This dissertation titled
‘On the edge of Asia’: Australian Grand Strategy and the English-Speaking Alliance,
1967-1980

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ABSTRACT

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This dissertation examines the importance of geopolitics in developing an Australian strategy during a transitional, but critical, period in Australian history, and it questions what effect the changing global environment had on the informal English-speaking alliance during the late Cold War. During the late 1960s, the effects of British decolonization, Southeast Asian nationalism, and American foreign policy changes created a situation on Australia’s doorstep, which the government in Canberra could not ignore. After World War II, strategic planning in Canberra emphasized the importance of British and American presence in the Asia-Pacific region to ensure Australian security. The postwar economic challenges facing Great Britain contributed to the decision in July 1967 to withdraw forces from ‘east of Suez’ by the mid-1970s. This decision had far-reaching implications for British allies in the Asia-Pacific region, including Australia. Britain’s decision, along with President Nixon’s 1969 announcement of plans to withdraw forces from Asia after Vietnam, created a power vacuum in Southeast Asia and eliminated the basis of Australia’s long-standing strategy of forward defense.

As the 1970s began, officials in Canberra took a more proactive approach in determining Australian strategy for the decade ahead. Australia’s isolation from centers of global conflict reduced the number of threats to national security, and the relative
stability established through détente allowed officials in Canberra to develop gradually a strategy for the defense of Australia in the absence of its traditional allies. Officials in Canberra recognized that Australia did not have to choose between its traditional allies and its Asian neighbors in order to fulfill long-term objectives. Instead, Australia adopted an approach to foreign policy in the 1970s that emphasized independence and self-reliance, ultimately expressed through a nascent grand strategy, while incorporating traditional Western alliances and existing relationships in Asia. This approach not only allowed Australia to strengthen its position as a neighborhood power, but also provided an opportunity to develop into a strong Asia-Pacific ally within a changing English-speaking alliance.
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strategy and foreign policy helped me to establish the framework upon which my dissertation is based. Additionally, I appreciated the numerous reference officers who helped me before I arrived in Canberra and while I conducted research at the National Archives. Their assistance allowed for a positive and productive experience.

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LIST OF ABBREVIATIONS

AATTV – Australian Army Training Team Vietnam
ACT – Australian Capital Territory
ADF – Australian Defense Force
AMDA – Anglo-Malayan Defense Agreement
ANZ – Australia and New Zealand
ANZAM – Australia, New Zealand, Malayan security area with Britain
ANZUK – Australia, New Zealand, United Kingdom
ANZUS – Australia, New Zealand, United States security treaty
ASEAN – Association of Southeast Asian Nations
ASIS – Australian Secret Intelligence Service
ASPAC – Asian and Pacific Council
AWM – Australian War Memorial
BIOT – British Indian Ocean Territory
BRUSA – Britain-United States Agreement
CIA – Central Intelligence Agency
CINCFE – Commander-in-Chief, Far East
DSD – Defense Signals Division
ECAF - Economic Commission for Asia and the Far East
EEC – European Economic Community
FAD – Foreign Affairs and Defense Committee
FYDP – Five Year Defense Program
GATT – General Agreement on Tariffs and Trade
GNP – Gross National Product
IADS – Integrated Air Defense System
IMF – International Monetary Fund
INTERFET - International Force for East Timor
JIC – Joint Intelligence Committee (Australia)
JIO – Joint Intelligence Organization (Australia)
JPC – Joint Planning Committee (Australia)
MP – Member of Parliament
NAA – National Archives of Australia
NASA – National Aeronautics and Space Administration
NATO – North Atlantic Treaty Organization
NIC – National Intelligence Committee
NSW – New South Wales, Australia
PNG – Papua New Guinea
QLD – Queensland, Australia
RAAF – Royal Australian Air Force
RAF – Royal Air Force (Great Britain)
RAN – Royal Australian Navy
RNZN - Royal New Zealand Navy
SALT – Strategic Arms Limitations Talks
SEATO – Southeast Asia Treaty Organization
TNA – The National Archives of the United Kingdom
UKATA – United Kingdom-Australia Trade Agreement
UN – United Nations
USAF – United States Air Force
USN – United States Navy
USSR – Union of Soviet Socialist Republics
UKUSA – The United Kingdom and United States Agreement (signals intelligence)
VIC – Victoria, Australia
VLF – Very Low Frequency communications
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INTRODUCTION

Map 1: Australia’s location ‘on the edge of Asia’

In his classic study, *The Tyranny of Distance*, Geoffrey Blainey argued that Australia’s location helped to shape its national outlook and policy choices (Map 1).¹ When Great Britain established the first colony in Australia in 1788, London did not simply view the colonization of Australia as the solution for overcrowded prisons. Australia had a strategic value, as well. It was located close to key Asian trading routes, provided an alternate route to Asia along the southern coast, and offered a place for

¹ Geoffrey Blainey, *Tyranny of Distance: How Distance Shaped Australia’s History* (South Melbourne: Sun Books, 1982).
British ships to undergo repairs.\(^2\) Over 150 years later, Australia’s location sparked the interest of another global power – the United States. This time, Australia’s proximity to Asia helped to foster American defense interests during the Cold War through a budding intelligence relationship between the United States, Great Britain, Australia, Canada, and New Zealand – the English-speaking allies.\(^3\)

The common heritage, language, and culture shared among these allies provided a level of trust that allowed for a covert, global intelligence network, which continues today. By the 1960s, the relationship between Australia and the United States even included American facilities on Australian soil. Because of Australia’s location and willingness to cooperate, the United States used these facilities to launch the Apollo space program, communicate with nuclear submarines in the Pacific and Indian Oceans, and monitor the activities of the Soviet Union and China. Even today, the United States recognizes the strategic value of Australia. When President Barack Obama announced a US ‘pivot to Asia’ in 2010, the center of that pivot was not in Asia proper, but in Australia. The city of Darwin, Northern Territory, serves as the key pivot point between the Indian and Pacific Oceans, and the defense facilities in Darwin will house equipment and up to 2500 US troops cycling through the city by 2016 as part of the expansion of US presence in Asia.


\(^3\) The most comprehensive account of this relationship can be found in Jeffrey T. Richelson and Desmond Ball, *The Ties that Bind: Intelligence Cooperation between the UKUSA Countries – the United Kingdom, the United States of America, Canada, Australia and New Zealand* (North Sydney: Allen & Unwin, 1985). See also Desmond Ball, *A Suitable Piece of Real Estate: American Installations in Australia* (Sydney: Hale and Iremonger, 1980).
Australia’s location might have been – and continues to be – an asset to its English-speaking allies, but geography also factored into Australian national interests, as Blainey argued. In 1967, Prime Minister Harold Holt acknowledged, “Some of the greatest dangers and some of the greatest opportunities exist in this part of the world [Asia] today.” Holt’s sentiment became particularly relevant during the period under review. As a nation of Western heritage located ‘on the edge of Asia’, Australia’s outlook and experiences extended beyond its national borders. Events unraveling on Australia’s doorstep from the 1960s through the 1970s linked Australian interests with broader changes, including decolonization, post-colonial development in the Asia-Pacific, and US policy changes toward Asia. Unlike Australia’s English-speaking allies, with the exception of New Zealand, Australia could not ignore the uncertainty and potential instability created by these events, nor could Canberra ignore the fading visibility of Australia’s traditional allies in the region. Instead, Canberra worked to develop an independent approach to regional security, which involved the assertion of Australia’s distinct national interests and the strengthening of Australia as a regional ally within a broad Western alliance during the Cold War. Geography helped to guide Australia’s strategic outlook, but it was not the only determinant shaping Australia’s perspective from 1967 to 1980.

4 “Mr. Rusk regrets British defense cuts,” 19 July 1967, NAA: M1002, 122.
5 Sir Keith Waller, the Australian Ambassador to the United States, suggested that British withdrawal from east of Suez required Australia to place increasing importance on its relationship with the United States since British withdrawal left Australia “more isolated than ever on the edge of Asia.” “Anzus Treaty is still our best shield,” Canberra Times, 24 July 1969, NAA: A1945, 16/2/2.
6 The Australian Government included different countries at different times in their definition of the ‘Asia-Pacific’ or ‘Asian and Pacific’ region. For the purpose of my dissertation, the Asia-Pacific region is defined broadly as the geographic area that includes East Asia, Southeast Asia, the Pacific Islands, Australia, and New Zealand.
Throughout the twentieth century, Australia remained a geographically isolated Western nation whose proximity to Asia often led to regional security concerns in Canberra that differed from its major allies. After colonization in 1788, Britain remained responsible for the internal and external defense of the Australian colonies after colonization. Over time, the relationship between Great Britain and its ‘white Dominions’ shifted, especially in response to colonial nationalism and the desire for greater individual involvement from the Dominions – Australia, Canada, and New Zealand. Even as Australia became increasingly responsible for its own defense after federation in 1901, Australia leaned on Britain and the British Empire for support.  

Australia’s relationship with Great Britain continued to change as it claimed increasing responsibility for its own interests. In World War I, the experience of war brought a greater sense of national identity in Australia and contributed to a push by the Dominions to create the Commonwealth in the interwar years. 

R. F. Holland argued that the Dominions had not really been affected by or tied into international affairs except through Britain’s ‘umbilical link’ before the war, but the postwar shift of attention from the Atlantic to the Pacific and the potential conflict which could arise in that region meant that some of the Dominions were “immediately affected” and “more directly

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8 C.E.W. Bean served as author and editor of a multi-volume history of Australia’s role in World War I, and he wrote extensively about the Australian experience during war. His accounts about the war propagated what has become known as the “ANZAC legend,” or the belief that Gallipoli served as a critical moment in the emergence of Australia and New Zealand as nations. See C.E.W. Bean, *The Story of Anzac*, vols. 1-2 (1941; reprint, St. Lucia, QLD: University of Queensland Press, 1981).
involved in strategic issues. The interwar period offered the Commonwealth nations an opportunity to achieve constitutional changes and work within an established structure while emphasizing individual objectives in areas such as defense and foreign policy.

Similarly, Australia’s experience during World War II highlighted additional changes between Australia, Britain, and the Commonwealth. The end of the war brought the realization that Great Britain could no longer sustain its position as a global power without the economic support of the United States and that its commitments overseas and at home stretched beyond what the budget could handle. Decolonization became one of the products of World War II and the economic challenges that resulted from the war.

British decolonization after World War II affected more than just the British Isles. British territories, dependencies, colonies, Commonwealth members, and allies around the globe experienced the effects of Britain’s declining global role after World War II. Although British decolonization led to the independence of colonies in Asia, Africa, and the Middle East, Great Britain maintained its ties to the Commonwealth countries and retained colonies in Southeast Asia and the Pacific Islands. Even though Britain could not exercise its power unilaterally, the informal English-speaking alliance served as a

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method for maintaining global influence while allowing Britain to build a closer relationship with continental Europe. Australia, in partnership with the United States and New Zealand, provided a key component to that extension of influence in the Asia-Pacific.

Even though Britain’s status as a great power began to decline after World War II, Australia counted on British force commitments in Southeast Asia to encourage stability. Australia’s isolation from centers of global conflict provided a degree of security over time, but the memory of the Japanese bombing of Darwin during World War II reminded Canberra that isolation did not guarantee security. Southeast Asian nationalism and the end of the colonial era after World War II led to concerns in Canberra about stability and security in Australia’s region of primary interest, which included Southeast Asia, the Southwest Pacific, Papua New Guinea, and the maritime approaches to Australia. Fighting in Malaya from 1948-1960 and Indonesia’s policy of Confrontation against Malaysia from 1963-1966 enhanced that concern. A variety of factors – from ethnic to political to economic – created the environment in which these conflicts arose, but in Canberra, the events justified the need for Britain to retain forces in the region. After all, the conflicts occurred on Australia’s doorstep, which meant that stability or the lack of it directly affected Australian security.¹³ The ongoing presence of British forces also saved

¹³ A number of factors contributed to both situations, but at the most basic level, the Malayan Emergency began when members of the Malayan Communist Party attacked and killed three British estate managers, and Indonesia’s policy of Confrontation toward Malaysia resulted from territorial disputes. For more detailed accounts of Australian involvement in these commitments, see Peter Edwards with Gregory Pemberton, *Crises and Commitments: The Politics and Diplomacy of Australia’s Involvement in Southeast Asian Conflicts 1948-1965* (Sydney: Allen & Unwin in association with the Australian War Memorial, 1992) and Peter Dennis and Jeffrey Grey, *Emergency and Confrontation: Australian Military Operations in Malaya and Borneo, 1950-1966* (St. Leonards, NSW: Allen & Unwin in association with the Australian War Memorial, 1996).
Australia from spending additional money for the equipment and manpower required for sole defense of the region.

After World War II, the transfer of global power from Great Britain to the United States aligned with Australia’s greater reliance on its security relationship with the United States, which began during World War II.\textsuperscript{14} By 1951, the ANZUS treaty, a security treaty between Australia, New Zealand, and the United States, fulfilled Canberra’s postwar objective of moving toward the United States and served as the foundation for Australia’s postwar strategic outlook.\textsuperscript{15} The early 1950s marked a period when Australia welcomed regional collective security arrangements in response to the perception that communism would invade a weak Southeast Asia, thus potentially threatening Australian borders and interests. ANZUS provided a loose framework that allowed for cooperation and consultation between the three nations on a scale not experienced before the war. In this way, Canberra viewed the ANZUS treaty as a shield against potential communist expansion.

With Australian security first tied to British presence in Southeast Asia and then pinned to the United States after World War II, any changes in those relationships would fundamentally alter Australia’s strategic outlook. From the end of World War II, Britain’s status as a global power waned. The reality of the costs of empire influenced British officials to reconsider Britain’s role in the postwar world, and these decisions


about the future had very real consequences for members of the British Commonwealth. Australia, in particular, relied largely on British defense for security in Southeast Asia, but the events of World War II tested the limits of the Anglo-Australian relationship. Britain failed to respond to Australian needs during World War II after the base at Singapore fell to the Japanese in 1942, but officials in Canberra still recognized the importance of an alliance with Britain after the war. As a result, British Prime Minister Harold Wilson’s announcement in July 1967 of the intention to withdraw troops from east of the Suez Canal by the mid-1970s came as a blow to Canberra and led to questions about Australian security in the future.

The British decision to withdraw its forces from ‘east of Suez’ continued the process of postwar decolonization. Economic realities and domestic pressure informed the decision to refocus Britain’s role from a global one to a European one, and it triggered Australian strategic changes in the decade ahead. Britain’s intended departure from east of Suez led Canberra to question the viability of its forward defense posture, which called for maintaining Australian forces overseas in an effort to keep conflicts away from Australian borders. Concerns doubled when the United States delivered a second blow. President Richard Nixon’s remarks in July 1969 at a press conference in Guam, which became known as the Guam Doctrine, acknowledged that the United States also planned to reassess its policy in the Asia-Pacific region after the Vietnam War.

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ended. Nixon explained that the United States would expect Asian nations to become increasingly responsible for their own internal and external defense, unless the nation faced a nuclear attack. Within the span of two years, decisions by Australia’s main allies had shattered the foundation of Canberra’s defense outlook, which existed in some form since colonization, and created a power vacuum in a region where instability remained a primary security concern to those in Canberra.

Initially, the actions of Great Britain and the United States forced Canberra into a reactive position, but an important realization emerged out of this. Australia had to adopt a more independent approach to its defense, but this approach must be based on the capabilities that Australia had as a “middle power.” Since federation, Australia’s defense posture ran along two poles with imperialists on one side and Australianists on the other. The imperialist view promoted national defense by relying on its relationship with its Commonwealth allies or as part of a Western alliance. As a result, Australian forces were often deployed overseas in support of these alliances. The Australianist perspective supported the defense of Australia from within Australia, not as part of an external alliance which drew Australian forces overseas. In practice, these two concepts ran in tandem, rather than in opposition to one another. From federation in

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19 The idea of a ‘middle’ or ‘medium’ power relates to a nation’s potential to exert influence on an international level, but not on the scale of a ‘great power’ which can exert influence on a global scale. See Carl Ungerer, “The ‘Middle Power’ Concept in Australian Foreign Policy,” *Australian Journal of Politics and History*, Vol. 53, No. 4 (2007), 538-551.
20 David Horner (Official Historian and Professor of Australian Defense History at the Australian National University) in discussion with the author, 11 July 2012.
21 While these two terms refer to the two basic views about Australian defense, the terms changed according to Australia’s international relationships. The ‘imperialist’ school also became known as the Western Alliance as the traditional bonds of empire faded, whereas the “Australianist” school has often been used interchangeably with continental defense, the Defense of Australia, and Fortress Australia.
1901 through the 1960s, the imperial school factored heavily into Australia’s contributions abroad, both as part of the Empire and as a self-governing Dominion. Australia committed forces to both World Wars and to Southeast Asian conflicts as part of a Commonwealth contingent. When the United States became the dominant ally ‘guaranteeing’ Australian security, Canberra adopted the forward defense strategy based on the Western alliance’s understanding of international events, and Australia sent troops to fight in Korea and Vietnam in fulfillment of the strategy. As a result, Australian defense policy was formulated according to the imperial/Western alliance model with post-World War II contributions made as part of an alliance but in the interest of Australian security.²²

After Prime Minister Wilson’s withdrawal announcement in 1967 and the realignment of US interests in Asia in 1969, Canberra devoted more attention to the defense of Australia argument by focusing on self-reliance as a potential replacement for forward defense. By the end of the 1960s, the Defense Committee and Cabinet agreed to advance a ‘strategy of continued involvement’ as an expression of the push for self-reliance and the independent action in Australia’s region of primary interest, but uncertainty still surrounded the details of this strategy. As a small, industrial nation with limited capabilities, Australia could not deny the importance of its alliance relationships

nor could it ignore the fact that Australian interests differed from those of its traditional allies. The 1970s began a transitional period, which left Canberra considering how to reconcile Australia’s limitations with its short-term and long-term interests. Instead of viewing Australia’s isolation from its Western allies as a disadvantage, Canberra began to acknowledge its advantages. Australia’s distance from centers of global conflict offered the peace necessary to develop an independent approach to defense that could guide Australia’s strategic outlook in the decades ahead. With the understanding that Australia remained secure from a major threat or attack on its territory, the Defense Committee leaned toward the Australianist approach and determined in its 1971 Strategic Basis paper that self-reliance required a force with flexibility and versatility without risking mediocrity. Two years later under a newly elected Labor Government, the updated Strategic Basis paper elevated the defense of Australia but acknowledged the ongoing importance of Australian alliances to secure assistance in the event of a major attack.23

Although both papers recognized the approach Australia should undertake to achieve self-reliance in its region of primary interest, the papers lacked an explanation about how Australia would achieve this aim. The 1976 paper under a newly elected Liberal-Country Party coalition government built upon the foundation established in the earlier papers but sought to provide the explanation that others lacked. In doing so, the 1976 Strategic Basis paper marked a significant change in Australian strategy because the Defense Committee determined that Australian strategy could incorporate the Defense of Australia and its Western alliances. This time, the Strategic Basis paper was

accompanied by a thorough report about Australia’s strategic outlook from the National Intelligence Committee, a contingencies study to determine the force structure necessary to meet any impending situations, a Five Year Defense Plan to outline and justify the costs and equipment necessary to fulfill the defense of Australia concept, and a defense industry study to determine the economic feasibility of the defense plan. In addition to these studies, the last half of the 1970s offered something else that the previous five years could not: political stability. Prior to 1976, four Prime Ministers and one ‘caretaker’ Prime Minister led Australia over the course of nine years. Malcolm Fraser’s eight year tenure as Prime Minister from 1975 through 1983 finally offered the consistency in leadership needed to oversee the early development of an Australian grand strategy.

