediate regional interests of ours, e.g. in highlighting the value of having friends on the other side of our immediate neighbours who could influence our immediate neighbours. He referred to concerns about the growth of Soviet influence as a result of their build-up at Cam Ranh Bay. Malaysia, in particular, seemed to be concerned or affected by this Soviet presence. The existence of the Five Power Agreement gave us valuable access in Malaysia. We were looking at ways to ensure the operational co-operation flowing from the Agreement continues to work. Mr Beazley referred to the withdrawal of the Mirage force from Butterworth, and explained that Australia was unwilling to leave $35 million aircraft sitting in the tropics, but that the F/A-18s would be rotated through periodically. The more or less permanent P-3 flight at Butterworth would be maintained. There were also plans for a substantial increase in defence cooperation with the South Pacific countries. This was despite significant constraints on the budget.

43. As a final point the White Paper had been helpful in explaining the Joint Facilities to the Australian people. It had underlined the value of the Facilities for early warning and information gathering purposes, with a spin-off for arms control. This had carried the case for the Joint Facilities forward a point or two.

44. Mr Weinberger noted that the combination of an early warning system and information gathering was a good one. The White Paper recognised that forward defence was the best defence.

45. With New Zealand behaving as it has, it had become all the more important for Australia to carry out the role outlined in the White Paper. The White Paper was an accomplishment. It was always difficult to get defence experts to agree but this had been achieved. The problem facing Australia in implementing the recommendations of the White paper was the same as always - how were they to be financed. Increased efficiency, quicker delivery and other measures could help cut costs.

46. In summary, Mr Weinberger said that the White Paper concentrated on the self-defence of the region as well as incorporating this into the alliance framework.

ANZUS and New Zealand

47. Mr Shultz noted that the ANZUS structure had been kept in place. The US looked forward to the day when New Zealand changed its position and accepted ships' visits. In the meantime, the general level of cooperation had fallen to very

Appendix J:

Australian Governments and Defence Policy

(1901-1989)

Prime Minister	Term	Political Affiliation	Defence Policy	Inflection Points	Context	Allied Governments
Edmund Barton	1901-03	Centre-Right (Protectionist)	Self-Reliance and Imperial Defence	• Establishment of Army for local defence between 1901-03. • Dependence on Royal Navy in 1902 Naval Agreement	• Inherited colonial defence forces.	• Robert Cecil, Centre-Right (1901-02) • Arthur Balfour Centre-Right (1902-03)
Alfred Deakin	1903-05 1905-08 1909-10	Centre-Right (Protectionist/ Cth Liberal)	Self-Reliance	• Extended compulsory training. • Establishment of Navy by 1911.	• Growing concerns as to the German naval presence in New Guinea and China.	• Arthur Balfour, Centre-Right (1903-05)
Andrew Fisher	1910-13 1914-15	Centre-Left (ALP)	Self-Reliance and Imperial Defence	• Deployment to Rabaul, Middle East and Western Front	• First World War. • Increasing defence expenditure.	• Henry Campbell-Bannerham, Centre-Right (1905-08) • Hebert Asquith, Centre-Right (1908-16)
W.M Hughes	1915-23	Centre-Left (ALP) Centre-Right (Nats)	Imperial Defence	• Conscription Referendums • Versailles Negotiations • Reorganisation of military around British naval power in 1920. • Reduction in naval power due to Washington Treaty.	• First World War. • Sectarian divisions. • Post-war demobilisation and reduction in budget.	• Herbert Asquith, Centre-Right (1908-16) • David Lloyd George Centre-Right (1916-22)
Stanley Bruce	1923-29	Centre-Right (Nats)	Imperial Defence	• Support for Singapore Strategy in 1923. • Increased naval expenditure in 1924 budget. • Did not ratify Statute of Westminster after 1926 Imperial Conference.	• Admiralty statement that it expected dominions to assist Singapore in 1922. • Pacifist government elected in Britain in 1924.	• Andrew Bonar Law Centre-Right (1922-23) • Stanley Baldwin Centre-Right (1923-24) • Ramsay MacDonald Centre-Left (1924) • Stanley Baldwin Centre-Right (1924-29)
James Scullin	1929-31	Centre-Left (ALP)	Self-Reliance	• Suspended compulsory training in 1929. • Significant budget reductions. • Supported Singapore Strategy at 1930 Imperial Conference.	• Elected with a pacifist electoral platform. • Onset of the Great Depression.	• Ramsay MacDonald Centre-Left (1929-31)