Grand strategy, in its broadest sense, is defined as the ability to identify national security concerns as a way to anticipate defense requirements throughout the region and the world in times of peace and war. Discussions about grand strategy often consider the term in relation to great powers or superpowers, such as Great Britain, the United States, and the Soviet Union, not ‘middle’ powers such as Australia. Still, the 1976 Strategic Basis paper and the reports accompanying the paper indicated that Australia fulfilled the basic definition of grand strategy. Under the Fraser Government, Canberra developed a clear sense of Australian capabilities in relation to its defense requirements. Australia did not aspire to become a great power on par with the United States. Instead, the focus would be on shaping Australia into a “neighborhood power,” whose attention

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centered on low-level threats in Southeast Asia, the Southwest Pacific, Papua New Guinea, and the approaches to Australia. Due to Australia’s location, the potential for any attack would come by air or sea first, so the Defense Department developed a five year plan geared toward meeting or preventing such attacks.25

As a result, Australian defense forces would remain at home during times of peace but maintain the capability to expand to meet any potential attacks in the neighborhood, short of a major conflict, without the assistance of major allies. In the event of a major conflict or war, Australia planned to lean on its relationship with the United States and the Western Alliance to combat any threat to Australia. The strategic aim developed under the Fraser government extended beyond the use of force to achieve Australia’s national interests. Canberra preferred supporting the neighborhood by expanding Australian influence in the region through trade, aid, and defense support rather than military intervention.26 This combination of considerations for times of peace and war constituted the beginning of an Australian grand strategy.27

27 Very few resources exist that address the correlation between middle powers and grand strategy, let alone resources about the historical context of Australian grand strategy. See Rod Lyon and Hayley Channer, “Strategic Interests and Australian Grand Strategy,” Policy Analysis No. 108 (Canberra: Australian Strategic Policy Institute, 7 February 2013). Other studies about middle powers and grand strategy include Michael S. Neiberg, “A Middle Power on the World Stage: Canadian Grand Strategy in the Twentieth
The research conducted for my dissertation places a significant emphasis on high level government documents with the Strategic Basis of Australian Defense Policy papers shaping the basic trajectory of the argument. This series of papers is prepared by a group of officers and civilians, endorsed by the Chiefs of Staff or the Defense Committee, and presented for Cabinet approval. The process reflected a combined effort to reconcile the advice from the Defense organization, since the Defense Committee served as the ‘highest decision-making organ’ of the Department, and the government’s policy mandate with the assistance of representatives from groups such as intelligence organizations, the Treasury, and the Department of External/Foreign Affairs. As such, the documents should be viewed as a reflection of the government’s official statement on Australian strategy and defense. In addition to the Strategic Basis papers from 1967-1976, archival documents from the Australian Departments of Defense, External/Foreign Affairs, Treasury, Prime Minister, and Cabinet provided a comprehensive understanding about the environment in which officials in Canberra drafted the papers and determined Australia’s strategic outlook.

In addition to high level government documents, my research incorporated autobiographies, biographies, and memoirs in an attempt to understand the correlation between the personalities and the politics involved in making official decisions. For example, the Defense Committee’s Strategic Basis papers offered a degree of consistency in the basic tenets expressed, including regional stability and security, the prevention of

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encroachment by hostile forces, and the maintenance of key alliances, despite the rhetoric of reform expressed by Prime Ministers such as John Gorton and Gough Whitlam. It becomes apparent through a review of the available sources that the permanent heads of each department often retained their position even when the government changed, which allowed for consistency during transitional periods. One of the challenges in writing about this time period involves access to archival documents that have yet to be examined. The sheer volume of access requests and the declassification process have led to a two year wait for some of the requested documents for my dissertation. As these requested documents from the late 1970s and the 1980s about Australia’s relationship with China and with the English-speaking allies become available, they have the potential to reinforce the argument made in my dissertation about the importance of geopolitics in Australia during the 1970s.

Australia’s experience during the later years of the Cold War has often been described in the context of its dependence or alliance with the United States and Great Britain or its shift to Asia. According to the existing scholarship, Australia’s experiences during the 1960s and 1970s followed a few themes. One theme focused on Australia’s transition from dependence on Britain to dependence on the United States. Another suggested that Canberra turned to Asia in response to British and American decisions, thus choosing between the West and Asia. The final theme overlapped with the other two by arguing that Australian actions resulted from a reactive, rather than a proactive, position.⁵⁹ I do not dismiss the importance that Canberra consistently placed on its

traditional relationship with its English-speaking allies or deny that Australia reacted to changes within those relationships. Instead, my dissertation argues that Australia adopted a proactive position in the 1970s that emphasized independence and self-reliance, ultimately expressed through a nascent grand strategy, while incorporating traditional alliances with the West and existing relationships in Asia into its long-term strategic plans. The adoption of this approach allowed Australia to continue operating within the English-speaking alliance, even as the individual roles within the alliance continued to change, by expressing Australia’s distinct interests as a neighborhood power. By strengthening its position in the Asia-Pacific, Canberra not only responded to significant changes in the region, but also solidified a more independent position in order to become a stronger ally for its English-speaking allies who could not remain in the Asia-Pacific region for economic reasons (i.e. Great Britain) or political reasons (i.e. the United States).

My argument most closely follows that of Coral Bell, a well-respected Australian scholar of foreign policy. In her 1988 book, Dependent Ally, Bell analyzed Australian foreign policy in light of the move toward self-reliance. She argued that Australia remained dependent on its great power allies after World War II, but she challenged the

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30 The preceding period of changes through the 1950s were addressed in Gordon, The Dominion Partnership; Holland, Britain and the Commonwealth Alliance; McKenzie, Redefining the Bonds of Commonwealth; Ovendale, The English-Speaking Alliance; and W. David McIntyre, Background to the ANZUS Pact.
notion of dependency as a negative term. Australia’s role as a ‘dependent ally’ reflected its status as a junior partner or middle power, but the alliance system remained complex and provided benefits to all of the partners. My conclusion that 1967-1980 proved to be a critical period of transition for Australia runs parallel to Bell’s argument that British withdrawal and US policy changes affected Australian policymakers. However, Bell wrote at the beginning of her book that “[there] are independent allies, and although Australia may not yet be one, the recent direction of change has been, I shall argue, towards that desirable status.”31 On this point, my dissertation differs. Canberra often pursued independence or self-reliance as foreign policy aims, but unlike Bell, my dissertation argues that Australia’s expression of a grand strategy in 1976 reflected its success in achieving the aims of acting as an independent ally. Additionally, my dissertation moves beyond Australia’s triangular relationship with the United States and Great Britain to incorporate its relationship with its Asian neighbors, as well. All of these relationships become increasingly interdependent during the late Cold War due to the changing international situation.

In addition to arguing for Australia’s push for independence in response to global changes, my dissertation questions whether or not the English-speaking alliance still existed in the late Cold War as Australian allies moved away from direct commitments in the Asia-Pacific region. This topic follows along a similar path as existing literature but addresses a time period that is lacking in scholarship about the subject of the alliance. Ritchie Ovendale’s *The English-Speaking Alliance* explained the alliance as one that developed during World War II out of the Anglo-American special relationship, but

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31 Bell, *Dependent Ally*, 4.
expanded to include the ‘white’ Dominions of Australia, New Zealand, and Canada
during the Cold War. Although Ovendale’s coverage of the alliance ended in 1951,
David Goldsworthy continued the chronology through the 1960s in Losing the Blanket.
Goldsworthy’s argument focused on Australia’s response to the end of the British
Empire, but he also incorporated the United States into the narrative about Britain’s
decreasing global role and Australia’s ability to cope with the changes. However, the
existing scholarship that addresses the English-speaking alliance ends around the mid-
1960s, which leads to questions about the function of the alliance in the latter part of the
Cold War as British and American interest in the Asia-Pacific region appeared to decline.

In the 1971 Strategic Basis paper, the Defense Committee concluded that
“Australia’s very location close to Asia and its reputation as an independent, non-
imperialist nation with special interests in the security of Southeast Asia have given it a
special position, which should enable it to exercise influence somewhat disproportionate
to its power.”32 Australia’s location certainly provided advantages to Australia’s great
power allies, but it also offered advantages to Australia. Australia remained on the
periphery of strategic conflicts during the course of the Cold War, which allowed
Australians to enjoy a degree of security as a result of this isolation. Yet geography also
placed Australia ‘on the edge of Asia’ where significant global and regional changes
occurred on its doorstep. By taking advantage of its proximity to Asia to increase its
influence and by acting as a mediator for its English-speaking allies, Australia could

32 “Strategic Basis of Australian Defense Policy (1971)” in Frühling, A History of Australian Strategic
Policy, 408.
harness its disproportionate influence and use it to create the start of an Australian grand strategy based on independent Australian action as a self-reliant neighborhood power.
CHAPTER 1: AUSTRALIA’S TROUBLE WITH ‘EAST OF SUEZ’, 1967

Great Britain’s position as a global power and its ability to act unilaterally in international conflicts diminished after World War II. The fall of Singapore to Japan in February 1942 and the lack of response to the Japanese bombing of Darwin in the Northern Territory days later left the Australian Government little choice other than to turn toward the United States for defense support during the final years of the war.\(^1\) Even with the loss of confidence in Britain’s ability to contribute to the defense of Australia, the Anglo-Australian relationship remained strong after the war. In the aftermath of World War II, many in Canberra welcomed Britain’s return to Southeast Asia and viewed it as an opportunity to encourage stability in a region where many Southeast Asian nations had only recently achieved independence from colonial rule. Previously, the presence of European colonial powers in Southeast Asia provided a security blanket for Australia because the Dutch, British, French, and American colonies formed a line of defense against potential threats from the North, but the events of World War II proved this barrier ineffective when Japan swept into the region with ease.

When World War II ended, the shift toward independence in Southeast Asia prompted Australia to question the stability of the nations in its area of primary concern. The perception of postwar instability stemmed from regional independence movements,

\(^1\) The importance of Singapore as a pivotal base for British holdings in the Asia-Pacific region came to be known as the “Singapore strategy.” Australian and New Zealand defense in the region depended on this strategy for security, but historians argue about the degree to which Singapore served as a practical option, as well as the degree to which Britain recovered from the loss of confidence resulting from the fall of Singapore. For additional readings on this subject, see Ian Hamill, *The Strategic Illusion: The Singapore Strategy and the Defense of Australia and New Zealand* (Singapore: Singapore University Press, 1981); James Neidpath, *The Singapore Naval Base and the Defense of Britain’s Eastern Empire, 1919-1941* (Oxford: Clarendon Press, 1981); W. David McIntyre, *The Rise and Fall of the Singapore Naval Base, 1919-1942* (London: Macmillan, 1979); Malcolm H. Murfett, *In Jeopardy: the Royal Navy and British Far Eastern Defense Policy, 1945-1951* (Oxford: Oxford University Press, 1995).
but Canberra used two specific events to justify British presence in Southeast Asia as a source of stability and security. The first event, the British colonial government’s declaration of the Malayan Emergency, began in June 1948 in response to the increasing militancy of the Malayan Communist Party and lasted until July 1960. Canberra sent troops to aid in British counterinsurgency efforts with an eye to Malaya’s strategic role as a buffer to Communist expansion and with the understanding that the stability of Malaya equated to security in Australia. The second event, Confrontation or Konfrontas, lasted from 1963 until 1966. Indonesia declared independence from the Netherlands in August 1945, which the Dutch officially acknowledged in 1949, and the Indonesian government maintained a strong anti-colonial stance. The formation of Malaysia in 1963 from Malaya, Singapore, Sarawak, and Sabah created a source of tension for Indonesian President Sukarno, who challenged the United Nations’ conclusion that Sarawak and Sabah willingly entered into the agreement. Sukarno’s objection to Britain’s continued presence in Malaysia and his Foreign Minister’s call for “a policy of confrontation against Malaysia” threatened Britain’s position in the region, upon which Canberra relied. As a result, Australia contributed troops to British counterinsurgency efforts in Borneo with the justification that Indonesian aggression upset the stability in Southeast

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2 Members of the Malayan Communist Party attacked and murdered three British estate managers, which led to the declaration of Emergency, but the combination of social instability, ethnic and political divisions, and Japanese Occupation contributed to the instability. For a better understanding about the complexity of the situation surrounding Emergency, see Peter Dennis and Jeffrey Grey, *Emergency and Confrontation: Australian Military Operations in Malaya and Borneo, 1950-1966* (St. Leonards, NSW: Allen & Unwin in association with the Australian War Memorial, 1996).

Asia. Canberra viewed London’s involvement in Emergency and Confrontation as an example of Britain’s indispensable role as regional stabilizer. The Bangkok Agreement, signed in August 1966 by Indonesia and Malaysia, brought Confrontation to an end and marked the point when Britain began recalling troops that it sent to Borneo for counterinsurgency efforts.5

In the months after Confrontation ended, Great Britain faced significant economic challenges, which reshaped its defense policies and caused concern among its allies. On 18 July 1967, British Prime Minister Harold Wilson officially announced Britain’s intention to withdraw its forces located east of the Suez Canal as a way to alleviate some of the burden. The 1967 Defense White Paper replaced the defense review completed just one year earlier, and the decisions had far-reaching implications for many countries around the globe. While the withdrawal from ‘east of Suez’ also involved plans for the Middle East, the Far East decisions set into motion events that would lead to marked changes in Australia’s strategic outlook. Prime Minister Wilson’s July announcement and the decision by the British Cabinet to support the proposals did not come as a shock to the Australian government because they had been notified of the changes in April. Still, Australian Prime Minister Harold Holt denounced proposals for the reduction of troops in the region, and he worked in cooperation with the United States, New Zealand, Singapore, and Malaysia to influence the terms of withdrawal. The main objection from

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4 Much like the Malayan Emergency, many factors contributed to Confrontation. Peter Edwards and Gregory Pemberton explain some of these in greater detail in chapters 14-15 of *Crises and Commitments: the politics and diplomacy of Australia’s involvement in Southeast Asian conflicts 1948-1965* (Sydney, NSW: Allen & Unwin in association with the Australian War Memorial, 1992). See also *Emergency and Confrontation*.

Canberra emphasized Britain’s importance in maintaining the stability and security of Southeast Asia by its continued visible presence in the region. As plans for withdrawal began to unfold, the issue of long-term regional security and stability led to an Australian defense review, in an effort to prepare for the long-term challenges presented by British withdrawal from east of Suez, that called into question the existing strategy of forward defense.  

Informing the Allies

By August 1966 Australian officials anticipated that the end of Confrontation between Malaysia and Indonesia would translate into the reduction of British troops in the region. However, Canberra failed to anticipate the total withdrawal of British forces east of Suez by the mid-1970s. Months before his withdrawal announcement, Prime Minister Wilson dispatched Foreign Secretary George Brown and Defense Secretary Denis Healey to introduce and discuss the proposed defense changes with its Asia-Pacific allies – Australia, the United States, New Zealand, Malaysia, and Singapore. Out of these discussions, a flurry of messages began between the concerned governments and continued through London’s official announcement of the changes in July. The cables served as an attempt by the five nations to coordinate their efforts and influence British plans, but the question remained as to what effect, if any, these discussions would have on final policy decisions. Uncertainty did not stop each government from presenting their concerns to London for consideration once Brown and Healey unveiled the

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proposals. Still, it was not until April 1967 when post-Confrontation reductions, which began in August 1966, were expressed to regional allies as part of a larger plan to withdraw entirely from east of Suez by the mid-1970s.\(^7\)

Henry Brandon, the Washington correspondent at The Sunday Times, first broke the story of British withdrawal on 17 April 1967. In his article, Brandon wrote, “strong indications have reached the U.S. Government that the British Cabinet is about to take a historic decision: a major military withdrawal of British forces from the Far East much earlier than contemplated previously.”\(^8\) He noted that members of Britain’s Labour Party continued to press for defense cuts beyond the 1966 measures and suggested that withdrawal from east of Suez helped to facilitate Britain’s second application to the European Economic Community (EEC). According to Brandon, the United States anticipated British withdrawal from the Far East but suspected that it would occur after the conflict in Vietnam ended. Questions arose at Australia’s High Commission in London about how Brandon received this information and why such sensitive material would be leaked to the press before discussing the plan with allies through official channels. The US Embassy suspected that George Brown leaked the information to Brandon immediately before his departure to Washington for the Southeast Asia Treaty Organization (SEATO) Council meeting. According to senior officials at Australia’s High Commission in London, Brandon’s article served as an attempt to test the reactions

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\(^7\) Based on September 1966 discussions between Britain, Australia, New Zealand, and the United States, post-Confrontation reductions consisted of 3,500 troops gone by the end of November with another 1,000 returning to Britain by the end of the year. The plan also included the removal of all 10,000 combat troops in Borneo, with the exception of some air and logistic units, and the reduction of an additional 5,000 troops in the Far East in 1967. “Britain discusses Far East forces’ role with allies,” by British Information Services, British High Commission in Australia, 29 September 1966, NAA: A1838, TS691/1 PART 6.

of those affected by withdrawal. Additionally, a public announcement of British intentions could present an opportunity to appeal for American aid in an effort to maintain British presence in Malaysia and Singapore, or it could even help to facilitate Britain’s second application to the EEC by signifying movement away from imperial preference. Regardless of how Brandon received the information, his article introduced plans for total withdrawal to British allies. Official conversations about those plans began upon George Brown’s arrival to Washington, D.C.

Prime Minister Wilson charged Brown with the task of informing the United States, Australia, and New Zealand about the British defense policy changes during the SEATO Council meeting in Washington, D.C., where discussions occurred on both an individual basis and through a joint meeting. Brown’s first individual discussion occurred with US Secretary of State Dean Rusk on 17 April. According to Brown, British plans included a 50% reduction of troops from the Far East by 1970 and complete withdrawal from Malaysia by 1975. Brown remarked that Britain considered stationing two battalions in Australia upon withdrawal but insisted that no final decisions would be made until a Cabinet meeting in July. Rusk objected to British proposals on the basis of ongoing US involvement in Vietnam. According to Rusk, the United States wanted to avoid being the only “non-Asian force contributor” in the Far East, and he informed Brown that the United States had no intention of filling the gap left by British withdrawal. Rusk might have been the first to officially object to British proposals, but

10 From Hasluck to Holt, 17 April 1967, NAA: A1838, TS691/1/1 PART 1.
he was certainly not the last. Brown faced additional resistance when he met with New Zealand Prime Minister Keith Holyoake the following day.

In his meeting with Holyoake, Brown reiterated the general timeline for withdrawal, but he also provided some justification for British actions. Brown explained that the 1966 Defense Review concentrated on defense expenditure, but the decline of Britain’s economy necessitated drastic changes. Although every overseas defense commitment became subject to budget cuts, Brown indicated that Britain remained “treaty-bound” to Europe. As a result, the greatest savings would have to come from the withdrawal of forces from east of Suez, where Britain spent £250 million per year maintaining the forces and the bases in the Far East alone. In addition to the economic justification, Brown suggested that “white faces” would no longer be accepted in Asia after Vietnam ended, an argument he attributed to Singapore’s Prime Minister Lee Kuan Yew. Like Rusk, Holyoake expressed disappointment about the proposals. Recent discussions with Denis Healey and other British officials gave Holyoake the impression that British presence in the region would continue “almost indefinitely.” During the course of discussion, Holyoake emphasized to Brown that “an American presence in that part of the world would never mean as much as a British presence now did.” Aside from the psychological impact of withdrawal, New Zealand faced a practical military problem, as well. Since New Zealand’s forces remained wholly dependent on British logistic support, the removal of British forces translated into the end of logistic support for New Zealand’s forces in Malaysia and Singapore. Brown assured Holyoake that he and

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11 From Parsons to Department of External Affairs, 4 May 1967, NAA: A1838, TS691/1/1 Part 1.
Healey would stand against the idea of British withdrawal if enough support emerged before July, but this proved to be a hollow promise.\textsuperscript{12}

For his final individual meeting, George Brown sat with Australian Minister for External Affairs, Paul Hasluck, on 19 April. Hasluck arrived to his meeting with Brown well-prepared. Along with a cable of Brandon’s article, Australia’s High Commission in London sent a detailed cable regarding Britain’s east of Suez decisions, which originated from a personal conversation between John Moreton at the Commonwealth Office and Australian High Commissioner Alexander Downer. The cable reiterated the economic need for drastic cuts in defense spending and the likelihood of a 50\% force reduction in the Far East by 1971. The report expanded upon the shape of the force reductions by explaining that Britain’s Ministry of Defense preferred the continuation of air and naval units over the use of ground forces in the area, with the possible exception of Gurkha units, which could be used for an unspecified period of time. The priority placed on air and naval units jeopardized the existence of the Commonwealth Strategic Reserve, to which Australia, New Zealand, and Britain each committed troops. Australia’s High Commission office in London warned Hasluck that Australia “would be unwise to count on any British presence after 8 or 10 years.” The cables from London prepared Hasluck for his meeting with Brown, but Downer recommended that Hasluck avoid revealing this knowledge to avoid embarrassment for Moreton.\textsuperscript{13} In addition to these early reports from London, Prime Minister Holt communicated his own position to Hasluck in time for the meeting with Brown. Holt advised Hasluck to convey the “gravity with which we view

\textsuperscript{12} Record of conversation between Holyoake and Brown, 19 April 1967, NAA: A1838, TS691/1/1 PART 1; “Conference at No. 10 Downing Street,” 13 June 1967, NAA: M1003, Defense East of Suez.

\textsuperscript{13} “Britain East of Suez,” 17 April 1967, NAA: A1838, TS691/1/1 Part 1.
the matter” and to push for Australian involvement in discussions before Cabinet decisions became final.\footnote{From Holt to Hasluck, 18 April 1967, NAA: A1838, TS691/1/1 Part 1.} Brown’s individual conversations with Rusk, Holyoake, and Hasluck set the tone for the joint meeting, which took place on 20 April, and it became clear that the latter three men had no intention of accepting British proposals without strong objections.

When the four men gathered to discuss British defense policy, the conversation repeated much of the debate that occurred since Brown’s arrival, but it also provided a platform on which all four men openly discussed official positions. Brown informed those gathered that withdrawal would occur gradually until final withdrawal by 1975 and that Britain must amend its regional defense commitments in order to meet these changes. In his brief to Prime Minister Holt, Hasluck noted that Rusk shared Australia’s concern about maintaining British presence east of Suez. He also reiterated that Rusk, Holyoake, and Hasluck prioritized the visibility and physical presence of British ground forces over less visible air and naval units in Asia. Rusk and Hasluck also challenged Brown when he repeated his previous comment that “white faces” would no longer be welcome in Asia after 1975. Hasluck questioned what that meant for Australia as a nation of British heritage, or a permanent “white face” in Asia, while Rusk commented that “friendly white faces were likely to be preferred to hostile Chinese ones.”\footnote{“British Defense Planning,” from Waller to Department of External Affairs, 2 May 1967, NAA: A1838, TS691/1/1 Part 1.}

Although Brown insisted in the individual meetings that no firm decisions were made regarding future defense plans, he indicated that complete withdrawal would not be reversed. However, he expressed to those involved that opportunities to influence certain
terms of the proposals, such as the “rate of withdrawal, the order in which different types of units would withdraw and whether or not there is to be a continuing British presence in the area” still existed. The British decision to withdraw from east of Suez followed a pattern of postwar decolonization. Rather than accept the domestic changes affecting Great Britain’s global position, Holyoake, Hasluck, and Rusk hoped to extend their influence beyond those points by discouraging the British government from announcing a final date for withdrawal and from settling on this course of action so far in advance. In his report to Canberra, Hasluck informed Holt that it appeared as though London had not fully considered the effects of withdrawal on the United States or its psychological effects in Southeast Asia. Due to these circumstances, withdrawal should wait until after the conflict in Vietnam ended.\footnote{From Hasluck to Holt, 20 April 1967, NAA: A1838, TS691/1/1 Part 1.} Brown’s official conversation in April allowed the governments involved to begin further discussions about how they intended to influence British defense proposals and how they planned to respond to the changes.

Brown might have eased the allied governments into the defense policy changes, but the meetings failed to pacify their concerns. Now that Hasluck officially met with Brown to discuss British policy changes, Prime Minister Holt sent a message to Wilson without betraying Moreton’s confidence. Although Holt acknowledged that he understood and sympathized with the economic reasons for withdrawal, he noted that he remained “gravely troubled” by Hasluck’s report. Brown insisted at the meetings that budget concerns formed the basis of withdrawal plans, and Holt appealed to those concerns in his message. Holt recently returned from a tour of Cambodia, Taiwan, South Korea, and Japan, and he used those experiences to justify why London would benefit by
staying in the region. Holt observed that while some parts of Asia might be troubled, he found “a new Asia emerging, in which we can all find hope for a brighter future.” He concluded that the next century would be “the century of Asia” with the prospect for great economic growth. By leaving the area, Britain rescinded the privileges associated with such growth. Beyond economic incentives for staying in the region, Holt urged Wilson to stay on moral grounds. According to Holt, the United Kingdom, along with the United States, Canada, New Zealand, and Australia, held a moral obligation to assist Southeast Asia in successfully transitioning into a peaceful and stable region after experiencing years of colonization. Holt removed any doubt of his position on the matter with his final statement. He wrote, “I sincerely believe you would be making an error which history would condemn if you were to plan, or even contemplate, complete withdrawal of your forces from Asia at this period of time.”

Holt’s cable to Wilson outlined the core argument against withdrawal that Australian Ministers and officials advanced throughout the remainder of 1967: British withdrawal created vulnerability in a region which required stability and security.

The conclusion of Brown’s meetings afforded Wilson the opportunity to send his own personal message to Holt, which crossed with Holt’s cable. Wilson explained that the proposed changes in long-term defense planning responded to the desire for Britain to build a healthy economic base for the future. As Brown initially indicated, defense cuts focused on the Far East because reductions in the Middle East, the Mediterranean, and Europe failed to provide enough savings. One of the main contentions from Rusk,

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18 From Holt to Wilson, 21 April 1967, NAA: A4940, C4626.
Hasluck, and Holyoake at the Brown meetings involved the decision to announce the proposals with a firm date of complete withdrawal. Wilson justified the decision to plan beyond the first phases of withdrawal for practical reasons by explaining that planning would allow Britain to “secure the most effective and economic military program” in the short and long term. As a result, Wilson indicated that Britain intended to withdraw forces from Malaysia and Singapore in the mid-1970s. By planning so far in advance, he hoped to reduce the economic and political impact on those in the area. Wilson identified Australia as one of the countries most affected by withdrawal, and he welcomed a discussion with Holt regarding Australia’s perspective on the progressive reduction of forces. The Prime Minister informed Holt that final Cabinet decisions would occur in July and that he anticipated using Holt’s planned visit in June as an opportunity to further discuss the shape of British presence in the region beyond 1971. He emphasized that none of the changes “affects our firm intentions to stand by Australia as Australia has stood by us in two World Wars.”

Holt later admitted to Charles Johnston, the British High Commissioner in Canberra, that Wilson’s reassurance of the Anglo-Australian bond allayed some of his fears, but major concerns still remained. Like Holyoake, Holt understood through previous conversations and the 1966 White Paper that Britain planned to stay in the area indefinitely. He explained to Johnston that Canberra only expected British forces to remain as part of the Commonwealth Strategic Reserve not that Britain would maintain

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the troop levels held during Confrontation. Brown’s meeting in Washington introduced potential areas of influence within British plans to the United States, Australia, and New Zealand and opened the lines of communication between Wilson and Holt. Still, two of the countries directly affected by British plans had yet to be officially informed.

After Brown notified the English-speaking allies about Britain’s plan to withdraw from east of Suez, Denis Healey became responsible for revealing the proposals to the governments of Singapore and Malaysia. Prime Minister Lee Kuan Yew of Singapore and Prime Minister Tunku Abdul Rahman of Malaysia became aware of Britain’s policy changes prior to Healey’s arrival via press reports and cables from Australia. Much like Brown’s visit to Washington, Healey’s visit presented an opportunity to officially provide the details of withdrawal to both governments. Healey’s account of the meeting, expressed during his conversation with Australian High Commissioner to Singapore Alfred (Alf) Parsons, noted that Lee Kuan Yew accepted the conditions for withdrawal through 1970-71 but wanted to avoid shattering the confidence of Singaporeans and foreign investors.

Lee had every reason to be concerned about the economic impact of withdrawal on his country. Although Britain intended to honor its commitments in the region, the proposals included the elimination of 10,000 jobs by April 1968. With a 12% unemployment rate, Lee faced the prospect of that number increasing as a result of

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20 British troop levels at the peak of Confrontation including civilians and servicemen totaled 95,600. “Conversation between Prime Minister Holt and Sir Charles Johnston,” for Hasluck from Department of External Affairs, 21 April 1967, NAA: A1838, TS691/1/1 Part 1.

21 Tunku means Prince and indicates someone of royal lineage. In documents, the Prime Minister is often simply referred to as “the Tunku.”

eliminated jobs. In a letter to Holt, Lee confirmed Healey’s point that economic concerns trumped military ones in Singapore, and this served as the basis for his objection to a public announcement of British withdrawal. According to Lee, fear and anxiety “are infectious and spread in Asia easier than the plague.” From Lee’s perspective, British force reductions became unavoidable, but publicity about withdrawal and the resulting loss of jobs could create a crisis of confidence in his country and in Southeast Asia as a whole.

Economic concerns might have trumped military ones, but Lee stressed to Holt the importance he placed on the existing defense cooperation with Britain, Australia, and New Zealand. Holt argued that a joint Commonwealth defense effort enabled “constructive development” within Southeast Asia. As a result, continuous consultation between the countries must take place in order to convince Britain to remain. Through this initial correspondence, it appeared as though Lee and Holt agreed that an announcement of withdrawal should be postponed, that defense cooperation should continue in some form, and that consultations about long-term planning should commence between all countries involved. The question remained how the Tunku in Malaysia responded to Healey’s explanation of British plans.

Canberra received unsettling reports about Healey’s meeting in Kuala Lumpur from Acting High Commissioner for Australia Bill Morrison, New Zealand High Commissioner Hunter Wade, and the Tunku. Morrison confirmed in his report that “the news is grim.” Healey presented a three-phase plan for withdrawal from Singapore and

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23 From Parsons to Department of External Affairs, 2 May 1967, NAA: A1838, TS691/1/1 Part 1.
Malaysia. The first phase involved the reduction of civil and military forces by 10,000 over the next year. Phase two called for the withdrawal of residual forces in an effort to reduce the level of forces by an additional 50% by 1971-72. The final phase brought complete withdrawal from mainland Asia by 1975. Although each phase had a target date, Healey left both men with the impression that the timetable could be accelerated. According to Healey, Britain prioritized the withdrawal of ground forces, which included the removal of Britain’s component of the 28th Commonwealth Brigade – a force which consisted of one battalion each from Australia, New Zealand, and Britain. Should British forces be required beyond 1975, Healey proposed the deployment of troops from the United Kingdom to bases in the Asia-Pacific and suggested that Australia could maintain those bases if desired.26

In his discussions with Morrison, Healey indicated that the Prime Ministers of Malaysia and Singapore accepted the first two phases but voiced some concern about the final one in light of the instability that public knowledge might cause. The Tunku, in particular, left Healey with the impression that Malaysia’s ground forces could handle any aggression arising in Malaysia and assumed that the gap left by Britain would be filled in some way.27 In his own letter to Prime Minister Holt, the Tunku confirmed that he and Tun Razak agreed with Britain’s plan to phase its reductions over the course of many years. He understood from Healey’s explanation that London’s ability to finance the forces and bases in Southeast Asia had diminished, but he remained certain that Britain could still meet its existing regional commitments. Still, like Lee, the Tunku

expressed that the best option for determining regional security in the future required a meeting between Malaysia, Australia, New Zealand, Singapore, and Britain to discuss what part each country intended to play in the security of Asia, and he suggested that such a meeting should take place in July. Even though the Prime Ministers of Malaysia and Singapore responded in similar ways to Healey’s information, Wade and Morrison treated the Malaysian response as devastating.

Morrison labeled the Tunku’s reaction as “grim news” in his cable to Canberra while his New Zealand counterpart Wade expressed in his cable to Prime Minister Holyoake that the Tunku and Deputy Prime Minister Tun Razak “sold the pass as we had feared.” The Tunku and Razak indicated to Healey that air and naval forces would be more helpful than ground forces even though the Tunku’s military advisers objected. In his meeting with Healey, Wade argued that British withdrawal of support, ground, and logistics units from the Brigade’s base in Terendak posed a challenge to existing Australian and New Zealand SEATO commitments. He continued by explaining to Healey that British proposals “would destroy the whole basis of our present strategic concept and that could not…be rethought in two months.” As a result of British withdrawal, New Zealand not only faced the loss of support for its troops, but also risked

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28 From The Tunku to Holt, 2 May 1967, NAA: A1838, TS691/1/1 Part 1.
29 In a 9 May telegram, Wade stated that New Zealand would no longer continue its presence in and commitment to Malaysia upon British withdrawal. A few days later, it became evident that Wade overstepped the boundary established through instructions sent to him from Wellington. Officially, New Zealand made no final decisions about its long-term role in the region as of May 1967. “Text of Wade’s message to Wellington,” 27 April 1967, NAA: A1838, TS691/1/1 Part 1.
the collapse of its strategy in the region, which was based on the presence of New Zealand forces in Malaysia and Singapore.\textsuperscript{30}

It became apparent during these meetings between Healey, Wade, and Morrison that British plans to withdraw forces and close existing facilities would have a direct impact on their Commonwealth allies in the region, but it also appeared that Australian and New Zealand concerns differed on some levels from those of Singapore and Malaysia. While Lee and the Tunku prepared to accept British plans to withdraw forces by 1970/71, officials in Canberra and Wellington displayed a willingness to challenge these early phases. Moving forward, the key point that they all clearly agreed upon involved the need to cooperate on issues of regional defense. Prime Minister Holt expressed his immediate reactions to British defense plans in his message to Wilson, but before determining how to influence British plans, Holt and his Ministers had to further evaluate the positions of Australia’s Asia-Pacific allies, the United States, and even Britain.\textsuperscript{31}

\textbf{Regional Responses to British Defense Plans}

After Healey’s meeting with Lee and the Tunku, the Asia-Pacific allies continued to work with each other toward a consistent approach of their own to British policy.

\textsuperscript{30}In addition to the removal of Britain’s battalion from the Commonwealth Brigade, the air base at Selatan would close shortly, with Changi and Tengah following suit in the 1970s. “Healey’s visit,” 27 April 1967, NAA: A1838, TS691/1/1 Part 1.

changes. Australia, New Zealand, Malaysia, and Singapore differed in some respects with their reactions to British defense plans, but all of the governments acknowledged the importance of cooperation to maintain regional security. The first step involved understanding the positions of each government toward British defense plans. Left with the impression that Malaysia and Singapore supported the first steps of withdrawal, Holyoake wanted to be certain that the other Prime Ministers clearly understood his position in regard to British plans. In his letter to Lee, Holyoake reiterated that New Zealand placed great importance on the continuation of a substantial British military presence in the region as a way to maintain its stability and well-being. He also reiterated the importance of delaying a public announcement of the timetable for complete withdrawal as it would “seriously undermine confidence.” Holyoake, not so subtly, ended his cable to Lee with the assertion that New Zealand would fully support Lee if he “advanced to [Healey] the argument that the British have an important role to play in Southeast Asia, and one which requires an actual military presence.”

Holyoake was careful in his letter to avoid demanding that Lee accept and support New Zealand’s position, but the language suggested that he wanted to influence Lee’s position on the matter.

Canberra also wanted to express Australia’s reaction about the value of British presence in the region. During Healey’s conversations with Lee and the Tunku, his explanation of British plans included the possible use of Australian facilities as a way to maintain some presence in the region, and Singapore requested clarification on the

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32 From Lawler to Downer, 27 April 1967, NAA: A4940, C4626.
33 From Holyoake to Lee Kuan Yew, 27 April 1967, NAA: A1838, TS691/1/1 Part 1.
matter. The Department of External Affairs in Canberra explained that Canberra agreed to discuss the possibility with London, but the discussions progressed slowly and achieved little success in their early stages. In part, the impasse occurred due to the perception in Australia that London only viewed Australian facilities as a contingency plan instead of a serious or viable option, but it could also be explained by Canberra’s decision to emphasize British presence in Southeast Asia over the use of facilities in Australia after withdrawal. If British forces remained in Southeast Asia, the use of Australian facilities became irrelevant. Canberra chose to emphasize the role of Southeast Asia, as opposed to Australian security concerns, in advancing their argument against withdrawal. According to External Affairs, the Australian view remained that withdrawal “would cause a serious loss of confidence in Southeast Asia generally, as well as in Singapore and Malaysia, jeopardizing development in the economic and political fields.” By staying in Southeast Asia instead of Australia, British forces could help to stabilize the political situation by reducing internal threats and external aggression, which would result in increased economic activity, as well. Unlike Holyoake’s letter to Lee, Canberra refrained from implying that Singapore and Malaysia follow a specific line of argument, but the Department reiterated that Singapore and Canberra had common interests at stake.34

In an earlier letter to Holt, Lee expressed his support for many of the points made by his Commonwealth partners. He supported the delay of announcing withdrawal in order to avoid creating anxiety and appeared amenable to encouraging British presence in

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the region without offering specific proposals for how to accomplish this. Initially, Lee viewed the short-term plans as less problematic than Holyoake and Holt, but he displayed greater anxiety about the extent to which British plans could affect Singapore and the region during a later conversation. In a cable, New Zealand High Commissioner to Singapore Jim Weir described Lee as uncharacteristically “pensive, almost baffled” by the motives behind British plans to withdraw completely by the mid-1970s while knowing that withdrawal challenged the stability of Southeast Asia and the position of the United States in Vietnam. In considering the possible motives, Lee dismissed the idea that pressures associated with joining the EEC led to Britain’s decision, upon receiving assurance from Healey that this was the case, and he questioned the “white faces” argument often presented by Healey, and attributed to Lee, as justification for a reduced British commitment in Malaysia and Singapore. Lee’s memoir confirmed his thought that the “days of the white man’s control of Asia had passed.” He called for “Asian solutions to Asian problems” and the absence of control by Europeans but did not indicate that “white faces” would no longer be welcomed in Asia as Healey suggested.