Prime Minister	Term	Political Affiliation	Defence Policy	Inflection Points	Context	Allied Governments
Joseph Lyons	1931-39	Centre-Right (UAP)	Imperial Defence	• Proposed a three-year acquisition program in 1933. • Established a sovereign aircraft industry in 1936. • Proposed non-aggression pact in 1937. • Sought assurances from Britain regarding Singapore.	• German rearmament with the Anglo-German Naval Treaty. • Japanese Withdrawal from the Washington Treaty. • German and Japanese aggression.	• Ramsay MacDonald Centre-Left • Stanley Baldwin Centre-Right • Neville Chamberlain Centre-Right
Robert Menzies	1939-41	Centre-Right (UAP)	Imperial Defence	• Deployment to Europe and the Middle East. • Placement of RAN under Admiralty control.	• Second World War in Europe. • Deteriorating relations with Japan.	• Neville Chamberlain, Centre-Right • Winston Churchill, Centre-Right
John Curtin	1941-45	Centre-Left (ALP)	Self-Reliance and US Alliance	• Reassignment of forces to Australia. • Placement of Australian forces under American control.	• War with Japan. • Defeat of Britain in Singapore.	• Winston Churchill, Centre-Right • Frederick Roosevelt - US Centre-Left
J.B Chifley	1945-49	Centre-Left (ALP)	Self-Reliance and Imperial Defence	• Assistance to Britain in Malaya during 1948 • Army reorganisation in 1947. • Support for the United Nations.	• Decision-making divided between Chifley and Evatt.	• Clement Attlee Centre-Left
Robert Menzies (Early)	1949-57	Centre-Right (Lib)	Forward Defence	• Assistance to Britain in Malaya in 1950. • Deployment to Korea in 1950. • Signing of ANZUS Treaty in 1951. • Support for Far Eastern Strategic Reserve in 1955.	• Shift in Cold War balance of power in 1949. • Elected on anti-communist platform. • Rift Between Britain and the US in the Suez Crisis in 1956.	• Clement Attlee Centre-Left • Winston Churchill Centre-Right • Anthon Eden Centre-Right • Harold Macmillan Centre-Right
Robert Menzies (Mid)	1957-61	Centre-Right (Lib)	Forward Defence	• Request for Military Assistance from Netherlands in New Guinea • No assurances from Eisenhower Administration	• Indonesian Expansion Towards New Guinea • Netherlands reluctant to withdraw from New Guinea	• Harold Macmillan Centre-Right • Dwight Eisenhower - US
Robert Menzies (Late)	1961-64	Centre-Right (Lib)	Self-Reliance	• Conflicting advice on ANZUS from Kennedy Administration • Pledged to assist Malaysia	• Indonesian Expansion Towards Malaysia • Britain defending Malaysia	• Alec Douglas-Home • John F Kennedy

Prime Minister	Term	Political Affiliation	Defence Policy	Inflection Points	Context	Allied Governments
Harold Holt	1966-67	Liberal	Forward Defence	• British Withdrawal from Asia Announced • United States seeks allied commitment to Indochina	• Australian Deployment to Vietnam War • Vietnam commitment expands significantly	• Lyndon Johnson • Harold Wilson
John Gorton	1967-71	Liberal	Self-Reliance	• Guam Doctrine Announced • British Withdrawal from Asia Accelerated • Fortress Australia Announced	• Vietnam War Intensifies with Tet Offensive • Significant election setback in 1969	• Lyndon Johnson • Richard Nixon
William McMahon	1971-72	Liberal	Forward Defence	• Guam Doctrine Clarified • FPDA Announced • *Defence Review 1972* released	• Agnew visits Australia • Fraser meets with Kissinger	• Richard Nixon
Gough Whitlam	1972-75	ALP	Self-Reliance	• American Withdrawal from Vietnam • Indonesian Annexation of Timor	• Détente with Soviet Union • Barnard directs focus on Defence of Australia	• Richard Nixon • Gerald Ford
Malcolm Fraser (Early)	1975-80	Liberal	Self-Reliance	• *Defence White Paper 1976* released • FYDP Announced • Budgetary outlook in decline	• United States perceived to be less influential • Soviet naval expansion	• Gerald Ford • Jimmy Carter
Malcolm Fraser (Late)	1979-83	Liberal	Forward Defence	• Soviet invasion of Afghanistan • Vietnamese invasion of Cambodia	• Utz Review • Significant increase in Defence budget	• Jimmy Carter
Bob Hawke (Early)	1983-86	ALP	Self-Reliance	• Cancellation of carrier acquisition • ANZUS Review commissioned • New Zealand ANZUS Dispute	• New Defence policy platform • Need to limit inflation	• Ronald Reagan
Bob Hawke (Late)	1986-89	ALP	Self-Reliance	• *Dibb Review* • *Defence White Paper 1987*	• Strategic Defence Initiative • MX Missile	• Ronald Reagan

Bibliography

Primary Sources

Australian Commonwealth Government Publications

Department of Defence, *Defence Review 1972*. Canberra: Australian Government Publishing Service, 1972.

Department of Defence. *Defence White Paper 1976*. Canberra: Australian Government Publishing Service, 1976.

Department of Defence. *Defence White Paper 1987*. Canberra: Australian Government Publishing Service, 1987.

Department of Defence. *Defence White Paper 2016*. Canberra: Australian Government Publishing Service, 2016.

Dibb, Paul. *Review of Australia's Defence Capabilities – Report to the Minister by Mr. Paul Dibb*. Canberra: Australian Government Publishing Service, 1986.

Neal, R.G and Edwards, P.G. *Documents on Australian Foreign Policy 1937-49*. Canberra: Australian Government Publishing Service, 2001.

Parliamentary Committee on Foreign Affairs and Defence. *An Aircraft Carrier for the Australian Defence Force* (Canberra: Australian Government Publishing Service, 1982).

Utz, John. *The Higher Defence Organisation in Australia: Final Report of the Defence Review Committee*. Canberra: Australian Government Publishing Service, 1982.

Unpublished Commonwealth Government Records

National Archives of Australia, Canberra

CA1 – Governor-General

A6661 – Correspondence and printed matter arranged according to subject ('Special Portfolio')

A11804 - General Correspondence of Governor General (excluding War files)

CA 3 – Secretary to Cabinet

A5839 – First Holt Ministry – folders of Cabinet and Cabinet Committees

A5840 – Second Holt and McEwen Ministries – folders of Cabinet and Cabinet Committees

CA 6 – Department of Defence [I],

MP1185/3 – Correspondence files multiple number system (residue of Defence (Navy) series [unaccesioned]

CA 7 – Department of External Affairs [I], Melbourne

A8 – Correspondence files, folio system

CA 12 – Prime Minister's Department

A463 – Correspondence files, annual single number series with occasional 'G' [General Representations] infix [Main correspondence files series of the agency]

A1209 – Correspondence files, annual single number series [classified] with occasional C [classified] suffix

CA 18 – Department of External Affairs [II], Central Office

A981 – Correspondence files, alphabetical series

A1838 – Correspondence files, multiple agency series [Main correspondence files series of the agency]

A5619 – Cabinet files, single number series with ‘C’ [Cabinet] prefix

CA 46, Department of Defence III

A644 – Correspondence files, multiple number series (Class 401) [Main correspondence files series of the agency]

A1945 - Correspondence files, multiple number series (Primary numbers 1-300) [Main correspondence files series of the agency]

A1946 – Correspondence files, annual single number series.

A2671 – War Cabinet agenda files, annual single number series.

A2673 – War Cabinet Minutes (carbon copies), chronological series.

A4087 – Correspondence files, multiple number series with ‘D’ prefix [Main correspondence files series of the agency]

A5954 – ‘The Shedden Collection’ [Records Collected by Sir Frederick Shedden during his career with the Department of Defence and in researching the history of Australian Defence Policy’, two number series.

A7942 – Defence Committee Papers, 1936 – 1985

A8447 – Chiefs of Staff Committee (COSC) minutes, agenda, annual single number series

A9787 – Council of Defence minutes and agenda papers, single number series

AWM54 – Written records, 1930-45 War.

CA 575 – Navy Office, [I], Department of Defence [I]

MP1049/1 – Secret and confidential correspondence files, annual single number series with ‘O’ infix.

CA 1401 – Department of the Prime Minister and Cabinet

CP 103/13 – Records of Imperial Conferences

CA 1472, Cabinet Office

A4940 - Menzies and Holt Ministries - Cabinet files 'C' single number series

A5818 – Seventh Menzies Ministry – copies of Cabinet submissions and associated decisions (first series) [1958-1961]

A5827 – Eighth Menzies Ministry – copies of Cabinet submissions and associated decisions [1963-1966]

A5828 - Eighth Menzies Ministry - 'Cabinet files' - folders of decisions of Cabinet and Cabinet Committees

A5842 – Second Holt Ministry – copies of Cabinet submissions and associated decisions [1966-1967]

A5869 – Third Gorton Ministry – folders of Cabinet submissions

A5882 – Gorton and McMahon Ministries – Cabinet files, ‘CO’ single number series

A5908 – McMahon Ministry – Cabinet Submissions

A5931 – Whitlam Ministries – Cabinet files, single number series with ‘CL’ prefix

A10756 – Fraser Ministries – Cabinet Files, Single Number Series with ‘LC Prefix’, 1976-1983

A11116 – Hawke Ministries – Cabinet Files, Single Number Series with ‘CA Prefix’, 1983-1991

A12909 – Second, Third, Fourth and Fifth Fraser Ministries – Cabinet Submissions (with Decisions), 1976-1983

A13075 – Second, Third, Fourth and Fifth Fraser Ministries – Folders of Cabinet Decisions, 1976-1983

A12930 – Fraser Ministries – Cabinet Memoranda (with Decisions), 1976-1983

A12933 – Fraser Ministries – Cabinet Papers (some with Decisions), 1976-1983

A12934 – Fraser Ministries – Foreign Affairs and Defence Committee Papers (with Decisions), 1976-1983

A13977 – First Hawke Ministry – Cabinet Submissions, 1983-1984

CA 1533 – Defence Intelligence Organisation

A14036 – Joint Intelligence Organisation Reports, 1979 -

CA 5987 – Department of Foreign Affairs and Trade, Central Office,

A981 – Correspondence files, alphabetical series

A1608 – Correspondence files, multiple number series with variable alphabetical prefix and general prefix ‘SC’ (fourth system) [Main correspondence files series of the agency]

A1838 - Correspondence files, multiple number series

A2539 - Master set of departmental briefs for, and reports on, international official talks, ministerial visits etc, annual single number series with 'B' [Brief] prefix, 1945 -

A9737 – Correspondence Files, Annual Single Number Series, 1925 -

A10565 – Papers of the Soviet Afghanistan Task Force, Single Number Series, 1980 - 1981

CA 5987 – Department of Foreign Affairs and Trade, Central Office – Registrar

A4531 - Correspondence files, multiple number series (first uniform post system) - Saigon [Main correspondee files series of the agency]

CP 51, Hon Malcolm Fraser

M1276 – Senior Adviser’s Research Material, First Series

M1278 – Senior Adviser’s Research Material, First Series

CP 136 – The Rt Hon Sir John Grey Gorton GCMG, AC, CH

M3787 – Subject files of the Rt Hon John Grey Gorton as Prime Minister and Minister for Defence

CP309 – Hon Gordon Scholes

M2726 – Folders of Papers Relating to Defence Matters Maintained by Mr Scholes as Shadow Minister for Defence and then Minister for Defence

CP 337 – Hon Kim Christian Beazley

M3353 – Papers Relating to the Australian Labor Party, Elections and Electorate Material

K967 – Review of Australia's Defence Capabilities – Dibb Report

M3383 – Folders of Papers Maintained by Dr Wilenski while Principal Private Secretary to Prime Minister, Mr Whitlam

National Library of Australia

John Gorton Papers, MS 7984.