Lee and Weir agreed that intraparty politics in Britain played a primary role in defense changes but refused to accept that the political situation alone provided adequate justification for such changes. In an attempt to consider London’s perspective, the men engaged in a conversation about the correlation between withdrawal and British interests. Both acknowledged that a 50% reduction in troops made financial sense, but they

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36 From Parsons to Department of External Affairs, 4 May 1967, NAA: A1838, TS691/1/1 Part 1.
discussed whether or not incentives could persuade Britain to stay. Practically speaking, the security of Australia, New Zealand and the United States might be directly affected by events in the Asia-Pacific, but Britain’s security was not. Additionally, the expense of maintaining troops in the region became disproportionate to the influence Britain exerted over the outcome of events. Weir and Lee considered the case of Confrontation where Britain spent a significant amount of money without having much influence over the settlement. They concluded that Britain’s departure from the region amounted to the avoidance of a “second Vietnam.” Given these considerations, Weir and Lee suspected that Britain’s decision to withdraw was, in fact, a sensible conclusion based on national interests. Still, Lee preferred some British presence in Asia, even though Healey left him with the impression that Britain had no intention of committing ground troops beyond the mid-1970s.\(^{38}\)

The conversation between Weir and Lee uncovered a notable difference in how London could be expected to handle the concerns of its Asia-Pacific allies. While Holt and Holyoake championed for a part in the discussions and decisions taking place in London, Lee acknowledged that he had no plans to travel to London and did not anticipate that he would be consulted on British plans for withdrawal. Instead, he expected that Britain would simply inform Singapore about the decision and expect the Government to adjust.\(^ {39}\) Upon receiving information about Lee’s conversation with Weir, Holt cautioned Lee against becoming too passive. He acknowledged that the Asia-Pacific allies faced an uphill battle but insisted that Canberra remained “hopeful that we

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\(^ {38}\) From Parsons to Department of External Affairs, 4 May 1967, NAA: A1838, TS691/1/1 Part 1.

\(^ {39}\) From Parsons to Department of External Affairs, 4 May 1967, NAA: A1838, TS691/1/1 Part 1.
can still achieve something useful by working together despite the tone of finality which has run through the statements made by Brown in Washington and Healey in Kuala Lumpur and Singapore.” Holt wrote that he intended to take full advantage of Wilson’s assurance for consultations and planned to advance the cause of the Asia-Pacific allies during their June discussions. He wrote that he “shall be stressing in London our entitlement as partners to a concerted examination with Britain on these matters and the implications of the decisions they take.” Holt reiterated the themes of partnership, cooperation, and common objectives in messages to the Tunku in Malaysia.

Close communication between the Asia-Pacific allies would be critical in the time leading up to Britain’s final decision about defense plans. Based on the information presented by Healey and Brown, the allies understood that they still might influence issues related to complete withdrawal from the Asian mainland. From Holt’s perspective, complete withdrawal affected defense, confidence, development, and stability in the region, and he planned to impress upon Wilson the importance of maintaining active British presence in the region beyond the first phases of withdrawal. In his correspondence with regional officials, Holt continued to stress the importance of advancing a common cause between the Asia-Pacific allies, and he anticipated that regional relationships remained the key to navigating the challenges ahead. Holt stated, “I believe strongly that we must keep alive the concept of partnership. Australia and New Zealand have made their contribution over a period of years to the Commonwealth Defense arrangements, as have Singapore and Malaysia as host countries. What is to

40 From Holt to Lee, 5 May 1967, NAA: A1838, TS691/1/1 Part 1.
happen in the future is of joint concern to all of us.”41 Holt remained confident that Australia’s past contributions to British and Commonwealth defense efforts provided leverage to his call for flexibility in British plans, but his confidence did not constitute a confirmation from London. Open discussions with regional allies provided Canberra an opportunity to present a consistent and united position during discussions in London, but the United States held more sway over London than the small to middle powers of the Asia-Pacific.

The US Position

In order for Canberra to determine Australia’s best response to British plans, it was not only helpful to understand the perspectives of its neighbors, but also to assess the position of the United States – their strongest ally and the only ‘great power’ ally left in the region after withdrawal. The Department of External Affairs understood that the United States held more bargaining power than Australia when it came to influencing British policies, so conversations about Washington’s position became necessary.42 In addition to Dean Rusk’s frank comments during the meetings with George Brown in Washington, his follow-up cable to Brown served as a helpful tool in further revealing the US perspective. According to Rusk, the United States understood the economic, budgetary, and foreign exchange constraints influencing Britain’s decision, but he remarked that the United States remained “deeply concerned at the idea of your making significant reductions in force unless and until there is a real change in the Vietnam

41 From Holt to the Tunku, 4 May 1967, NAA: A1838, TS691/1/1 Part 1.
situation.” Rusk cautioned Brown against bowing to domestic pressure for an announcement of withdrawal because he anticipated that the announcement of plans beyond 1971 would cause an irreversible chain reaction for the United States. Since the end of World War II, American actions in Asia were justified on the basis of having “allies who share our views and share our burden,” but British withdrawal invalidated that justification and implied that protection of the Asia-Pacific region lacked importance. If Britain withdrew while the United States remained deeply involved in Vietnam, the United States would likely face backlash against its actions in Southeast Asia. Rusk predicted that Peking and Hanoi would capitalize on British withdrawal and the expected criticism of US involvement in the region to undermine the already questionable value of SEATO as a regional security organization.43

In addition to the international implications of withdrawal for the United States, Rusk also considered the effects of British policy changes on domestic concerns. Not only would withdrawal likely result in the continuation of domestic criticism of US actions in Asia, but it could also lead to a call for the reduction of support in Europe, as well. Rusk noted that some members of the Senate already clamored for a decrease in US commitments to Europe, and he anticipated that such demands would only increase with the reduction of support from a close ally, who was expected to share the burden of global defense. Rusk noted the impact of withdrawal on others in the region, as well. First and foremost, British presence encouraged stability and positive development in Asia. With this reasoning, Rusk concluded that British withdrawal disrupted the status

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quo and should be avoided, and he erased any illusion about the role of the United States upon British withdrawal when he stated: “If there is any thought that we might be able to take on your commitments when you left, as we did in Greece, I must say at once that there is no sentiment in this country to take on additional commitments in any area.” In an attempt to encourage stability and security in the region, Rusk suggested that Britain adopt a plan for gradual withdrawal and avoid making significant cuts until the United States reached a settlement in Vietnam.  

Rusk’s message might have been directed to Brown, but Canberra could also make better decisions about Australia’s future by considering Rusk’s position.

Additional cues about the US response to British defense plans and a better understanding of Britain’s position resulted from a conversation between Secretary of Defense McNamara and Denis Healey at a NATO meeting in early May 1967. McNamara raised the subject of Britain’s east of Suez plans and questioned the role that Britain’s EEC application had on those plans. On the first issue, Healey admitted that British defense proposals posed problems for the United States, but he insisted that the third phase of withdrawal – the complete withdrawal of forces in Asia with the exception of Hong Kong by the mid-1970s – must continue as planned in order for Britain to address its own problems. During the course of their discussion, Healey acknowledged to McNamara that financial constraints influenced current defense plans, but he also admitted that the decision resulted from Britain’s increasing interest in becoming associated with continental Europe, which contradicted the information he provided to

Lee. Although Healey personally advocated for the continuation of British presence in Asia outside of Malaysia and Singapore, Britain’s increasing role in Europe became incompatible with commitments to Asia.\footnote{“British Defense Planning,” from Australian Embassy Washington, 11 May 1967, NAA: A1838, TS691/1/1 Part 1.}

Ronald Spiers, the Political Counselor at the US Embassy in London, described McNamara as giving Healey a “tremendous blast” in response to this sentiment, while Samuel Berger, US Deputy Assistant Secretary for Far Eastern Affairs, recalled that Healey acted as though he “had been hit by a ton of TNT” by McNamara’s reply. McNamara reminded Healey that one unintended consequence of withdrawal might be a call for the United States to reconsider carrying “military burdens in Europe on behalf of the Europeans.” He advised Healey to avoid making any decisions about complete withdrawal, but Healey refused to bend and insisted that further discussion could take place between President Johnson and Prime Minister Wilson. Although Healey personally agreed with the idea of maintaining British presence in the region, his position obligated him to advance the argument for withdrawal.\footnote{“British Defense Planning,” from Australian Embassy Washington, 11 May 1967, NAA: A1838, TS691/1/1 Part 1.}\footnote{From Critchley to Waller, 15 May 1967, NAA: A1838, TS691/1/1 Part 1.}

Even when McNamara expressed to Healey that the United States would help Britain stay in Southeast Asia, Healey rejected the offer because Britain wanted to avoid the “appearance that its defense policy in the Far East was at American bidding and expense.”

The cables from London and Washington, which rehashed the encounter between McNamara and Healey, served as valuable evidence about the nature of the Anglo-American relationship regarding British defense plans and the common ground between
the American and Australian positions. Spiers recounted that Healey left McNamara with the impression that the British “were giving up not only their presence in Southeast Asia but also their military capacity and, indeed, their political will.”

McNamara returned from the NATO meeting with the impression that the decision to withdraw had already been made, even though the official Cabinet vote had not occurred. It became apparent in Washington that Wilson, Healey, and Brown no longer resisted the decision to withdraw because they were outnumbered and outvoted by the majority of the Cabinet Ministers, who advocated for complete withdrawal.

After Rusk’s communication with Brown and McNamara’s conversation with Healey, Washington also became increasingly concerned by the ongoing insistence in Britain that Lee and the Tunku readily agreed to the defense proposals, which the US knew to be inaccurate. At the time, the Australian Embassy in Washington received and shared many of the cables sent between Canberra, Wellington, and the High Commissions in Kuala Lumpur and Singapore. Because of this shared information, officials in Washington knew that Lee and the Tunku objected to certain phases of British withdrawal and urged Canberra and Wellington to persuade Kuala Lumpur and Singapore to correct London’s misconception.

The differences between the US and British positions helped to draw Canberra and Washington closer together in an attempt to address a foregone conclusion. In a short time, Canberra assessed the reactions to British plans from Kuala Lumpur, Singapore, Wellington, and Washington, but the final piece of the puzzle required a better grasp of London’s political climate.

London’s Rationale: Conflicting Accounts

Even though McNamara indicated that the east of Suez decision had been all but made, Canberra still hoped to shape some aspect of the withdrawal process. If those in Canberra hoped to influence British defense policy east of Suez, it would be helpful to understand the rationale behind the changes. During the months of correspondence following Brown’s initial explanation, it became apparent that many in Whitehall sympathized with Australia’s position and objected to complete withdrawal. The situation unfolding in 1967 appeared reminiscent of when the Labour Party had taken office in October 1964. Wilson and the new Labour government received a report from the Treasury about Britain’s economic situation, and the report contained troubling information about the budget deficit and the costly defense program. At the time, Wilson outlined a plan in the House of Commons that called for Britain to maintain its position east of Suez but noted that global changes required a reexamination of policies and a statement of objectives. He emphasized that along with a strategic nuclear role and conventional role in NATO, Britain must also consider its global role. These three roles presented challenges because their fulfillment had the potential to further strain the economy. Wilson explained that Britain “cannot maintain a world role on military strength alone. We must have acceptance, and acceptance of the British role depends on the image we present in our relations with foreign and Commonwealth countries. We have to show our Commonwealth partners that we are a loyal ally.”

By 1967, Parliamentary debates continued to question the three roles Wilson described in his

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speech, and the eventual push to withdraw from east of Suez threatened Britain’s existing relationships.

Holt’s communication with London indicated that Wilson, Healey, Brown, and others still supported Britain’s global role and encouraged British military presence east of Suez. If this was the case, why had the Cabinet proposed complete withdrawal as the best option? Tom Critchley, Senior External Affairs representative at Australia’s High Commission in London, provided one explanation. He reported that pressure within the Labour Party accounted for the changes to British defense plans, and he attributed the increasing pressure to “economic and ideological considerations as well as a basic lack of concern with Asia.” With the focus primarily on Europe, London paid little attention to the effects of withdrawal on Southeast Asia. Prime Minister Wilson faced many challenges from his own party about the economy and expenditure, so Critchley reasoned that “a decision to withdraw forces from Asia [presented] the least damaging ways of seeking to rally the party.” Even though some viewed British bases in Southeast Asia as expendable, Critchley reiterated that other members of Parliament were not so quick to dismiss the effects of the changes on the United States, Australia, and New Zealand.52

Still, based on his knowledge of the situation, a large-scale departure from Southeast Asia appeared inevitable. Even if Canberra and other allied governments could assist London with defense costs in the region, British eyes clearly turned toward Europe.53 Critchley anticipated that Cabinet would quickly pass the proposals with an

53 Andrea Benvenuti, David Goldsworthy, Stuart Ward, and Wayne Reynolds identified earlier periods as the turning point in Britain’s global role and its Anglo-Australian relationship. See Benvenuti, Anglo-Australian Relations and the ‘Turn to Europe’, 1961-1972; Goldsworthy, Losing the Blanket; Ward,
eye to political expediency and the pacification of Labour backbenchers. Economically, the Foreign Office argued that British overseas investment in Southeast Asia only totaled about 6% even when Critchley countered that this figure failed to account for indirect involvement; therefore, the costs to remain in Southeast Asia failed to match existing investments. Similarly, he suggested that the ideology within the Labour Party of “no white faces or bases on the Asian mainland” became a statement of faith as opposed to a point of debate. Critchley’s cable provided valuable information about the rationale behind the defense changes of 1967, but the picture he painted suggested few alternatives for Wilson and his supporters, who wanted to stay east of Suez.

In addition to his general impressions about the political situation in London, Critchley also reported on personal conversations with Cabinet members of the Labour party about British defense policy. His conversations with Richard Crossman, leader of the House of Commons, and James Callaghan, Chancellor of the Exchequer, remained consistent with the message he sent in April. Crossman revealed that he personally wanted complete military withdrawal as soon as possible from mainland Asia due to the economic burden placed on Britain to stay there. He acknowledged the importance of Southeast Asia, but his argument remained that Britain should no longer shoulder the burden of protecting those interests. Instead, he expected Australia and the United States to take over in the part of the world that concerned them more than Britain. Crossman also suggested that he preferred the end of British presence in the Far East and confided in Critchley that he failed to understand why Canberra would want Britain to use


Australian bases in order to maintain a presence in the region. Similarly, Callaghan argued that Britain was overstretched and reasoned that it was only natural to make plans early in order to be successful. Maintaining a base at Singapore required too many resources to fulfill the kind of budget cuts necessary. Callaghan continued to address budgetary concerns by suggesting that “British profits in Malaysia did not compensate for defense spending.” He accepted the importance of regional stability but insisted that Europe simply ranked higher as a priority than Asia. 

Crossman and Callaghan represented two of the many voices contributing to the debate about Britain’s future, but Critchley’s cables to Canberra only skimmed the surface of the defense and foreign policy debates taking place in London.

Not only did the decision to withdraw from east of Suez prove troublesome for British allies, but it also remained a controversial topic in London. This division became apparent during the course of a two day debate over defense in February 1967. On the first day of the debate, Denis Healey reiterated that the 1966 Defense Review served as an example of a “continuing exercise” in determining British capabilities in comparison to its commitments. Healey reminded Parliament that Labour inherited a defense budget ceiling of £2 billion from the previous Conservative government, and the proposed defense cuts allowed the current government to meet this goal while maintaining national security. He noted that the end of Confrontation in August justified some of the immediate plans for the reduction of 23,000 troops by the end of 1968, but he reminded

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Parliament that this plan would be revised and updated based on long-term objectives.\textsuperscript{56}

In his speech, Healey captured the heart of the debate: “very few of those who attack the Government for having a presence east of Suez wish us to have no presence at all. Equally, nobody on the Government side, and certainly nobody in the Government, thinks that we can do everything.”\textsuperscript{57} Healey called for a compromise.

The discussion, which arose after Healey’s introductory comments, included points of argument based along economic, moral, and military terms. Morgan Morgan-Giles, Conservative MP and retired Rear-Admiral, constructed his argument about Britain’s future through a combination of these factors. According to Morgan-Giles, Britain must retain a presence east of Suez for the foreseeable future due to its existing SEATO and ANZAM commitments, out of self-interest for its sterling investments, out of moral obligation due to peacekeeping responsibilities, and in response to the local government support the military received in the area. He acknowledged that overstretch and finances limited the available options but recommended the use of maritime task forces, which provided a “middle ground” option to which Healey referred. Morgan-Giles envisioned these forces to consist of some combination of infantry or Royal Marine commandos and anti-submarine defenses. In addition to the practical matter of British military presence east of Suez, Giles noted previous discussions with Australia and New Zealand, which included the call for the presence of strong states in Southeast Asia while local governments strengthened their positions economically and politically. Emlyn Hoosen, British Liberal Party MP, agreed with the latter point, especially after his recent...
visit to Southeast Asia, but he admitted that the Far East remained a low priority since the “defense of Europe is the defense of Britain.”

Disagreements regarding Britain’s east of Suez policy extended beyond interparty politics. The Labour Party itself remained split on the issue of Britain’s way forward. Roy Roebuck viewed the area east of Suez as one area “of great inflammability in which a spark, not quickly extinguished, could incinerate us all.” Even though some of his colleagues suggested that Europe held more importance than the Far East, Roebuck maintained that forces in the Far East contributed more toward peace than the forces in Europe. He understood that reductions might be necessary, but such reductions must be applied with caution so as not to ignite the spark. Meanwhile, Robert Sheldon, also a Labour MP, argued that Britain’s role of world policeman cost £5 billion per year, which equated to a significant cost for stabilizing only 1% of the population east of Suez. Sheldon argued that Canberra and Wellington understood that Britain would aid in any defense efforts should either find themselves in danger but admitted that the United States remained a more practical lifeline in the Asia-Pacific than Great Britain.

On the second day of the debate, Foreign Secretary George Brown restated many of Healey’s points of the previous day, but he paid special attention to the importance of friends and allies. Brown cautioned against looking for “quick and simple solutions, a fast retreat to a ‘Little England’, without regard to the consequences, with no concern for the responsibilities which we have inherited, particularly in the Commonwealth and with

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no heed for the appalling dangers.” Such dangers included the possibility of nations exploiting the vacuum of power left by withdrawal, the loss of confidence by those in the area who desired stability, and the risk of tarnishing Britain’s reputation among allies. The debate which followed Brown’s comments once again illustrated that opinions varied between and within party lines. Labour MP Desmond Donnelly argued that the “philosophy of Little England with a big mouth cannot be an effective foreign policy for this country.” Simply put, London cannot criticize the actions in a part of the world where it displayed no interest and provided no contributions. Ian Orr-Ewing, Conservative MP and Vice-Chairman of the Defense Committee, reiterated many of the points Rear-Admiral Giles made the previous day and suggested that these arguments represented the broad Conservative view of the situation. British forces should remain east of Suez until nations in the area were prepared “to build up their strength, to form alliances, and perhaps to bear some of the responsibility which we have carried for nearly a hundred years.”

The two days of debates about the future of British defense east of Suez featured many opinions but few conclusions. Still, pressure mounted for further reductions to

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60 Soon after Labour won the election in 1964, some Conservative members of Parliament, such as Opposition Leader Edward Heath, argued that Wilson’s Government gained the reputation throughout Europe of becoming a “Little Engander Administration” by adopting isolationist policies. The charge of creating a “Little England” was often leveled against those who supported complete withdrawal from east of Suez, but this label failed to account for the range of opinions regarding withdrawal. For example, Liberal Party MP John Pardoe refused to label himself a “Little Engander” simply because he supported withdrawal; he supported withdrawal because Britain needed to “regroup in order that we may advance” as an economic power within the world. United Kingdom, 10 November 1964, Hansard Parliamentary Debates, vol. 701, cols. 846-973; United Kingdom, 11 July 1966, Hansard Parliamentary Debates, vol. 731, cols. 983-1106.


commitments outside of Europe. By the end of March, Brown and Healey presented a revised timetable to the Cabinet for withdrawal from Southeast Asia, and their proposal marked a shift in their support for keeping forces east of Suez. Previous defense studies suggested the need to reduce troops while maintaining overseas policies, but the call for additional savings negated this approach. Reductions in the defense budget alone only constituted savings of £100-£125 million when the total budget required £500 million in savings by 1970-71. As a result, Brown and Healey recommended changes to British defense policy overseas and identified the Far East as the area of focus in order to make up the difference. Their memorandum called for two main courses of action. First, the withdrawal of British forces from Malaysia and Singapore would be phased over several years with the halfway mark in 1970-71 and complete withdrawal by 1975-76. Second, Britain would maintain a “minimum military presence with maritime and air forces” by using Australian facilities after withdrawal, if necessary. With the exception of Hong Kong, all land forces in the Far East should be expected to withdraw soon after 1970-71, which meant the loss of the British battalion of the Commonwealth Brigade. Healey anticipated that the changes could result in savings up to £300 million by 1975-76.