Arthur Tange Papers, MS 9847.

Unpublished United States Records

Central Intelligence Agency

Central Intelligence Agency, *Australia: The Fraser Government's Growing Political Problems*, 15 December 1982, CIA-RDP84S00554R000200100001-5.

Central Intelligence Agency, *Australia: Initial Reflections on Hawke's New Cabinet*, 14 March 1983. CIA-RDP85T00287R000400860001-5.

Central Intelligence Agency, *Australia's Troubled Economy: Hawke Political Approach*, 6 June 1983. CIA-RDP85T00287R000401120001-5.

Central Intelligence Agency, *Australian Defence Policy: Labor's New Approach*, 1 June 1983. CIA-RDP85T00287R000401110001-6.

Central Intelligence Agency, *Australia's Bob Hawke: Facing the Left at the Labor Party Conference*, 28 June 1984. CIA-RDP04T00367R000301830001-8.

Central Intelligence Agency, *Australia's Bill Hayden and the Centre-Left: A New Challenge for Bob Hawke*, 14 May 1984. CIA-RDP85T00287R001000530001-4.

Department of State

Foreign Relations of the United States, 1969-1976, VOLUME E-12, Documents on East and Southeast Asia, 1973-1976, eds Bradley Coleman, David Goldman and David Nickles (Washington: Government Printing Office, 2010).

Foreign Relations of the United States, 1977-1980, VOLUME XXII, Documents on Southeast Asia and the Pacific, 1977-1980, eds David Nickles and Melissa Taylor (Washington: Government Printing Office, 2017).

Unpublished United Kingdom Records

United Kingdom National Archives

CAB 24 – War Cabinet and Cabinet: Memoranda (GT, CP and G War Series)

Interviews

Interview with Hugh White, 23 February, 26 March, 12 April 2019.

Interview with Richard Brabin-Smith, 11 April 2019.

Interview with Paul Dibb, 3 June 2019.

Interview with Robert O'Neill, 8 July 2019.

Interview with Ross Babbage, 14 August 2019.

Interview with Heather Henderson, 22 August 2019.

Interview with Brendan Sargeant, 31 October 2019.

Interview with Ray Funnell, 1 November 2019.

Interview with Bill Crews, 8 November 2019.

Interview with Ross Cottrill, 13 November, 20 November, 27 November 2019.

Interview with Ian MacDougall, 7 March 2020.

Interview with Derek Woolner, 20 March, 27 March 2020.

Interview with Kim Beazley, 8 April 2020.

National Library Oral History Series

Lance Barnard Interviewed by Ron Hurst and Brenda McAvoy, 23 July 1983 and 1 April 1987, National Library of Australia, TRC-4900/53.

Howard Beale Interviewed by Mel Pratt, 20-21 October 1976, National Library of Australia, TRC-121/82.

John Burton Interview by Michael Wilson, 23 August 1995, National Library of Australia, TRC-2981/23.

Robert Furlonger Interviewed by Stewart Harris, 18 February, 3 December 1992, National Library of Australia, TRC-2795.

Paul Hasluck Interviewed by Clyde Cameron, 15 April 1986, National Library of Australia, TRC-1966.

Peter Henderson Interviewed by Michael Wilson, 21 September 1994, National Library of Australia, TRC-2981/12.

James Plimsoll Interviewed by Clyde Cameron, 26 March and 10 May 1914 1984, National Library of Australia, TRC-1967.

William Pritchett Interviewed by Garry Woodard, 28 October 2002 and 4 February 2003, National Library of Australia, TRC-4903.

Arthur Tange Interviewed by Neville Meaney, 19 July 1989, National Library of Australia, TRC-2482.

Commonwealth Parliamentary Debates

Commonwealth Parliamentary Debates, *Naval Agreement Bill*, 22 July 1903 (Edmund Barton).

Commonwealth Parliamentary Debates, *Defence Policy*, 13 December 1907 (Alfred Deakin).

Commonwealth Parliamentary Debates, Defence Estimates 1923-24, 10 August 1923 (Matthew Charlton).

Commonwealth Parliamentary Debates, *Defence Estimates 1934-35*, 2 August 1934 (James Scullin).

Commonwealth Parliamentary Debates, *Korea*, 6 July 1950 (Robert Menzies).

Commonwealth Parliamentary Debates, *International Affairs*, 11 March 1964 (Garfield Barwick).

Commonwealth Parliamentary Debates, *Ministerial Statement: Vietnam*, 29 April 1965 (Robert Menzies).

Commonwealth Parliamentary Debates, *Defence: Ministerial Statement*, 29 March 1979 (James Killen).

Constitutional Convention Debates

Convention Debates 11 March 1898.