Along with the renegotiation of existing commitments, Healey and Brown suspected that

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Britain would have to increase its aid to Singapore in order to avoid the economic disaster which would accompany withdrawal.65

The Healey-Brown proposal considered some of the risks involved in such significant changes, but Secretary for Commonwealth Affairs Herbert Bowden reminded Cabinet members about the risks to Commonwealth relations. Bowden called attention to the fact that the proposed changes and the acceleration of withdrawal contradicted the policy announced and confirmed in the Commonwealth over the course of the year. His counterproposal introduced a more flexible approach to the situation than Healey and Brown and recommended the withdrawal of troops to half of their present level in the short-term, while avoiding any specific date of withdrawal as a way to account for the flexibility required for future planning. If the majority of Cabinet Ministers accepted the plan proposed by Healey and Brown, Bowden warned that withdrawal must not disrupt the economies of Malaysia and Singapore, negotiations with each government should include discussions of aid in order to avoid economic challenges, and the views of Australia and New Zealand must be considered in response to the changes.66 Despite Bowden’s objections, the proposal by Healey and Brown served as the basis for consultations with British allies in April, but those discussions revealed the accuracy of Bowden’s concerns about withdrawal. Even though Wilson, Healey, and Brown initially appeared sympathetic to the position of Britain’s Far East allies, the voices against British presence east of Suez rose to a level which could no longer be ignored. Still, from Holt’s perspective, he and his Ministers might be able to exploit the disagreements in Parliament

and the discord within the Labour Party in an effort to guide the defense proposals toward a more favorable outcome for Australia.\footnote{Saki Dockrill’s \textit{Britain’s Retreat from East of Suez} and Jeffrey Pickering, \textit{Britain’s withdrawal from East of Suez} (New York: St. Martin’s Press, 1998) best captured the political atmosphere in Great Britain regarding withdrawal.}

**Canberra’s Response to Withdrawal**

The communication between Australian officials and the allied governments provided some indication of how Holt would be able to approach his June meeting with Prime Minister Wilson, but Canberra also had to think beyond that meeting in order to determine Australia’s long-term objectives. Holt understood from Brown’s meeting in April and through subsequent conversations that his attempts to influence British defense plans might be in vain, but he and his Ministers proceeded as though withdrawal was not a foregone conclusion.\footnote{“British Defense,” from Critchley, 28 April 1967, NAA: A1838, TS691/1/1 Part 1.} With this understanding, Canberra began to organize in an effort to identify and plan for the challenges posed by British withdrawal. While Holt worked to understand the role of Australian allies in the region, various departments in Canberra analyzed the information they received in an effort to respond to the changes Australia faced. The Department of Defense began by reevaluating its recently released Strategic Defense paper. With Australia geographically located within the Asia-Pacific region, Defense understood that Britain’s absence could affect Australian security but also recognized the opportunity Australia might have to influence the region upon British withdrawal.
The Australian government operated under the assumption that Britain’s 1966 White Paper on defense provided a guide for British policies into the 1970s, and the Australian Department of Defense developed the 1967 Strategic Basis of Defense Paper based on that assumption. Britain’s 1966 Defense Review sought to determine how military capability fit with the role the government anticipated over the next decade. The first priority of British forces involved the defense of British people, but such an objective required the prevention of war in Europe. As a result, NATO factored heavily into future defense planning, and the continuation of the alliance was labeled as “vital to our survival.” British defense outside of Europe, or east of Suez, still highlighted the importance of maintaining a military presence, even though a direct threat appeared unlikely. Military presence had less to do with economic interest east of Suez and more to do with encouraging peace throughout the world and fulfilling obligations, which Britain could not abandon with such short notice. Still, the review noted that certain conditions should be met in order to avoid straining British forces and the economy. First, Britain would only act in cooperation with allies in the event of a major conflict. Second, Britain would only maintain defense facilities in independent countries that welcomed them. Finally, military assistance would only be provided if the nation being aided allowed British forces the use of its facilities. Asia, in particular, posed “the greatest danger to peace” in the next decade, and Britain intended “to play a substantial and constructive role in keeping the peace” alongside its allies in the region.69 The 1966

White Paper painted a clear picture to Canberra that Britain intended to remain in Southeast Asia even if it had to limit the scale of its involvement.\textsuperscript{70}

With the end of Confrontation in 1966 and a basic understanding of British defense plans into the 1970s, Australia’s Department of Defense outlined the nation’s strategic outlook in the 1967 Strategic Basis of Defense Paper. In the March 1967 paper, which aimed to address the period up to 1976, Defense considered Australia’s threat assessment intelligence, collective security agreements, and general strategic outlook. The Department quickly acknowledged that mainland Australia likely faced no direct threat over the course of the next decade, but they expected Southeast Asia to remain unstable. The report also identified the Soviet Union, China, and Indonesia as potential sources of concern in the Asia-Pacific region. The Soviet Union would likely try to increase its influence in Southeast Asia, but Australia might only become a target, due to its alliance with the United States, if the Soviets engaged in a larger war. China appeared most likely to target Laos and Vietnam as sources for expansion with the rest of Southeast Asia serving as areas where subversion and insurgency, rather than China’s direct presence, posed problems for Australia. Still, the Australian Department of Defense anticipated that the United States remained a more likely target of Chinese aggression than Australia. Unlike the other two, Indonesia’s role in the region remained a more immediate concern and source of uncertainty. The report indicated a slight threat from Indonesia to mainland Australia but identified a greater likelihood of a “small-scale military threat” to the Territory of Papua and New Guinea, which had the potential to

develop into a limited war. In spite of the potential regional risks, intelligence pointed to the security of Australia.

In addition to risk assessment, the Defense Department also used the Strategic Basis paper to evaluate the role of Australian allies and collective security arrangements in defense planning. The Department concluded that Australia’s alliance with the United States, especially through ANZUS, remained the most valuable relationship through 1976, but other alliance relationships with New Zealand and Great Britain continued to shape national defense. The paper identified the policy of containment as the key to bringing the United States into Southeast Asia to fight communism and anticipated that containment would continue to be a pillar of US defense policy. Defense determined that “Australian support for United States policies in Southeast Asia, and in particular in Vietnam, should assist in encouraging the United States to continue this policy in Southeast Asia.” From Canberra’s perspective, supporting such policies by providing assistance also presented an opportunity to influence US involvement in Southeast Asia in the future.

New Zealand also remained an important ally to Australia through the 1970s, but on a much different scale than the United States. Defense understood that limited finances and manpower restricted New Zealand’s ability to act on a large scale, but shared interests between New Zealand and Australia overshadowed those challenges. The Strategic Basis paper emphasized the importance of strengthening the bilateral military relationship between Wellington and Canberra and recognized that New Zealand also remained an important ally to Australia through the 1970s, but on a much different scale than the United States. Defense understood that limited finances and manpower restricted New Zealand’s ability to act on a large scale, but shared interests between New Zealand and Australia overshadowed those challenges. The Strategic Basis paper emphasized the importance of strengthening the bilateral military relationship between Wellington and Canberra and recognized that New

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Zealand’s strength rested in its capacity to contribute small contingents to allied efforts in Southeast Asia as well as to the internal stability of the Pacific Islands. While the Strategic Basis of Defense Paper confirmed the continuing stake that New Zealand and the United States had in Southeast Asia, Britain’s role in the region appeared less certain. The Department of Defense drew on key passages in Britain’s 1966 Review to highlight the potential danger to peace in the Far East and to reiterate Britain’s intention to retain facilities in Malaysia and Singapore in order to meet that danger. However, the report also recognized the challenges posed by a changing economic climate and domestic pressure to reverse its commitment to east of Suez. Britain might be prepared to continue its contributions to the Commonwealth Strategic Reserve, but Defense remained apprehensive about British interest in Malaysia and Singapore.\textsuperscript{72}

Although it was important to maintain relationships with the United States, Britain, and New Zealand, regional security depended as much on multilateral organizations as it did on bilateral relationships, and the Strategic Basis of Defense Paper evaluated the existing regional arrangements. Since the end of World War II, SEATO, ANZAM, and ANZUS all presented options for developing alliances and achieving regional security. With the United States identified as Australia’s most valuable ally, it followed that ANZUS served as the most valuable treaty in planning for Australia’s future. The agreement between Australia, New Zealand, and the United States dated back to 1951 and provided “the best available assurance of United States assistance in the

event of actual attack” on Australia, its Territories, and its forces in the Pacific.\(^7\)
SEATO proved to be less valuable and less efficient for Australian defense planning than ANZUS, but no other organization like it existed.\(^4\) From the perspective of the Department of Defense, SEATO was the only multilateral treaty to cover Southeast Asia “under which Western and Asian countries plan for collective defense against communist aggression, and it is the only treaty which permits Australia, the United Kingdom and New Zealand to plan with the United States for the defense of the countries lying between China and Malaysia.” On the surface SEATO allowed for open discussions between nations, but several weaknesses undermined its effectiveness as a security organization. In addition to the lack of permanent forces and a permanent command structure, some SEATO members such as France and Pakistan proved unwilling contributors to the organization. Even with its apparent weaknesses, SEATO continued to be a factor in planning precisely because it provided a forum for a multinational discussion about collective defense in Southeast Asia against communism.\(^5\)

ANZUS stood alone in its value and function as a collective security organization, but Canberra viewed SEATO and ANZAM as complementary organizations.\(^6\) Whereas

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\(^7\) For additional information about ANZUS and its creation, see David McIntyre, *Background to the ANZUS Pact*.

\(^4\) Australia, New Zealand, the United States, Great Britain, the Philippines, France, Pakistan, and Thailand signed the Manila Pact, which became known as the Southeast Asia Collective Defense Treaty in September 1954. SEATO became the organization entrusted to implement the tenets outlined in the Manila Pact, including security against communist aggression in Southeast Asia and aid programs which would encourage those in the region to live in peace. For a detailed look at SEATO’s weaknesses, see Leszek Buszynski, *S.E.A.T.O.: The Failure of an Alliance Strategy* (Kent Ridge, Singapore: Singapore University Press, 1983).


\(^6\) ANZAM refers to the Anglo-New Zealand-Australia-Malayan (later Malaysian) area, which consisted of the area between Malaya/Malaysia and the Pacific around New Zealand, and it also serves as shorthand for the alliance between the countries responsible for the ANZAM area. The alliance began in 1948 in response to reluctance from the United States to establish a formal defense relationship with Britain and
SEATO lacked the command structure necessary for the implementation of security measures, ANZAM provided a valuable forum for the discussion of military planning and regional security. SEATO might have served as an organization focused on Southeast Asia as a whole, but ANZAM allowed for a more concentrated look at the position of Commonwealth allies in the region. In light of post-Confrontation force withdrawals, ANZAM also provided Canberra with bargaining power. Because Britain committed itself to an alliance in the ANZAM area, Defense proposed to use this particular collective security agreement as a way to convince Britain to fulfill its responsibilities in the region. Even with such attempts, the paper recommended that Canberra proceed cautiously with regard to Britain because its resolve in the area “is not as strong as Australia would wish.” In order to compensate for the uncertainty surrounding ANZAM and the weaknesses of SEATO, the Defense Department suggested that Canberra engage in quadripartite talks with New Zealand, the United States, and Great Britain. Defense understood that US interest in Southeast Asia underpinned the multilateral and bilateral defense arrangements in the region, so it was important to create an environment in which open discussions about defense policy between the ANZAM countries and the United States existed. In the end, the Department of Defense concluded that Australia should maintain its three main postwar collective security arrangements, develop further bilateral relations between Canberra and Wellington, and consider the pursuit of defense relationships with India, Japan, and Indonesia.  

Australia, and it served as a way to organize Commonwealth defense contingency plans in Southeast Asia during the postwar period. Karl Hack discussed the role of ANZAM as viewed by Canberra in Defense and Decolonization in Southeast Asia: Britain, Malaya, and Singapore, 1941-1968 (Richmond: Curzon, 2001).  

The final component of the 1967 Strategic Basis of Defense Paper considered Australia’s general strategic concept through 1976. From Australian colonization through the 1960s, the imperial or Western Alliance school of thought dominated the Australian defense policy outlook, and the 1967 paper continued to support that outlook through the acceptance of the forward defense strategy. Based on the review of risk assessments and the state of collective security agreements, the Department of Defense recommended that Canberra “preserve a forward defense posture in Southeast Asia as long as possible and must encourage our allies to do the same.” Forward defense allowed Australian forces to be deployed in Malaysia and Singapore in order to create a front line of defense against communist expansion. Great Britain and the United States remained key factors in the continuation of the forward defense strategy. Even though Defense expressed concerns about Britain’s commitment to Southeast Asia, Great Britain remained an important factor in planning for the future. In fact, Defense concluded that British withdrawal from bases in Singapore and Malaysia would complicate Australia’s existing forward defense strategy.\footnote{78 “Strategic Basis of Australian Defense Policy – 1967,” March 1967, NAA: A8738, 33.}

Even though Defense determined that Australia faced no imminent threats in the period leading up to 1976, the department anticipated that certain situations might require the deployment of forces overseas in support of forward defense. In situations short of limited war, Defense suggested that Australian forces might need to be deployed to the North in the form of military assistance to Thailand and South Vietnam, against potential communist aggression in Malaysia and Singapore, through SEATO commitments, and for potential internal or external issues in Papua New Guinea. Defense also identified the
potential for deploying forces in the event of a limited war with Indonesia over Papua New Guinea, which they described as being similar to the recently-concluded Confrontation. After assessing the threat to Australia, collective security arrangements, and Australia’s general strategic outlook, the Department of Defense concluded that Australia’s strategic outlook must be open and flexible with the goal of having the “capability to act independently” toward any direct threat and to assist Southeast Asia with an “adequate, prompt and sustained contribution to allied forces” in the event of a conflict rising to the level of limited war. The Defense Department determined Australia’s domestic, regional, and global roles within the context of Britain’s 1966 White Paper, but this became an issue once Brown and Healey unveiled Britain’s new defense plans.

Australian strategy since World War II depended on the policy of forward defense, and the 1967 Strategic Basis of Defense Paper supported the continuation of this strategy with the understanding that British withdrawal from the region might require reconsideration of that strategy. When it became apparent by April 1967 that Britain’s post-Confrontation reduction of troops actually began the process of complete withdrawal, a review of Australia’s strategic outlook became a priority. With detailed knowledge about British defense plans from London, the Australian Deputy Secretary of Defense ordered a review of Australia’s position. He not only requested a detailed account of the units required to meet Australian needs after the first phase of withdrawal,

79 The Department of Defense defined “situations short of limited war” as instances of insurgency short of civil war and subversion while they defined limited war as an armed conflict short of war between major powers but involving overt engagement between two nations or more. “Strategic Basis of Australian Defense Policy – 1967,” March 1967, NAA: A8738, 33.

but also called for a review of British plans to maintain air and naval units in the region beyond the 1970-71 period. The review questioned the implementation of the changes, the role air and naval forces played in the event of a threat to the region, the implications for Australia, the logistics of Britain’s strategy, and the costs of the plan. Together, these components allowed Canberra to assess the political, military, and economic impact of British withdrawal from east of Suez.81

Based on this comprehensive review, the Joint Planning Committee outlined general requirements moving forward. First and foremost, British forces must remain in the Malaysian Peninsula in order to maintain regional stability, discourage Indonesian aggression, allow for the continuation of Australia’s forward defense strategy, and help SEATO maintain the perception of credibility. Circumstances might have changed from the time Defense released its Strategic Defense paper, but a key passage in the JPC report indicated that one sentiment in Canberra remained the same. Australia’s “participation in a forward defense strategy…would become more difficult as a result of United Kingdom withdrawal from bases in Malaysia and Singapore.” The JPC identified Britain’s legacy in Southeast Asia as one of deterring aggression and encouraging stability, both of which were still necessary as the conflict in Vietnam continued, but the future of the forward defense strategy remained less certain than in the past.82

Security and stability continued to be the general phrases used to describe the importance of British presence in Southeast Asia, but Canberra expressed a few specific concerns related to the changes. The retention of forces in Malaysia and Singapore, the

importance of the 28th Commonwealth Brigade, and the impact of British plans on the Pacific Islands factored into the Australian Government’s response to withdrawal. On countless occasions, Canberra expressed how British withdrawal from Malaysia and Singapore hindered Australia’s role in the region. The presence of Australian forces in Malaysia and Singapore allowed for the continuation of Australia’s forward defense strategy, but Canberra’s only legal justification for keeping troops in the region hinged on the Anglo-Malayan Defense Agreement (AMDA), which likely would lose its relevance upon British withdrawal. Although Wilson, Healey, and Brown reiterated Britain’s intention to fulfill existing commitments in the region, the Joint Planning Committee doubted Britain’s ability to fulfill those commitments without forces east of Suez.83

Prior to Malayan independence in 1957, Britain was responsible for the internal and external defense of Malaya, but AMDA changed the defense relationship between Britain and Malaya upon independence.84 The agreement might have addressed the defense role of Britain in Southeast Asia, but the formal agreement excluded Australia and New Zealand. Instead, Canberra relied on a series of letters written in 1959 between the Prime Ministers of Malaya and Australia to secure Australian association with AMDA, thus providing a legal basis for Australian forces still stationed in Malaysia in the 1960s as part of the Commonwealth Strategic Reserve. Singapore’s situation presented another set of challenges altogether because the nation formally separated from Malaysia on 7 August 1965. While Lee’s government agreed to honor AMDA’s

84 AMDA applied in the same way to Malaysia when it was formed in 1963, and this extension formally included “the United Kingdom of Great Britain and Northern Ireland, the Federation of Malaya, North Borneo, Sarawak, and Singapore.” For the full text of AMDA, see Report by the Joint Planning Committee, 25 March 1968, NAA: A4311, 696/2.
provisions, the treaty failed to establish a legal defense relationship between Britain and Singapore. Instead, defense arrangements and the use of British facilities in Singapore operated on an ad hoc basis.\(^8^5\) The loss of British forces left Canberra questioning the future relevance of AMDA and the legal basis for maintaining its own forces in the area.

In addition to concerns about AMDA and the implications of its loss, Canberra also focused on the future of the 28\(^{th}\) Commonwealth Brigade. Along with Britain, Australia and New Zealand relied on the ground troops of the Commonwealth Strategic Reserve, in which the 28\(^{th}\) Commonwealth Brigade participated, to fulfill SEATO and ANZAM commitments in Southeast Asia. As a result, the retention of ground forces through the Commonwealth Brigade helped to maintain confidence in the region and to emphasize the credibility of AMDA. Phase two of Britain’s withdrawal plan called for a 50% force reduction from 80,000 to 40,000 by 1970/71 with a specific eye to the reduction of British forces, Gurkhas, and civilian employees to accomplish this goal.\(^8^6\)

On several occasions, Denis Healey proposed “penny packet” or “peripheral defense” as a long-term, cost-effective solution for Britain in Southeast Asia. This approach called for the use of “small contingents of British forces in various strategic areas” often located outside of Southeast Asia to respond to any conflicts in the region. Healey argued that the United States, Malaysia, and Singapore supported this arrangement, but he ignored why Australia and New Zealand objected to defense from

\(^{8^6}\) The specific breakdown of phase 2 included 16,000 British troops, 4,000 Gurkhas, and 15-20,000 civilian base employees. “Britain East of Suez,” Annex to Joint Planning Committee Report, 1 May 1967, NAA: A8738, 34.
According to Healey’s plan, ground forces would be sacrificed for air and naval units, but the loss of ground forces placed the 28th Commonwealth Brigade in jeopardy. General Michael Carver, the Commander-in-Chief, Far East (CINCFE), concluded that the second phase of withdrawal made it impossible to retain the Commonwealth Brigade beyond 1969. The JPC determined that the “future of the 28 Commonwealth Brigade is therefore likely to be a key factor in indicating the way in which the relationship between Australia, New Zealand and the United Kingdom in the Commonwealth Strategic Reserve will develop.” Healey’s plan for peripheral defense addressed British problems in the region, but the combination of AMDA’s anticipated end and the collapse of the 28th Commonwealth Brigade alarmed Canberra.

Canberra’s final major consideration about the impact of British defense plans involved questions about the future of the Pacific Islands. British presence east of Suez mainly included the Middle East and Southeast Asia, but the Pacific Islands and Indian Ocean also factored into Australia’s response to withdrawal. British dependencies in the Pacific included Fiji, the British Solomon Islands, Gilbert and Ellice Islands, and the Pitcairn Islands. The UK took responsibility for both the internal security and defense of each dependency, and Healey expressed the need to continue political, military, and moral obligations in these places. With the removal of British presence from east of Suez, questions arose about the future defense, security, and stability of these dependencies as well as other islands in the area. By September 1966, the Joint

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Intelligence Committee already determined that Australia’s island neighbors might become susceptible to external powers. The original 1966 JIC report, referenced by the Joint Planning Committee in March 1967, noted the importance of phosphates to Nauru’s economy. 91 Both Committees anticipated that the loss of British presence and the British Phosphate Commission could potentially open the door to Japanese, Soviet, or Chinese presence in the area. Japan could extract phosphates for economic gain, China could use a position in Nauru for propaganda activities, and the Soviet Union would likely turn Nauru into a tracking station. 92

In addition to concern over the Pacific Islands, British withdrawal introduced questions about islands in the Indian Ocean, as well. The JPC specifically considered the defense significance of the Cocos Islands located in the Indian Ocean, north of Western Australia. During Confrontation, the route from Perth in Western Australia through the Cocos Islands served as the main military link between Australia and Southeast Asia because it allowed the military to avoid Indonesian air space. With uncertainty about Indonesia’s future role in the region and the withdrawal of British naval protection in the Indian Ocean, the Chiefs of Staff Committee determined that the Cocos Islands still remained a valuable strategic asset for Australia, the United Kingdom, and the United States. The Islands had a population of only 700 and were unsuitable for a naval base due to limited harbor facilities, but the Cocos Islands provided a contingency plan should Indonesian airspace close or other facilities in the area be denied to Australia or its allies. In the end, the location of the Cocos between Western Australia and Diego Garcia linked

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91 Originally a German protectorate, Nauru came under Australian administration as a League of Nations mandate after World War I.
92 Meeting Report by the Joint Planning Committee, 23 March 1967, NAA: A8738, 34.
the “line of islands under the sovereign control of the Western allies from which effective
coverage of the Indian Ocean can, if necessary, be maintained” and led to the conclusion
that Australia had to maintain sovereignty over the Cocos Islands regardless of regional
changes. The scenarios presented by the JIC and JPC in Canberra suggested that
Australian concerns about British withdrawal extended beyond the forces stationed in
Malaysia and Singapore or within the 28th Commonwealth Brigade. Regional stability
and security not only involved keeping Britain in the region, but also keeping others out
of it.

Canberra discussed possible solutions to address the specific concerns related to
British withdrawal, and the Joint Planning Committee produced a report that Holt could
use to prepare for his meeting with Wilson in June. The two main arguments leveled
against the withdrawal of forces from Malaysia and Singapore included the relevance of
AMDA and the legal basis for keeping Australian troops in the region, but Canberra
questioned whether or not their forces would be welcome in the area if both disappeared
upon withdrawal. Lee Kuan Yew and the Tunku emphasized the importance of regional
defense cooperation and expressed interest in keeping Australian troops in the region.
The JPC recommended that even if British forces withdrew from Malaysia and
Singapore, Australia could maintain its forward defense strategy if host governments
welcomed their presence and the costs to stay fit within the budget.

Without firm decisions about withdrawal, Canberra remained uncertain about the
shape of a future defense arrangement for the Malaysian region but recognized the

93 Joint Planning Committee Report, 14 April 1967, NAA: A8738, 34.
importance of planning for an arrangement if AMDA dissolved. With the growth of Malaysian and Singaporean defense forces, the JPC expected Australia to provide training, logistic, and operational support in the future. Before settling on a permanent solution for establishing the legal basis of Australian presence in Malaysia and Singapore, the JPC raised a caution flag by reminding Defense that “Australia would for the first time be entering into a direct commitment for the defense of the Malaysian region and that, with Britain’s long-term role uncertain, Australia would be moving into a position in which it could become the principal foreign participant in Malaysian defense.”

From the beginning, Holt expressed that Australia did not have the ability to fill the gap left by British withdrawal, so a formal force commitment to the Malaysian region had the potential to overextend Australia’s already limited resources.

Decisions relating to the 28th Commonwealth Brigade fared better than planning for the future of AMDA. It was already clear that ground forces would be withdrawn at a faster rate than air or naval forces in the region. As a result, the JPC proposed using British statements about honoring its commitments to SEATO as a way to justify the retention of a force level compatible with Australian interests. In order to meet existing SEATO commitments through 1970/71, which included a requirement for ground forces, the JPC estimated that UK forces needed to number approximately 40,000 and include 16,750 Navy, 21,000 Army, 3,000 Air Force, and no more than 3,000 to administer these forces at Headquarters. Canberra aimed to persuade London that British force levels should continue at that level after 1971 because 2,500 of the total Army count included the British element of the 28th Commonwealth Brigade, which meant that it would remain

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intact. In the event that negotiations failed, British presence in the region through air and naval capabilities beyond 1971 might rely on the use of Australian bases, but the JPC warned against the image this arrangement could project in the region. British forces would be deployed in Australia while Australian forces would be deployed forward in Malaysia and Singapore without British support. Like the situation with AMDA, uncertainty remained regarding the future of the 28th Commonwealth Brigade, but at least Canberra had a plan in place to negotiate for the presence of ground forces in the region beyond the first phase of withdrawal.

The Pacific Islands might not have garnered as much attention as the challenges in Malaysia and Singapore or the 28th Commonwealth Brigade, but Australia’s proximity to major Pacific territories, including Papua New Guinea, the Solomons, New Hebrides, and Fiji, meant that they could not be ignored (Map 2). The chain of islands from New Guinea to the New Hebrides and Fiji provided direct air and sea routes between Australia and North America. As a result, it remained important to keep those islands out of the hands of hostile powers to prevent the disruption of travel and communication lines between Australia and the United States. By keeping the Pacific Islands in the hands of friendly powers, the islands could be used for testing weapons systems and nuclear weapons deemed “important for Western defense.”

96 According to the calculations, 10,250 Royal Navy and 2,000 Royal Air Force personnel were specifically pledged to SEATO Plan 4, which specifically planned for the possible attack by communist forces from China and Vietnam on the whole SEATO region.
The Joint Intelligence Committee anticipated that little would change in terms of
French and American presence in the Pacific Islands leading up to 1970 but recognized the potential for changes to disrupt stability in the region as some Pacific territories moved toward constitutional forms of government. Fiji, a British colony since 1874, became an area of great concern because it was the most populated group of islands and provided a “central link in Pacific communications.” Internal instability caused by racial tensions between Fijians and Indo-Fijians had the potential to make Fiji a target for
communist insurgency, which would create widespread challenges for Australia. In addition to internal conflicts in Fiji, the JIC warned that Canberra should pay special attention to larger island groups because a change in one location could lead to changes in the whole group. For example, the islands of Buka and Bougainville in the Solomon Islands were administered by Australia as part of the Territory of Papua and New Guinea. As a result, the Committee anticipated that Australian relations with Papua New Guinea, and by extension Buka and Bougainville, could influence developments in the British Solomon Islands Protectorate.

Australia’s greatest impact on the Pacific Islands in the future likely resulted from economic aid because economic growth previously experienced in the islands could not be sustained. Islands such as Nauru and Ocean Island (Banaba) provided Australia with 38% of its phosphates, but the JIC suspected that low grade supplies would replace the high-quality phosphates found there. New Caledonia, a French territory, followed a similar path. Although it provided 20% of Australian nickel requirements, the recent discovery of a major nickel deposit in Australia eliminated the need for New Caledonia’s nickel. International aid to the Pacific Islands could prevent the need for the islands to look elsewhere for economic support. In the end, the JIC’s plan for the Pacific Islands focused on the importance of stability, not because the Pacific Islanders posed a military threat, but because economic stability would prevent conflict.

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99 Indo-Fijians outnumbered ethnic Fijians but were often considered subordinate to them as descendants of indentured Indian laborers who worked in the sugar industry. Tension continued into the 1960s and impeded discussions about the creation of a multi-ethnic constitution. For a comprehensive history of Pacific relations, see Donald Denoon and Philippa Mein-Smith with Marivic Wyndham, *A History of Australia, New Zealand, and the Pacific* (Oxford: Blackwell Publishers, 2000), especially pages 33, 110, 198, and 390 regarding Fiji.

100 Australian Brief for Quadripartite Talks,” April 1967, NAA: A8738, 33.
threat to Australia but because instability opened the opportunity for hostile powers to move into the region and challenge Australian interests.\textsuperscript{101}

The JIC and JPC reports not only allowed Canberra to identify and attempt to address major areas of concern which resulted from changes in British defense plans, but they also shaped the final report submitted to the Cabinet by the Defense Committee about Britain’s role east of Suez. The report reiterated that, in spite of British defense plans, forward defense remained the key strategy for ensuring security and stability in Southeast Asia. The Defense Committee explained that it “has been our view that, at this stage, external Western forces are both necessary and acceptable as a backing for local defense forces and to promote general cohesion and stability in the region.” From the perspective of the Department of Defense, the presence of Britain and the United States ensured stability in Southeast Asia, thus allowing for security in Australia. During an assessment of British proposals, Defense accepted the short term objectives through April 1968 with the exception of a reduction in ground forces. The medium term through April 1970/71 provided little chance to influence the 50% reduction of forces, but the emphasis should remain on influencing the shape of the forces in the area to support Australian objectives. The Department of Defense argued time and again that ground forces were far more valuable, politically and militarily, than air or naval units, which is why they continued to push for the maintenance of the 28\textsuperscript{th} Commonwealth Brigade. A Marine Commando brigade functioned as a self-contained force and would not be permanently stationed in Singapore. The deployment of the Commando Brigade to the Gulf or elsewhere left Southeast Asia exposed without sufficient ground forces. The 28\textsuperscript{th}

\textsuperscript{101} Australian Brief for Quadripartite Talks,” April 1967, NAA: A8738, 33.
Commonwealth Brigade, on the other hand, provided an “obvious and visible expression of an integrated Commonwealth commitment in the area,” which allowed for the fulfillment of SEATO commitments, encouraged political confidence in the region, and provided credibility to AMDA. Thus, Australia’s objective for the medium term would be to accept the gradual reduction of Gurkha units but reject the drawdown of forces from the 28th Commonwealth Brigade.102

Beyond 1971, the Defense Department advised that Australia should “counter in all ways open to us the British proposal for complete voluntary withdrawal from the mainland” because too many situations could change before 1975. Defense operated under the assumption that Britain’s economic problems of the 1960s, on which these decisions were arguably based, might simply disappear by the 1970s. Thus, Britain should avoid making rash, irreversible decisions so far in advance. Defense encouraged Holt to argue that Australia remained a secure nation where little risk of a direct attack existed in the foreseeable future, which meant that Canberra’s response did not originate out of fear for Australia’s security. Instead, the justification for retaining troops east of Suez should “stress our continued belief in the validity of our own strategic analysis, the maintenance of our forces in the Strategic Reserve despite the demands in Vietnam, and our willingness to continue and possibly increase our own contribution.” In the end, the Defense Committee understood that Australia’s position remained difficult. Southeast

102 Based on an agreement between the governments of Great Britain and Nepal, no more than 2,000 Gurkhas per year could return to Nepal due to issues of morale and economic concerns. If the rundown reached 10,000 by 1969, a further reduction of 5,000 Gurkhas could not occur until 1972. “Outline of proposed reduction in British forces in Singapore/Malaysia,” NAA: A5842; “Britain East of Suez – The Commonwealth Brigade: Draft Defense Paper,” NAA: AWM121, 31/C/1.
Asia continued to be an area of “primary strategic importance,” but Australia’s limited resources and manpower restricted the nation’s ability to act alone.\(^{103}\)

The Foreign Affairs and Defense Committee within Cabinet accepted the official report on east of Suez, and Holt used the recommendations to convey Australia’s position on British defense plans during his meeting with Wilson in London. Holt accepted the FAD’s suggestion to send a message to Australia’s Asia-Pacific allies in an effort to secure support for the position prior to his meeting.\(^{104}\) Holt reiterated Australia’s objective of keeping British ground forces in the region in order to maintain Commonwealth defense cooperation through the 28\(^{th}\) Commonwealth Brigade to Lee and the Tunku. He also wanted to be certain that Lee and the Tunku supported this position since Healey suggested that they preferred air and naval units over ground forces. In his message to Holyoake, Holt encouraged New Zealand to stay involved in Malaysia and maintain a role that encouraged constructive development despite its limitations.\(^{105}\)

Holt and the Australian delegation arrived in London for the meeting with Wilson and the British delegation on 13 June, and Holt’s line of discussion closely followed the reports generated in Canberra during the past month.\(^{106}\) He remarked that Britain’s new defense policy “was a shock to the system,” especially because previous conversations and the 1966 Defense Review highlighted force reductions not complete withdrawal.

\(^{103}\) “Britain East of Suez,” Defense Committee Report for Cabinet (Submission 283), May 1967, NAA: A5842, 283.


\(^{105}\) From Holt for the Tunku, 27 May 1967, NAA: A7854, 3.

\(^{106}\) In the course of their meeting, Holt presented Wilson with a collection of documents, which included statements by various British Ministers and Defense White Papers from the past 2 years, as a way to prove how seriously Australia took British commitments to the region and how disappointed he was that they would not be honored.
Holt continued by explaining that if economic issues contributed to the policy changes, Britain should remain in Asia to take advantage of increasing trade in the region. As an example, he noted that 50% of Australia’s total exports stayed in markets east of Suez and used Japan, Australia’s largest export market, as an example of the economic benefits available. In addition to the economic value of staying in Asia, Holt emphasized Canberra’s concerns about the future security of the region. While the United States had military commitments throughout Asia, Malaysia and Singapore were not included because they were Commonwealth countries with British defense support. Therefore, British withdrawal from east of Suez would be “QUITE SHATTERING to all Commonwealth countries in the Area” and to US policies in the region (original emphasis). Given the circumstances, Holt argued that it remained the “unanimous wish of the Commonwealth countries, as well as the United States” that Britain exercise flexibility when considering the role of the Commonwealth Brigade in the short term and avoid announcing the final decision about complete withdrawal in the long term. Canberra and Wellington accepted that they would have to increase their presence in the area as post-Confrontation reductions occurred, but questions remained about the long-term situation.107

Healey, who responded at Wilson’s request, restated details that the Australian delegation heard time and again since defense plans were introduced in April. According to Healey, Britain understood the important economic factors at play in Asia, but he argued that Britain was spending more than it was earning, thus withdrawal made financial sense. By 1970/71, £200-300 million had to be cut from the budget, and the

elimination of defense facilities in Asia with the exception of those in Hong Kong achieved this goal. The elimination of the Singapore base alone constituted savings of £200 million. Healey remained unwilling to budge on the removal of ground forces from the region and still emphasized the plan to maintain British presence in the region through air and naval units. On the second point of concern, Healey noted that a decision had to be made about withdrawal far in advance for planning purposes, but he conceded that a public announcement might not be necessary.\textsuperscript{108} The conversation continued the following day at the Ministry of Defense with representatives from Britain and Australia, but they continued along a similar path as previous conversations. During these discussions, Healey admitted that the British felt guilty about withdrawing forces from the Commonwealth Brigade, knowing that it likely meant that Australia would struggle to keep its battalions in place after 1969, but he stressed that naval and air units met the psychological need for British presence expressed by Holt.\textsuperscript{109} By the end of the meeting, Holt drafted a written statement of Australia’s position for Wilson to present to his colleagues in the hope that some of his points might be accepted.\textsuperscript{110}

Holt’s meeting with Wilson was only one of a series of meetings between Wilson and the other Asia-Pacific allies affected by British defense plans. The Commonwealth allies launched a united front against British withdrawal. Jack Marshall, Deputy Prime Minister of New Zealand, explained to Wilson that New Zealand objected to total withdrawal from the region, not the reduction of troops. He continued that “Singapore

was in one sense New Zealand’s front line,” which meant that British withdrawal directly threatened New Zealand’s security. He appealed to the idea that a substantial reduction could happen without total withdrawal through the retention of a small Commonwealth force possibly based in Singapore. Wilson rejected this possibility due to the disproportionate cost to maintain facilities for such a small contingent of troops. Wilson argued that some of Britain’s “Asian friends” might be slower to build up troops if British protection remained. Additionally, military dependence on Britain would not necessarily help Malaysia and Singapore figure out how to cooperate with one another. Ultimately, Marshall encouraged the extension of cooperation through the Commonwealth Brigade because it provided “tangible evidence of the continuing association within the Commonwealth.”

During his meeting on 26 June, Lee Kuan Yew spoke to Wilson about the potential for instability in Singapore as a result of British withdrawal. As he explained, when Singapore was asked to leave the Malaysian Federation, the Government only had a matter of weeks to decide on military and political security for the future. To avoid such a situation again, Lee asked for Britain’s continued support while Singapore built its military and strengthened its economy. Looking to the future, Lee encouraged Wilson to consider a multinational formal defense treaty, similar to the Commonwealth Strategic Reserve, between Britain, Australia, New Zealand, Malaysia, and Singapore. He anticipated that this type of a defense treaty not only encouraged security in the region,

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111 TNA, 4 July 1967, Cabinet Memorandum C(67)119.
but also resolved any outstanding issues between Malaysia and Singapore. Finally, the Tunku’s meeting with Wilson on 13 July had little bearing on British plans because conclusions had already been presented to the Cabinet for a final decision. Still, the Tunku and Wilson discussed the importance of AMDA to Malaysian security, and the Tunku supported the presence of ground forces in Malaysia and Singapore to lend credibility to the agreement. The June and July consultations with Wilson in London provided the Commonwealth governments one last attempt to influence the shape of withdrawal before decisions became final.