Foreign Government Reports

Department of National Defence, *Strong, Secure, Engaged: Canada's Defence Policy*. Department of National Defence, Ottawa: 2017.

Department of State, *Foreign Relations of the United States*. Department of State, Washington, 2015.

Ministry of the Armed Forces, *Defence and National Security Strategic Review*. Ministry of Armed Forces, Paris: 2017.

Ministry of Defence, *Defence White Paper 2016*. Ministry of Defence: Wellington, 2016.

Ministry of Defence, *Deterring Terror: How Israel Confronts the Next Generation of Threats*. Ministry of Defence, Jerusalem: 2015, translated by the Harvard Kennedy School Belfer Centre for Science and International Affairs.

Memoirs

Barwick, Garfield. *A Radical Tory: Reflections and Recollections*. Sydney: Federation Press, 1996.

Beale, Howard. *This Inch of Time: Memoirs of Politics and Diplomacy.* Carlton: Melbourne University Press, 1977.

Button, John. *As It Happened.* Carlton: Melbourne University Press, 1998.

Evans, David. *Down to Earth: The Autobiography of Air Marshal David Evans*. Canberra: Air Power Development Centre, 2011.

Evans, Gareth. *Inside the Hawke-Keating Government: A Cabinet Diary.* Carlton: Melbourne University Press, 2014.

Hasluck, Paul. *Mucking About: An Autobiography.* Carlton: Melbourne University Press, 1977.

Hayden, Bill. *Hayden: An Autobiography.* Sydney: Angus & Robertson, 1996.

Henderson, Peter. *Privilege and Pleasure*. Melbourne: Meuthen Haynes, 1986.

Howard, Howard. *Lazarus Rising: A Personal and Political Autobiography.* Sydney: HarperCollins, 2010.

Fraser, Malcolm. *Malcolm Fraser: The Political Memoirs.* Carlton: Melbourne University Publishing, 2010.

McNamara, Neville. *The Quiet Man: The Autobiography of Air Chief Marshal Sir Neville McNamara*. Canberra: Air Power Development Centre, 2005.

Menzies, Robert. *Afternoon Light: Some Memories of Men and Events.* Melbourne: Cassell Australia, 1967.

Menzies, Robert. *The Measure of the Years.* London: Cassell, 1972.

Smith, Victor. *A Few Memories of Sir Victor Smith*. Canberra: Australian Naval Institute Press, 1992.

Tange, Arthur. *Defence Policymaking 1950-1980: A Close Up View*. Canberra: Australian National University Press, 2008.

Watt, Alan. *Australian Diplomat: Memoirs of Sir Alan Watt*. Sydney: Angus and Robertson, 1972.

Whitlam, Gough. *The Whitlam Government: 1972-1975.* Viking: Ringwood, 1985.

Secondary Sources

Books

Andrews, Eric. *The Department of Defence.* Melbourne: Oxford University Press, 2001.

Babbage, Ross. *A Coast Too Long: Defending Australia Beyond the 1990s*. Sydney: Allen & Unwin, 1990.

Babbage, Ross. *Rethinking Australia's Defence*. St Lucia: University of Queensland Press, 1980.

Ball, Desmond. *Australia and the World: Prologue and Prospects*. Canberra: Australian National University Press, 1990.

Ball, Desmond, Langtry, J.O, Stevenson, J.D, *Defend the North*. Sydney: Allen & Unwin, 1985.

Ball, Desmond and Lee, Sheryn. *Geography, Power, Strategy and Defence Policy: Essays in Honour of Paul Dibb*. Canberra: Australian National University Press, 2016.

Bean, Charles. *Volume 1 of the Official History of Australia in the War of 1914-148: The Story of ANZAC From the Outbreak of War to the End of the First Phase of the Gallipoli Campaign*. Sydney: Angus & Roberson, 1921.

Bean, Charles. *Volume 9 of the Official History of Australia in the War of 1914-18: Australia During the War*. Sydney: Angus & Robertson, 1941.

Beaumont, Joan. *Australian Defence: Sources and Statistics*. Melbourne: Oxford University Press, 2001.

Bell, Coral. *Dependent Ally: A Study in Australian Foreign Policy*. Sydney: Allen & Unwin, 1993.

Benvenuti, Andrea. *Cold War and Decolonisation: Australian Policy Towards Britain's End of Empire in Southeast Asia*. Singapore: NUS Press, 2017.

Bird, David. *JA Lyons: The Tame Tasmanian – Appeasement and Rearmament in Australia, 1932-39*. Melbourne: Australian Scholarly Publishing, 2008.

Blaxland, John. *The Australian Army From Whitlam to Howard.* Port Melbourne: Cambridge University Press, 2014.

Breen, Bob. *Struggling for Self-Reliance: Four Case Studies of Australian Regional Force Projection in the Late 1980s and 1990s*. Canberra: Australian National University Press, 2008.

Bunting, John. *R.G Menzies: A Portrait.* Sydney: Allen & Unwin, 1988.

Cheeseman, Graeme. *The Search for Self-Reliance: Australian Defence Since Vietnam*. Melbourne: Longman Cheshire, 1992.

Connery, David. *The Battles Before: Case Studies of Australian Army Leadership After the Vietnam War*. Newport: Big Sky Publishing, 2016.

Curran, James. *Curtin's Empire*. Cambridge: Cambridge University Press, 2011.