“Death by a thousand cuts”

The British Cabinet had a clear understanding about how its allies perceived the implications of withdrawal from east of Suez, but final decisions reflected very few changes to the original plans presented in April. In Wilson’s cable to Holt prior to the official announcement, he reiterated that Britain’s economic situation required a significant reduction in costs abroad. As a result, Canberra should expect a 50% reduction of forces from Malaysia and Singapore by 1970/71, which included the British component to the Commonwealth Brigade by April 1970. Beyond 1970/71, Britain planned to relinquish control of its bases in the Malaysian region but maintain sea and air capabilities until a new basis for Southeast Asian stability emerged. Wilson conceded on

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112 Lee suggested that Wilson should bring up this idea to the Tunku during their meeting, but he explicitly asked Wilson to avoid mentioning it as Lee’s idea because he anticipated that the Tunku would reject the idea outright. TNA, 4 July 1967, Cabinet Memorandum C(67)119.
114 This quotation refers to Conservative defense spokesman Enoch Powell’s response to the announcement of withdrawal. “Press reports and comments on Britain’s withdrawal from East of Suez,” NAA: M1002, 122.
one point. He agreed to avoid publicly discussing the specific structure of long-term regional plans as well as providing a date for complete withdrawal.\(^\text{115}\)

The official text of the “Outside Europe” section of Britain’s 1967 White Paper on Defense, released 18 July 1967, followed a familiar line. British policy outside of Europe encouraged “local peoples to live at peace without the presence of external forces,” and this policy called for withdrawal from bases east of the Suez. Still, Britain planned to fulfill its responsibilities by securing its dependencies, supporting its allies, and contributing to stability. The official press release outlined plans for the 50% reduction of troops from Malaysia and Singapore by 1970/71. In addition to the progressive withdrawal of 40,000 troops from the region over the next few years, Britain planned to provide economic aid to Malaysia and Singapore to compensate for the tremendous economic losses which resulted from their decisions. While the official text omitted the exact date of withdrawal, it mentioned complete withdrawal by the mid-1970s.\(^\text{116}\) The announcement inspired Peter Bostock, British Defense Correspondent at the Conservative-leaning *Daily Sketch*, to declare: “At 2:30 on a sultry summer afternoon, Defense Minister Mr. Denis Healey hauled down the tattered flag of Britain’s imperial military power. He nailed his latest Defense White Paper to the mast. The retreat from greatness was sounded.”\(^\text{117}\)

The response from Canberra was less dramatic than Bostock’s but matched his tone of disappointment. Publicly, Holt touted the line he expressed to Wilson and others since April. Australia remained concerned for the security and stability of Southeast Asia

\(^{115}\) From Wilson to Holt, 13 July 1967, NAA: AWM121, 31/C/2.
upon British withdrawal since Britain historically played an important role in the stability of the region. While he remained sympathetic to the economic situation in Britain, he disapproved of making such advanced plans at such an unpredictable time. Holt admitted that Canberra assumed the reduction of troops after Confrontation ended, but he made it clear that the reductions extended “beyond our earlier expectations.” Privately, Holt revealed a bit more about his reaction to withdrawal.

During an informal press briefing, which followed his public comments, Holt admitted, off-the-record, that he tempered his public remarks out of respect for the concerns expressed by Lee and the Tunku. Although he disapproved of British decisions, he wanted to avoid inciting conflicts or causing a crisis of confidence in Malaysia and Singapore. Holt explained that withdrawal not only marked a decreasing political interest in keeping troops outside of Britain, but also provided Britain with a bargaining chip to gain entry into the EEC. Even with the challenges ahead, Holt noted that discussions about withdrawal allowed for closer contact between the United States, Malaysia, Singapore, and Australia, which provided the foundation for future defense cooperation. One option included the creation of multilateral regional defense relationships out of existing bilateral agreements. At the time, however, Canberra planned to continue its cooperation with Malaysia and Singapore for the purpose of regional security with no intention of increasing the existing $25 million in defense aid to compensate for the retreat of British troops. In closing, Holt reminded the Press that many questions still

118 Discussions began in Canberra about the possibility of developing facilities in Cockburn Sound, which was south of the Western Australia capital of Perth near Rockingham. “British White Paper on Defense: Comment by the Prime Minister, Mr. Harold Holt,” 19 July 1967, NAA: A3211, 1969/1846 Part 3; “United Kingdom’s ‘East of Suez’ Policy,” NAA: A4940, C4626.
remained, but he emphasized that Canberra planned to consider all options over time in an effort to best address Canberra’s long-term obligations and objectives.  

In the months following the July announcement, Canberra broadly considered Australia’s role in Malaysia and Singapore and the future of the forward defense strategy. Although Defense did not release a new Strategic Basis of Defense Paper by the end of the year to account for changes in British policy, Minister for External Affairs, Paul Hasluck, spoke about potential changes ahead for Australia. First and foremost, Hasluck noted that Australian policies must remain flexible, and Canberra would “have to learn to work…with what Britain chooses to be in the future.” Although Asia should remain a priority for Britain, Europe clearly remained a higher priority in London. For that reason, Australia must be prepared to adjust to the gradual changes resulting from withdrawal. Economic, political, and military cooperation within the region must be a priority because it served as a deterrent to any disruption caused by “massive and persistent” pressure from China, who sought to expand “by subversion, by insurgency and by so called ‘wars of liberation’.” Hasluck expressed that Australian involvement in Malaysia and Singapore remained a chief concern, and he urged Canberra to make certain that Lee and the Tunku understood that Australia’s commitment to them continued even as Britain withdrew.

Conversations about Australian involvement in regional defense became synonymous with its role in Malaysia and Singapore. Defense offered three basic options about how Australia could address the defense of Malaysia. Canberra could adjust

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defense plans based on Healey’s “peripheral strategy,” retain forces in the region through AMDA or a new agreement, or place the focus on Vietnam in an attempt to strengthen their alliance with the United States. Talk of a four or five power defense agreement to potentially replace AMDA dominated conversations in the months following Britain’s announcement. This type of arrangement with Malaysia, Singapore, New Zealand, and possibly Great Britain could alleviate Canberra’s concern about maintaining a legal basis for its forces in the area, but it would be important to avoid adopting too much responsibility in the region. Australia did not have the capacity to replace Britain, but a multilateral agreement had the potential to allow for a substantive response should conflict arise. Still, the Australian Cabinet recommended that Canberra avoid a permanent commitment to such an arrangement until consultations occurred with Washington and London to gauge what support, if any, they planned to provide if a regional conflict escalated beyond Australia’s “immediate competence.”

Overall, Canberra and Wellington intended to keep a “visible military presence” in Malaysia and Singapore while trying to determine their future course of action. Additionally, Australia committed $20 million in defense aid to Malaysia and Singapore over the course of three years in order to fulfill existing programs and to encourage the growth of local defense forces. The terms of a future regional defense arrangement might not have been settled, but Holt and Holyoake insisted on the inclusion of all four Commonwealth partners, even though the Tunku asked to omit Lee from preliminary discussions. The Tunku justified his position by suggesting that a three power defense

treaty between Malaysia, New Zealand, and Australia would replace a weak and potentially “inoperative” AMDA, which Singapore had signed. Still, Holt and Holyoake envisioned a defense treaty to support regional stability, not to disrupt it by excluding a key partner. Canberra eyed long-term solutions to existing regional concerns, but final decisions depended on the outcome of Vietnam, the extent of regional security cooperation, and an understanding with the United States for support in the event of a major conflict.  

In addition to questions about Malaysia and Singapore, Australian defense strategy also became a predominant topic of conversation after Britain’s announcement. Yet the status of Australian strategy became less certain as the months passed. After receiving the official text of Britain’s withdrawal announcement, Australia’s Defense Department noted that British “decisions pose Australia grave problems, both political and military. Our forward defense concept will need re-examination as will our relationship with Malaya [Malaysia] and Singapore.”  

Allied forces in Southeast Asia adopted the forward defense strategy in an attempt to prevent the expansion of militant communism during the postwar period. While the objectives of the strategy remained valid even after British withdrawal, the implementation of it for Australia and New Zealand became problematic. 

In a report presented to the Cabinet Ministers by Minister of Defense Allen Fairhall, the Defense Committee recommended the undertaking of additional studies to

123 From Department of External Affairs to Australian Mission to the UN, New York, 13 October 1967, NAA: A7854, 3.
125 “Meeting of Australian and New Zealand Prime Ministers,” no date, NAA: A4940, C4626.
determine the practicality of maintaining a forward defense posture in the absence of Britain, as well as the viability of such a strategy in the absence of the United States. While the Committee’s report might not have served as an official Strategic Basis paper, it included an important general statement on Australian strategy: “the preservation of the security and political stability of Southeast Asia is a basic objective of Australian strategy for the defense of Australian Territory and the promotion of Australian political and economic interests in the Southeast Asian region.” Because Australia lacked the capacity to achieve those strategic objectives alone, the United States and Britain served as critical participants in adhering to the forward defense strategy in the region. In order to meet potential regional risks, such as Indonesian aggression toward Malaysia or interference in Borneo, without British presence, Canberra must urge the United States to remain in Southeast Asia for the foreseeable future. Although US involvement or interest in Southeast Asia beyond Vietnam had not been determined, the Defense Committee concluded that the implementation of forward defense would become more difficult should Australia have to withdraw its forces from Malaysia and Singapore. The FAD decided that Australia’s forward defense strategy would continue through 1970, but no firm plans were considered until after Vietnam since “United States involvement in Asia is of overwhelming importance to Australia in terms of national policy on alliances and forward strategy.” The only clear understanding was that Australia could not stay in Malaysia and Singapore after 1970 without US support, which could jeopardize the existing strategy as a whole.

126 “Meeting of Australian and New Zealand Prime Ministers,” no date, NAA: A4940, C4626.
With a reexamination of Australian strategy underway, Holt addressed questions about the future of Australian defense strategy in September during a press briefing and offered another option for maintaining forward defense in the future. Traditionally, the Commonwealth Strategic Reserve in Malaysia served as a point of deployment for Australian forces beyond the region and the continuation of Australian strategy, but the situation in Vietnam allowed for forward deployment regardless of the Reserve’s status upon withdrawal. Still, Holt reiterated that the outcome of the conflict in Vietnam might require changes to the policy of forward defense.\footnote{Press Briefing by Holt, 8 September 1967, NAA: M4295, 20.} Uncertainty surrounding the shape of British forces after 1970/71, the viability of AMDA, and the conclusion of Vietnam prevented Canberra from making definitive plans regarding Australian strategy beyond 1970, but the reexamination of the forward defense concept provided an opportunity for Canberra to carve out a “distinctive role” in the region.\footnote{“British Disengagement from Asia and the Pacific,” 17 August, NAA: A1838, 691/1 Part 14.}

Harold Holt understood the delicate balance required in determining Australia’s regional role and stated that “we are placed by geography in an area of the world where some of the greatest dangers, and at the same time some of the greatest opportunities exist in the world today.”\footnote{Press Briefing by Holt, 8 September 1967, NAA: A3211, 1969/1846 Part 3.} Holt envisioned that the next century would be “the century of Asia” because he realized the potential for growth in Asia, but he never had the opportunity to witness that growth. On 17 December 1967, two days before his final press briefing of the year, Holt disappeared while swimming near Portsea, Victoria.\footnote{The search for Holt’s body began December 17 but was abandoned January 5, and the official Federal and Victorian police report labeled his death accidental. Detailed reports about his disappearance and death can be found in NAA: A1209, 1968/8063 with the official report by the Commonwealth and Victoria Police in NAA: A463, 1967/6732.}
Holt’s tragic and surprising death meant that the region lost a great advocate for the global importance of Asia.

**Conclusion**

1967 proved to be a challenging year for Canberra, especially in terms of Australia’s long-term defense considerations. The year, which began with the ongoing reduction of Confrontation-level troops in the region, concluded with the shocking death of a Prime Minister who served as an advocate for the increasing value of Asia. The decision to withdraw British forces from the area east of Suez met with opposition at home and abroad. Britain’s ability to sustain its presence east of Suez proved troublesome on a practical level. The cost to maintain troops and facilities outside of Europe became a financial burden, and Britain’s European role became a higher priority than its global role for many in London. The decision to withdraw also proved troublesome for British allies in the Asia-Pacific. To Canberra, British presence in the region over the years provided a sense of stability for the region and security for Australia. Although the relationship between Britain and Australia changed over time, British presence in Southeast Asia remained a key component to Australian planning up to 1967. Once Healey and Brown introduced British plans for complete withdrawal from Malaysia and Singapore by the mid-1970s, Holt and his Ministers had three short months to assess the position of Australia’s allies toward the changes proposed by Britain before the British Cabinet made final decisions.

Decolonization after World War II brought independence to most former Southeast Asian colonies within a decade, but British attempts to continue that process
through withdrawal from east of Suez met with surprising resistance in the Asia-Pacific region. The nations certainly did not call for the reversal of independence, but the Asia-Pacific allies asked for time to build local defense forces and the economy before Britain completely withdrew. Initial conversations between Canberra, Washington, Wellington, Singapore, and Kuala Lumpur led to an understanding that their best chance to influence British decisions in the area would be to form a united front, but even a united front could not prevent what some considered inevitable. By July 1967, Canberra knew that British defense security, which had been present in the region before the first colony was established in 1788, would cease to exist beyond the mid-1970s. This realization contributed to serious discussions about the future of Australian security. The loss of British presence east of Suez corresponded to the loss of protection in the Indian Ocean, vulnerability in the Pacific Islands, and uncertain prospects to the North, but all of those concerns paled in comparison to what withdrawal meant for Australian strategy. Australia’s forward defense strategy and the legal justification for maintaining forces in Malaysia and Singapore appeared to be disappearing along with British troops. Although London promised to uphold its commitments in Southeast Asia, the regional governments recognized that the withdrawal of ground forces made that unlikely. By the end of 1967, Canberra’s strategic outlook remained uncertain, but a review of the forward defense strategy offered Australia the opportunity to determine what role it would have in shaping the future of the Asia-Pacific region.
CHAPTER 2: THE EXPANSION OF PROBLEMS, 1967-1968

The announcement of British plans to completely withdraw forces from Southeast Asia by the mid-1970s introduced a series of challenges to Australia’s long-term planning, but these challenges only expanded in the period after the announcement. Britain’s initial decision to withdraw from east of Suez corresponded to its declining postwar economic situation. Those economic challenges continued for Britain and had larger implications for its allies in the Asia-Pacific. The decision to devalue the pound sterling provided the first clear indication that the withdrawal of forces failed to address British fiscal problems, and it forced the other countries included in the sterling area to determine if they would follow Britain’s lead. In addition to economic concerns in London, political division in Canberra surrounding the death and replacement of Prime Minister Harold Holt contributed to a period of uncertainty and threatened to unseat a party that had controlled government since 1949. In addition to the challenges posed by devaluation and internal political division, Canberra faced additional problems.

Britain’s initial announcement of withdrawal from east of Suez set its completion around the mid-1970s, which provided the Asia-Pacific allies with just under a decade to plan and prepare for withdrawal. With the continuation of economic problems in Britain and the inability of devaluation to slow the bleeding, another round of budget cuts altered that plan. As a result of the latest defense review, which began at the end of 1967, the Asia-Pacific allies now faced a shortened timeline for complete withdrawal as well as the lack of British support beyond 31 December 1971. With such serious alterations and such a short amount of time to respond, Canberra began to reconsider Australia’s
immediate and future needs, but the ongoing commitment to Vietnam left an important question unanswered. London’s fading interest in Southeast Asia became evident with the January 1968 announcement of accelerated withdrawal, but Washington’s intentions in the region beyond the Vietnam War remained unclear. With such an important component of Australian defense planning unknown, Canberra emphasized the importance of flexibility in moving forward. The combination of ongoing turmoil in Britain, internal division in Canberra, and the acceleration of withdrawal introduced a new set of factors guiding Australia’s strategic outlook.

**Facing the ‘Facts of Life’**

In the latter part of 1967, Canberra continued to consider the ramifications of British withdrawal upon their long-term security outlook. One document from the Defense Department that would help to guide that outlook was the 1968 Strategic Basis of Defense Paper, or White Paper, which replaced the 1967 version and accounted for British defense changes tied to withdrawal east of Suez. While the Defense Committee worked to complete the studies and assessments needed to write the newest version of the defense paper, Holt and other officials continued their previous communications with allies in an effort to resolve some of the uncertainties left by Wilson’s July withdrawal announcement. Still, Canberra was not alone in its questions about the challenges ahead. Even with the cuts announced in July, London faced additional challenges with its economic recovery.

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After announcing plans in July for a staged withdrawal from east of Suez by the mid-1970s, conversations about the budget and defense costs continued in London. In addition to private discussions, members of the Defense establishment also addressed the issues through public lectures at the Imperial Defense College in November and December 1967. In his lecture, Denis Healey spoke at length about the challenges he faced since becoming Defense Secretary, including a series of defense reviews. The first review from October 1964 to February 1966 resulted in the 1966 White Paper, upon which Canberra based its defense planning for the 1967 Strategic Basis paper. This initial review led to a savings of £300 million by 1969/70, but a foreign exchange crisis in the summer of 1966 hastened the call for additional reductions upon the conclusion of Confrontation. Healey described how the call for an additional reduction of £200 million by 1970/71 in the fall of 1966 led to a “frantic nine months” of planning, which culminated in the 1967 White Paper calling for the complete withdrawal of forces from east of Suez. This second defense review allowed Britain to take a practical look ahead since British troops were no longer engaged in fighting in Southeast Asia. With the end of Confrontation, it became politically feasible to adjust Britain’s regional commitments.²

During his lecture, Healey reiterated that the July 1967 defense review established “a concentration on Europe and a reduction elsewhere.” Although he admitted British intentions to maintain a capability in the Far East after withdrawal from Malaysia and Singapore, Healey still provided no indication as to what form this capability would take. Healey noted that he was recently tasked with making further cuts of £100 million, but he

aimed to create savings through equipment as opposed to additional force structure and policy changes. Looking ahead, Healey tellingly noted that recent policy changes resulting from the defense review shifted the “center of gravity from outside to inside Europe,” therefore future concerns fell more in line with Europe than elsewhere. However, Healey acknowledged that questions about the nature of joint defense cooperation in the Far East, moral obligations to Australia and New Zealand, and British intervention outside of Europe remained.  

Healey’s lecture provided a broad overview of Britain’s defense response to economic challenges over time and reiterated the interconnectedness of economic and defense issues in London. Lectures by others in Britain’s defense establishment pointed to specific challenges that lay ahead for the British services as a result of the decision to withdraw from Southeast Asia. For his part, General Sir James Cassels, Chief of the General Staff, focused his lecture on problems facing the British Army. The deployment of British forces in late 1967 included Hong Kong, the Persian Gulf, and the Mediterranean, but General Cassels directed most of his attention toward the ten major units deployed to Malaysia and Singapore, and he predicted a bleak future for the Army. With the removal of Britain’s element of the Commonwealth Brigade and the removal of two of the eight Gurkha battalions, he indicated that the British Army could no longer directly meet SEATO commitments after April 1968 due to the drawdown of forces and a longer response time to the Asia-Pacific. Only an engineer squadron, two Gurkha battalions, and the light battery army component of an amphibious force remained in

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place by 1971. With an eye toward potential future assistance, Cassels encouraged the
maintenance of facilities in Southeast Asia to limit Great Britain’s response time.4

Unlike the unfavorable projections for the future of the Army by Cassels, Admiral
Sir Varyl Begg, First Sea Lord, envisioned a more promising future for the Royal Navy
in spite of Britain’s economic situation. Admiral Begg approached his lecture about the
Royal Navy’s future by identifying the realities faced by all services. Britain’s global
position after World War II and the most recent defense review simply represented “facts
of life.” From Begg’s perspective, Britain’s position as a great world power had ended.
With the primary focus on Europe, the Royal Navy had to shift the shape of its forces
toward NATO-approved maritime shield forces that acted as a deterrent toward nuclear
action or escalating Soviet aggression. While the Army faced the loss of personnel in
Southeast Asia, the Royal Navy faced the loss of bases and dockyards in the region by
the mid-1970s. In addition to the loss of bases in Southeast Asia, Begg also identified
officer recruitment and dockyard access as potential problems for the Navy in the future.
Still, he concluded that the Navy as a whole had a bright future due to its role as part of
the nuclear deterrent, as a NATO shield, and as a peacekeeping presence outside Europe.5

The topics addressed in these Imperial Defense College lectures echoed previous
conversations held between Great Britain and its Asia-Pacific allies. Publicly, little
progress had been made since July. Healey and Begg reiterated the shifting focus of
British attention to Europe, which Foreign Secretary George Brown echoed in his lecture.