Dean, Peter, Fruehling, Stephan and Taylor, Brendan. *Australia's Defence: Towards A New Era?* Carlton: Melbourne University Press, 2014.

Dean, Peter, Fruehling, Stephan and Taylor, Brendan. *Australia's American Alliance: Towards a New Era?* Carlton: Melbourne University Publishing, 2016.

Dean, Peter, Fruehling, Stephan and Taylor, Brendan, *After America's Primacy*. Carlton: Melbourne University Publishing, 2019.

Dennis, Peter and Grey, Jeffrey. *Emergency and Confrontation: Australian Military Operations in Malaya and Borneo 1950-1966*. Sydney: Allen & Unwin, 1996.

Dibb, Paul. *Australia's External Relations in the 1980s: The Interaction of Economic, Political and Strategic Factors*. Sydney: Southwood Press, 1983.

Edwards, Peter. *A Nation at War: Australian Politics, Society and Diplomacy during the Vietnam War 1965-1975.* Sydney: Allen & Unwin, 1997.

Edwards, Peter. *Arthur Tange: Last of the Mandarins.* Sydney: Allen & Unwin, 2006.

Edwards, Peter. *Crises and Commitments: The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts 1948-1965.* Sydney: Allen & Unwin, 1992.

Edwards, Peter. *Prime Ministers and Diplomats: The Making of Australian Foreign Policy 1901-1949*. Melbourne: Oxford University Press, 1983.

Evans, Gareth, and Grant, Bruce. *Australia's Foreign Relations: In the World of the 1990s*. Carlton: Melbourne University Press, 1991.

FitzSimmons, Peter. *Beazley: A Biography.* Sydney: HarperCollins, 1998.

Frame, Tom. *No Pleasure Cruise: The Story of the Royal Australian Navy*. Sydney: Allen & Unwin, 2004.

Fraser, Malcolm, *Dangerous Allies*. Carlton: Melbourne University Publishing, 2014.

Fruehling, Stephan, *A History of Australian Strategic Policy Since 1945*. Canberra: Australian Government Publishing Service, 2009.

Furphy, Samuel. *The Seven Dwarfs and the Age of the Mandarins: Australian Government Administration in the Post-War Reconstruction Era*. Canberra: Australian National University Press, 2015.

Goldsworthy, David. *Losing the Blanket: Australia and the End of Britain's Empire*. Carlton: Melbourne University Press, 2002.

Grey, Jeffrey, *A Military History of Australia*. Cambridge: Cambridge University Press, 1990.

Grey, Jeffrey. *The Centenary History of Defence Volume 1: The Australian Army*. Melbourne: Oxford University Press, 2001.

Gyngell, Allan. *Fear of Abandonment: Australia in the World Since 1942*. La Trobe University Press: Melbourne, 2017.

Gyngell, Allan, and Wesley, Michael, *Making Australian Foreign Policy*. Cambridge: Cambridge University Press, 2003.

Hamill, Ian. *The Strategic Illusion: The Singapore Strategy and the Defence of Australia and New Zealand 1919*-1942. Singapore: Singapore University Press, 1981.

Hancock, Ian. *John Gorton: He Did It His Way*. Sydney: Hodder, 2002.

Hasluck, Paul. *Sir Robert Menzies.* Carlton: Melbourne University Press, 1980.

Henderson, Heather. *Letters to My Daughter.* Sydney: Murdoch Books, 2011.

Horner, David. *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy.* Sydney: Allen & Unwin, 2000.

Horner, David. *High Command: Australia's Struggle for an Independent War Strategy, 1939-1945*. Sydney: Allen & Unwin, 1992.

Horner, David. *Inside the War Cabinet: Directing Australia's War Effort, 1939-45*. Sydney: Allen & Unwin, 1996.

Horner David. *Making the Australian Defence Force.* Melbourne: Oxford University Press, 2001.

Horner, David. *Strategic Command: General Sir John Wilton and Australia's Asian Wars*. Melbourne: Oxford University Press, 2005.

Hughes, W.M. *Australia and War To-Day: The Price of Peace*. Sydney: Angus and Robertson, 1935. 158-159.

Huisken, Ron and Thatcher, Meredith. *History as Policy: Framing the Debate on the Future of Australia's Defence Policy*. Canberra: Australian National University Press, 2007.

Jackson, Robert. *The Malayan Emergency and the Indonesian Confrontation: The Commonwealth's Wars 1948-1966*. London: Pen & Sword, 2011.

Lee, David. *Search for Security: The Political Economy of Australia's Postwar Foreign and Defence* Policy. Sydney: Allen & Unwin, 1995.

Lee, David. *Stanley Melbourne Bruce: Australian Internationalist*. London: Continuum, 2010.

Lowry, Robert. *The Last Knight: A Biography of General Sir Phillip Bennett.* Newport: Big Sky Publishing, 2011.

Martin, A.W. *Robert Menzies: A Life*. Carlton: Melbourne University Press, 1999.

McCarthy, John. *Australia and Imperial Defence 1918-1939: A Study in Air and Sea Power*. St Lucia: University of Queensland Press, 1976.

McNeill, Ian. *To Long Tan: The Australian Army and the Vietnam War, 1950-1966*. Sydney: Allen & Unwin, 1993.

Meaney, Neville. *The Search for Security in the Pacific, 1901-14*. Sydney: Sydney University Press, 2009.

Mediansky, Fedor. *Australia in a Changing World: New Foreign Policy Directions*. Sydney: Maxwell Macmillian Publishing, 1992.

Millar, Thomas Bruce. *Australia's Foreign Policy*. Sydney: Halstead Press, 1968.

Millar, Thomas Bruce. *Australia in Peace and War*. Canberra: Australian National University Press, 1991.

Neidpath, James, *The Singapore Naval Base and the Defence of Britain's Eastern Empire, 1919-1942*. Oxford: Clarendon Press, 1981.

Norris, Ronald. *The Emergent Commonwealth: Australian Federation, Expectations and Fulfilment, 1889-1910*. Carlton: Melbourne University Press, 1975.

O'Neill, Robert. *Volume 1 of the Official History of Australia in the Korean War: 1950-1953 – Strategy and Diplomacy.* Canberra: Australian Government Publishing Service, 1981.

O'Neill, Robert and Horner, David. *Australian Defence Policy for the 1980s.* St Lucia: University of Queensland Press, 1982.

Prior, James. *Australia Looks to America: Richard Casey's Campaign in the United States, 1940-1942*. Melbourne: Australian Scholarly Publishing, 2017.

Renouf, Alan. *Malcolm Fraser and Australian Foreign Policy*. Sydney: Southwood Press, 1986.

Renouf, Alan. *The Frightened Country*. Melbourne: MacMillan, 1979.

Ross, A.T. *Armed and Ready: The Industrial Development of the Defence of Australia 1900-1945*. Sydney: Turton and Armstrong, 1994.

Scott, Ernest. *Australia During the War*, Sydney: Angus and Robertson, 1936.

Stephens, Alan. *The Australian Centenary History of Defence: The Royal Australian Air Force*. Melbourne: Oxford University Press, 2001.

Stevens, David. *The Australian Centenary History of Defence Volume 3: The Royal Australian Navy*. Melbourne: Oxford University Press, 2001.

Teichmann, Max. *Aspects of Australia's* Defence. Melbourne: Monash University Press, 1966.

Tow Shannon. *Independent Ally: Australia in an Age of Power Transition.* Carlton: Melbourne University Press, 2017.

White, Hugh. *How to Defend Australia*. Melbourne: Black Inc, 2019.

Articles

Beazley, Kim. 'Defence White Paper 2016: A Throwback to a Harder Era.' *The Strategist,* 2 March 2016.

Beazley, Kim. 'Reflections on the Defence of Australia.' *The Strategist,* 12 July 2017.

Beazley, Kim. 'The Alliance – Dependence Grows As Our Options Narrow.' *The Strategist,* 1 May 2018.

Beazley, Kim. 'White Paper Then and Now: Returning to Self-Reliance as a Labor Leit-Motif.' *Security Challenges* 5(2009): 59-74.

Bell, Coral. 'Hawke in Office: Towards Bipartisanship in Australian Foreign Policy?' *The World Today,* 2 (1984): 65.

Blaxland, John. 'Strategic Balancing Act: Australia's Approach to Managing China, the USA and Regional Security Priorities. *Security Challenges* 13 (2017): 19-39.

Brabin-Smith, Richard. 'The Return of Sovereignty to Australia's Defence Strategy.' *East Asia Forum,* 11 August 2021.

Cheeseman, Graeme. 'Changing the Guard: Defence Reform in Australia 1973-93.' *Defense Analysis* 10 (1994).

Cheeseman, Graeme. 'From Forward Defence to Self-Reliance: Changes and Continuities in Australian Defence Policy 1965-90.' *Australian Journal of Political* Science 3 (1991).

Dean, Peter. 'A New Strategic Song? ANZUS, the 2020 Australian Defence Update, and Redefining Self-Reliance.' *War on the Rocks,* 12 August 2020.

Dibb, Paul. 'ANZUS at 70: Defending Australia', *The Strategist,* 31 August 2021.

Dibb, Paul. 'New Security Reality Demands New Australian Policy', *The Strategist,* 23 July 2018.

Dibb, Paul. 'Planning to Defend Australia in an Era of Profound Strategic Disruption.' *The Strategist,* 15 October 2019.

Dibb, Paul. Revisiting the North in the Defence of Australia.' *The Strategist,* 27 June 2019.

Dibb, Paul. 'Should Australia Develop Its Own Nuclear deterrent? *The Strategist,* 4 October 2018.

Dobell, Graeme. 'ASPI's Decades: Troubling Times and Changing Strategy', *The Strategist,* 31 May 2021.

Dobell, Graeme. 'Australia's Defence White Papers by the Numbers.' *Security Challenges* 12 (2016): 1-18.

Fortune, Dan, 'Self-Reliance: An Outdated and Unaffordable Concept for the ADF.' *Australian Defence Force Journal* 193 (2014).

Fruehling, Stephan. 'Australian Defence Policy and the Concept of Self-Reliance.' *Australian Journal of International Affairs* 68(5) (2014): 531-547.

Fruehling, Stephan. 'The Fuzzy Limits of Self-Reliance: US Extended Deterrence and Australian Strategic Policy.' *Australian Journal of International Affairs* 67(1) (2013): 18-34.

Georgieff, Jack. 'Self-Reliance: Mere Lip Service to a Bygone Notion?' *The Interpreter,* 6 June 2013.

Jennings, Peter. 'Defence Spending and ADF Readiness Need to Match the Risk of Conflict.' *The Strategis*t, 17 May 2021.

Jennings, Peter. 'The 2016 Defence White Paper and the ANZUS Alliance.' 12 *Security Challenges* 1 (2016): 53-63.

Jennings, Peter. 'The Politics of Defence White Papers.' *Security Challenges* 9 (2013): 1-14.

Keating, Paul. 'We Need to Determine a Foreign Policy of Our Own.' *Australian Foreign Affairs* 1 (2017): 7-30.

Kirk, Paul. 'Conceptualising the 'Defence of Australia' in the 21st Century.' *Australian Defence Force Journal*.

Milner, Anthony. 'Australia's Plan B: Time For Some Tough Realism', The Strategist, 2 August 2018.

Nicholson, Brendan. 'Warning Time is Running Out: Beazley.' *The Strategist,* 24 December 2021.

Shoebridge, Michael. 'From Vaccines to Missiles: The Imperative For Australian Production.' *The Strategist*, 20 December 2021.

White, Hugh. 'Australia and Indonesia: Can We Be Friends? *Australian Foreign Affairs* 3 (2018): 7-31.

White, Hugh. 'Australia Must Plan to Defence Itself Alone.' The Strategist, 13 January 2020.

White, Hugh. 'DWP 2016 and Self-Reliance.' *The Strategist*, 8 March 2016.

White, Hugh. 'Without America: Australia in the New Asia.' *Quarterly Essay*, No. 68, 2017.

Conference Proceedings

O'Neill, Robert. *The Defence of Australia: Fundamental New Aspects – Proceedings of a Conference Organised by the Strategic and Defence Studies Centre, the Australian National University.* Canberra: Australian National University Press, 1976.

Speeches

Campbell, Angus. Speech at Australian Strategic Policy Institute Conference 'War in 2025.' 13 June 2019.

Gyngell, Allan. 'Gallipoli Memorial Lecture: Fear of Abandonment – Australia's Response to Changing Global Orders.' 29 June 2018.

Johnston, David. Speech at the Australian Strategic Policy Institute Conference 'War in 2025.' 14 June 2019.

Reynolds, Linda. 'Australia in an Age of Strategic Competition.' *The Strategist*. 13 June 2019.

Monographs

Brabin-Smith, Richard. 'The Heartland of Australia's Defence Policies.' Working Paper No. 396. ANU Strategic and Defence Studies Centre, Canberra: 2005.

Carr, Andrew and Dean, Peter. 'What the Next White Paper Should Do About the Budget.' *The Centre of Gravity Series.* Canberra: ANU Strategic and Defence Studies Centre, 2014.

Dibb, Paul and Brabin-Smith, Richard. 'Australia's Management of Strategic Risk in the New Era.' Canberra: Australian Strategic Policy Institute, 15 November 2017.

Dibb, Paul and Brabin-Smith, Richard. *Deterrence Through Denial: A Strategy for an Era of Reduced Warning Time* (Canberra: Australian Strategic Policy Institute, 22 May 2021)

Dibb, Paul. 'Implications for Australia of the Crisis in the West and the Threat from China and Russia.' *The Centre of Gravity Series*, June 2017. Canberra: ANU Strategic and Defence Studies Centre.

Dibb, Paul. *Essays on Australian Defence.* Canberra Papers on Strategy and Defence No. 161. Canberra: ANU Strategic and Defence Studies Centre, 2005.

Thomson, Mark. 'The Cost of Defence: ASPI Budget Brief 2017-2018.' Canberra: Australian Strategic Policy Institute, 2017.

Woolner, Derek. 'Funding Australia's Defence.' Working Paper No. 77. Canberra: ANU Strategic and Defence Studies Centre, 1983.

Woolner, Derek. 'Pressures on Defence Policy: The Defence Budget Crisis.' Canberra: Parliamentary Library, 2000.

Newspaper Articles

Dibb, Paul. 'A Strong Defence Force Makes Sound Sense in Now Uncertain Times.' *The Australian,* 6 February 2017.

Dupont, Alan. 'Brace for War in Our Time.' *The Australian,* 3 December 2021.

Jennings, Peter. 'With Trump At Large, Australia Needs a Plan B for Defence.' *The Australian,* 21 July 2018.

Kelly, Paul. 'Game Changer for the American Alliance.' *The Australian,* 21 August 2021.

Leahy, Peter. 'Australia Must Look Beyond the US and Make Some New Strategic Friends', *Australian Financial Review,* 31 July 2018.

Leahy, Peter. 'Former Army Chief Says It's Time to Leave Iraq and Afghanistan.' *Australian Financial Review,* 1 August 2019.

Nicholson, Brendan. 'Time to Heed the Warning Signs.' *The Australian,* 22 May 2021.

Walker, Jamie. 'Australia is Sleepwalking to War, Admiral Chris Barrie Warns.' *The Australian,* 22 May 2017.

Walker Jamie. 'US Forces Too Weak to Defend Australia Says Jim Molan.' *The Australian,* 4 January 2018.

Wesley, Michael. 'Reimagining Australia's Place in a New World Order.' *The Australian,* 16 February 2018.

White, Hugh. 'Principle of Self-Reliance More Important Now Than It Has Ever Been.' *The Sydney Morning Herald,* 24 November 2015.