4 “Problems of the British Army,” Lecture at the Imperial Defense College by General Sir James Cassels,
5 “Problems of the Royal Navy,” Lecture at the Imperial Defense College by Sir Varyl Begg, 17 November
Brown acknowledged that Britain sought a leadership role in a united Europe, which would allow the nation to reap the economic and political benefits tied to such a role. In addition to Britain’s center of gravity shifting toward Europe and impending changes for the British military, the political disputes between the parties also continued. Sir Alec Douglas-Home’s lecture, “The Conservative View of Foreign and Defense Policy” reiterated the value of a continuing British presence in Southeast Asia for economic reasons. With eight sterling area countries in the Far East holding £800 million in balances and trade on investment, it was worth maintaining a military presence there. As Leader of the Opposition, Douglas-Home indicated that a Conservative victory in 1971 would lead to a reversal in Britain’s position toward Malaysia and Singapore in order to take advantage of the economic benefits in the region, which would be a positive turn of events for British allies in the region. The ‘facts of life’ painted a grim picture of Britain’s defense position outside of Europe, especially after leaving east of Suez, but the lack of improvement in Britain’s economic position suggested that additional measures might become necessary.

Initial budget cuts resulting from the 1966 defense review failed to adequately address Britain’s struggling economy, and it became apparent that changes were on the horizon. The first major sign of Britain’s continuing economic struggle came on 19 November 1967 when Prime Minister Harold Wilson publicly announced his decision to

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devalue the pound sterling by 14.3%. 8 The second came with the information that Healey faced additional defense cuts of £100 million as part of a £400 million deficit. Prior to Wilson’s infamous “pound in your pocket” speech, he banned any discussion about devaluation and only allowed Cabinet to discuss the topic on one occasion in July 1966. 9 According to Healey, Wilson valued the “sanctity of the sterling” and equated devaluation to political humiliation and the failure of his government. 10 By November 1967, the closure of the Suez Canal as a result of the Six Day War, the disruption of the shipment of Middle Eastern oil to Britain, the Nigerian civil war, and dockyard strikes in London and Liverpool exacerbated existing balance of payment constraints. The combination of internal and external pressures forced Wilson’s hand. 11

James Callaghan, Chancellor of the Exchequer, explained that the United States offered a multi-billion dollar loan for no less than 25 years in an attempt to fund British debts, but American politicians wanted to add clauses that required Britain to continue to play an active role in the Asia-Pacific region. In addition to London’s focus already shifting toward Europe, Callaghan found this solution “unacceptable” because it was “not sensible to maintain a world-wide influence on borrowed money.” 12 Wilson echoed Callaghan’s sentiments. He reasoned that borrowing to alleviate the deficit provided an

8 Wilson’s decision to devalue the pound was a contentious one. Parliamentary debates in November 1967 became rather heated, and even James Callaghan advised against devaluation due to the impact it would have on overseas governments as well as the standard of living among Britons.
9 In this speech, Wilson explained that abroad the pound was devalued by 14% but insisted that the pound in the pocket of Britons at home would not lose its value.
12 Callaghan, Time and Chance, 211-212. Callaghan also rejected the acceptance of a US loan because he suspected that it would harm Britain’s application to join the European Economic Community. He specifically pointed to Charles de Gaulle’s stance that Britain’s special relationship with the United States precluded British entry into the EEC.
immediate solution but recognized that such a decision failed to address the root of the problem. Callaghan explained the intention behind devaluation to his colleagues in Parliament by stating that the “primary purpose of this change in the rate is to enable this country to secure lasting and substantial improvement in its balance of payments – of at least £500 million a year.”¹³ Even though imports became more expensive as a result of devaluation, exports became cheaper to consumers abroad. Ideally, by increasing Britain’s competitive edge, businesses could exploit the favorable exchange rate and increase sales abroad as a way to aid in Britain’s economic recovery.¹⁴

With the emphasis on export-growth and the call for additional savings, the defense budget became one casualty of the economic climate. In his explanation of changes surrounding devaluation, Callaghan announced that the Ministry of Defense planned to cut £100 million from its 1968-1969 budget, but he insisted that the cuts would be made within the framework of the 1967 White Paper to avoid any changes to existing commitments.¹⁵ Healey, once again charged with the task of reducing defense costs, wrote in his autobiography that he “deeply resented having to make new cuts in defense spending every time our economic performance fell short of expectations” but “accepted the sacrifices required of me.”¹⁶ In his Imperial Defense College lecture, Healey alluded to changes in equipment rather than force structure to accomplish these reductions, and he outlined his plans and the effect of the changes to Parliament during

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his 27 November debate on defense. Healey reiterated that the most recent cuts “mean no acceleration in the rundown or in the redeployment of our forces.”

According to his argument, the acceleration of withdrawal made little economic sense because a substantial building project was already underway in England to house returning forces and their families by April 1969. This project would only expand and cost more money if the pace of withdrawal increased. In addition to these associated costs, Britain already pledged economic aid to Malaysia and Singapore to compensate for the loss of income upon withdrawal, which could not be reversed without adverse effects. For these reasons, Healey turned to research and development, equipment programs, and stocked supplies to achieve the required £100 million in cuts. These cuts included the cancellation of Chinook helicopters from the United States, the decision not to build a staging post at Aldabra in the Seychelles, and a reduction in nuclear development expenditure. Overall, Healey’s cuts would have a limited effect because many of the projects were only under consideration and not in production at the time of his decision, and many equipment reductions could be accomplished through the postponement or reduction of equipment contracts.

British economic struggles, resulting in devaluation and additional defense cuts, quickly became apparent to the Australian Government, but the short and long-term impact on the Australian economy and defense planning would become more evident over time. In the immediate sense, as part of the sterling area, Canberra could choose to follow in London’s footsteps and devalue their currency as they had in the past. Prior to

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announcing devaluation in London, Prime Minister Wilson sent a secret message to Prime Minister Holt, notifying Holt of his decision and acknowledging that it would not be welcomed. He also reassured Holt that Britain would maintain the policies established in the 1967 White Paper despite the defense cuts. Although Wilson encouraged Holt to follow suit as part of the sterling area, Canberra chose not to follow London’s lead.

The decision to reject devaluation was not taken lightly in Canberra, and debates about the impact of the decision continued long after Holt announced the government’s position. After receiving a secret message from Callaghan, William McMahon, Minister of the Treasury, explained to his fellow Ministers that Callaghan and US Secretary of the Treasury Henry Fowler requested that Australia refrain from devaluing the Australian dollar in an effort to isolate the impact of devaluation. However, McMahon’s appeal to the Cabinet concentrated on the changing state of the Australian economy as the main reason to reject devaluation. When the Attlee Government devalued the pound in 1949, Australia followed suit because the sterling area held the bulk of its trade and a number of trading nations also devalued their currency. By 1967, the Australian economy was in a much stronger position, especially with the increase in mineral deposits available for export. McMahon anticipated that Australian reserves could compensate for any short-term losses as a result of devaluation, but he also recognized that Australia’s primary producers faced the brunt of the impact. Holt borrowed from McMahon’s message in his address to the public. He expressed his decision in nationalist terms while also

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highlighting the strength of the Australian economy. Holt declared that Australia’s “historic decision...showed that we had come of age as a Nation.” As one of twelve leading nations in trade, Australia and the ten remaining nations chose not to devalue their currency along with Britain. According to Holt, diversification within the economy allowed Australia to expand its markets beyond primary produce exports to Britain.\(^{22}\)

The devaluation problem also coincided with Japan becoming Australia’s largest market. When US occupation of Japan ended in 1952, Japanese industrialization flourished with the help of government involvement by the Ministry of Trade and Industry.\(^{23}\) As Japan continued to grow and trade with the Commonwealth countries declined, Canberra signed its first major trade agreement with an Asian country when it accepted the 1957 Commerce Treaty with Japan. Once Australia accepted Japanese industrialization as an economic opportunity rather than a step toward militarization, Canberra began to consider the potential for Japan as a significant export market. Trade agreement discussions accelerated once Japan became part of the General Agreement on Tariffs and Trade (GATT) in September 1955 because both nations wanted to avoid restrictions on imports and exports between their markets.\(^{24}\) By the late 1960s, Japan’s economic growth rose by 11.6%, with the European nations achieving growth in the range of 2.5% (Britain) to 5.8% (Italy). This economic ‘miracle’ allowed Japan to engage in trade on an international scale, and Australia would benefit by exporting raw


\(^{23}\) David Meredith and Barrie Dyster, Australia in the Global Economy: Continuity and Change (Cambridge: Cambridge University Press, 1999), 156.

materials and primary produce to Japan.\textsuperscript{25} By 1961, Japan became the second largest market for Australian wheat and the largest buyer of wool and coal. Japanese imports to Australia also increased through the 1960s and included cars, machinery, and iron. The success of bilateral trade led to the renewal of the trade agreement in 1963 and an improvement in trade relations by the time Australia faced the question of devaluation.\textsuperscript{26}

Although many supported the government’s decision to reject devaluation, not everyone in Canberra agreed. John McEwen, Leader of the Country Party and Minister for Trade and Industry, objected to Holt’s logic. When Holt called a special Cabinet meeting on 21 November to discuss Australia’s options, McEwen was in Geneva at the GATT talks. Holt wrote to McEwen with the purpose of informing him about the meeting, acknowledging the risks involved in that decision, and justifying the position he was about to announce publicly. Holt explained that Australia would not be able to prove to the International Monetary Fund (IMF) that its economy was in disequilibrium, therefore any appeal for the devaluation of Australian currency would be rejected. At the meeting in Canberra, all of the members present, with the exception of McEwen’s Country Party colleagues, voted against devaluation despite the challenges that Australia’s primary and secondary industries faced. Overall, most Cabinet members agreed that Australia should confront the potential losses faced by individual industries rather than apply a sweeping measure of devaluation to all industries.\textsuperscript{27}

\textsuperscript{25} Meredith and Dyster, \textit{Australia in the Global Economy}, 156-161.
\textsuperscript{27} 21 November 1967, “Holt to McEwen,” in Ashton et al., \textit{Australian Foreign Policy}, 645.
rebuttal press statement, he argued that certain primary and secondary industries faced difficulties due to the competition now created by British devaluation. Previously, Australia’s trade agreement with Britain called for fair competition, but the decision to maintain the value of the Australian dollar put these primary and secondary industries in Australia at a disadvantage. As a “matter of principle” for the Country Party, McEwen expected to hold Holt accountable to protect primary and secondary industries most directly affected by the decision to avoid devaluation.\(^{28}\)

Australia’s primary producers faced the biggest competition from Denmark and Ireland, who opted for devaluation, but New Zealand’s impending devaluation added to the challenges faced by primary producers who depended on the British market for their exports. In a letter to Foreign Secretary George Thomson, the British High Commissioner in Canberra, Charles Johnston, predicted that wheat, meat, and dairy producers would feel the immediate effects of devaluation with canned and dried fruit exporters likely to follow. He also anticipated that the butter industry was “likely to take a severe knock” to the tune of $14-$18 million per year, due to devaluation by New Zealand and Denmark. Despite the challenges ahead for primary industries and Australian manufacturing, Johnston admitted that “…the decision not to devalue was a courageous one which must have appealed strongly to the growing national pride and sense of independence in this country.”\(^{29}\) Canberra’s response marked a recognizable shift in the Anglo-Australian relationship. Not only did the Australian dollar “stand on its own feet” internationally, but Australia’s economy remained strong enough to absorb

the risks associated with devaluation.\textsuperscript{30} In the end, the ‘facts of life’ facing Britain in November 1967 created a situation where continuous economic struggles, as well as internal and external pressures, led to the devaluation of the pound sterling and the call for additional defense cuts. The shockwaves created by this decision extended to industries at home and abroad, and their impact on defense decisions for the rest of the decade bedeviled British allies in the Asia-Pacific.

\textbf{Contentious Canberra: Round 1}

In addition to the challenges faced by Australian industries as a result of devaluation, Canberra had to address internal political division, which became apparent in the aftermath of the Prime Minister’s disappearance. After Holt’s disappearance, Governor-General Lord Richard Casey consulted with Attorney-General Nigel Bowen about the process for choosing a new leader. Bowen informed Casey that as Governor-General he had to determine whether or not Australia still had a prime minister.\textsuperscript{31} The men agreed that Casey would declare a presumption of death after forty-eight hours of searching for Holt then ask Holt’s successor to assume office.\textsuperscript{32} Uncertainty surrounded who would become caretaker Prime Minister. Holt led a Liberal-Country coalition government, which meant that the choice for his successor fell between the Country Party leader and Deputy Prime Minister John McEwen and Deputy Leader of the Liberal Party...

\textsuperscript{30} “A Nexus is Broken” in Crowley, \textit{Modern Australia in Documents}, 537-538.
William McMahon. According to precedent, Lord Casey should choose McEwen, but the two potential candidates had a very public feud, which disrupted the process.  

The McEwen-McMahon rift began in 1956 and contributed to political division long after 1967. McEwen and McMahon served in the government of Sir Robert Menzies from 1949-1966 and continued in government when Holt succeeded Menzies in 1966. Upon his reorganization of his Cabinet in January 1956, Prime Minister Menzies created the Department of Trade with McEwen at the helm and charged McMahon with running the Department of Primary Industry. He expected McMahon to “look to McEwen for policy guidance,” but McMahon found this arrangement unacceptable and began to bring his proposals to the Cabinet without McEwen’s approval or prior knowledge. The rift extended beyond this slight. McMahon became known as a “self-promoter,” who earned the nickname “Billy the Leak” from the Australian Press Gallery and his colleagues. McMahon’s press connections made the dots easy to connect when private debates appeared in the press to the benefit of McMahon and the detriment of his opponents.  

Minister for External Affairs Paul Hasluck, whose rise in government coincided with McMahon and McEwen, posited that McMahon shared Cabinet secrets

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33 Bowen and Casey referred to the precedent set by the sudden death of Prime Minister Joseph Lyons in office in 1939. In that instance, the Governor-General chose the leader of the Country Party and Deputy Prime Minister Earle Page as the caretaker Prime Minister until the United Australia Party, the larger coalition party, elected a new leader. Hasluck, Chance of Politics, 148.


36 Golding, Black Jack McEwen, 181; Hasluck, Chance of Politics, 188.
out of vanity, to ruin the reputation of his colleagues, and to buy favors with the press, depending on the occasion.\textsuperscript{37}

In addition to the initial slight in 1956 and McMahon’s questionable media connections, McEwen’s distaste for McMahon related to a particular instance when McMahon served as the acting Minister for Trade while McEwen renegotiated the Ottawa Agreements in London.\textsuperscript{38} McEwen wired the results of his meetings in the form of a press release to McMahon, and he placed an embargo on the information so it would be released simultaneously in Canberra and London. The early release of the document, with McMahon’s name attached to the statement, created even more suspicion about the direction of McMahon’s moral compass. Although McMahon suggested it was a Trade Department error, McEwen found that no record corroborated McMahon’s story that the department viewed the document before its release.\textsuperscript{39} The combination of these factors fueled the conflict between the two men.

Lord Casey, the public, and ministerial colleagues were well aware of the McEwen-McMahon split over the years. During Holt’s short time as Prime Minister, the feud between the men, who served as his deputy Prime Minister and his Treasurer, made his job difficult and led to involvement by the Governor-General. By late 1967, the situation between McEwen and McMahon became such a political disruption that Lord Casey intervened in an attempt to alleviate the problem and improve the effectiveness of

\textsuperscript{37} Hasluck, \textit{Chance of Politics}, 188.

\textsuperscript{38} The original Ottawa Agreements, negotiated in 1932, established trade relations within the British Empire based on the system of imperial preference. By the time of McEwen’s visit in 1956, many questioned the value of imperial preference given the global changes that occurred since the original agreements took effect.

\textsuperscript{39} Golding, \textit{Black Jack McEwen}, 181-182.
government. Casey perceived McMahon to be the primary antagonist in the feud, but his attempts to meet with McMahon on 8 December resulted in a shouting match, not reconciliation. Casey’s report of the meeting and the McEwen-McMahon problem were on the list of documents to be considered in Holt’s briefcase when he drowned, which meant that the problem lacked resolution. After Holt’s disappearance, McEwen informed Lord Casey that he and the Country Party refused to operate in a coalition with a McMahon-led government due to McMahon’s “utter disloyalty.” To minimize the disruption of government, Lord Casey followed past precedent and chose John McEwen as the caretaker Prime Minister, but he chose McEwen conditionally. McEwen’s acceptance indicated that he agreed not to change existing policies during his time as caretaker and that he only held the position of Prime Minister until the Liberal Party elected a new leader.

Political infighting did not end with McEwen’s appointment; the Liberal Party still had to meet in order to choose their next leader. The weeks leading up to the January 1968 Liberal Party election exposed divisions within the party, often between senior and junior members, and it became apparent that McEwen’s distaste for McMahon crossed into McMahon’s own party, as well. Hasluck, a well-respected senior Liberal Party member, agreed with McEwen’s assessment of McMahon. In his personal notes, Hasluck candidly explained that the “longer one is associated with him the deeper the contempt for him grows and I find it hard to allow him any merit. Disloyal, devious, dishonest, untrustworthy, petty, cowardly – all these adjectives have been weighed by me

41 Hasluck, Chance of Politics, 148-149; Golding, Black Jack McEwen, 269.
and I could not in truth modify or reduce any one of them in its application to McMahon."  

Another party member, John Gorton, projected that a McMahon-led Liberal Party would lead to certain loss by the 1969 election during a meeting with Hasluck. Gorton also suggested that Holt’s path prior to his disappearance led to a drop in morale within the Liberal Party. Hasluck agreed and suspected that the party faced difficulties prior to Holt’s death and even admitted that it would have become “a dreadful mess” within six months if Holt had lived. Along with Gorton, Hasluck, and other Liberal Party members who wanted to keep McMahon’s name off the leadership ballot, John McEwen unsurprisingly worked toward the same end. He wanted to ensure that McMahon would not “rise from the ashes” so he enlisted the help of Rupert Murdoch, who penned anonymous “special correspondent” pieces to paint McMahon in a negative light.  

The public and private ‘campaign’ against McMahon succeeded, and the leadership ballot asked members to choose between Paul Hasluck and John Gorton. According to Hasluck’s assessment of the election, he held a ‘singular stream of support’ from the veteran members of Cabinet and mistakenly assumed that it applied to the majority of members. Gorton, who won the ballot and became Prime Minister, united several “streams” by gaining support from junior party members, anti-McEwen and pro-McMahon factions, and other “minor creeks.” As a result, Gorton succeeded without senior party member support, with the exception of McMahon. According to Hasluck,

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42 Hasluck, Chance of Politics, 185.
43 Hasluck, Chance of Politics, 150, 156.
45 Hasluck, Chance of Politics, 154.
Gorton faced a test because he became the leader of “a very fidgety Cabinet and a party room which contains an unusually large proportion of new and inexperienced members, and some very shabby older members whose natural faults are now showing through tatters of decay.”

Hasluck also speculated that Gorton won because he began his campaign for party leader prior to Holt’s disappearance, which explained the speed with which his supporters mobilized. Although it never materialized before Holt’s death, Gorton’s supporters, many of whom he later elevated to key roles in his government, planned a scheme to place Gorton in a position to challenge Holt for leadership. Gorton’s victory brought with it a Cabinet shake-up and resulted in Gorton’s decision to promote Paul Hasluck from his decades-long tenure in government to the position of Governor-General.

Gorton’s presence introduced a different type of government where he relied less on his Ministers and more on an independent style of leadership. In terms of Opposition, the Labor Party only recently addressed its own party division and unified under the leadership of Gough Whitlam. Although this meant that the party was not in a position to immediately challenge the Liberal-Country coalition, they could begin to capitalize on the internal divisions in an effort to build a strong foundation for Opposition to challenge the government in the future. The political disputes and maneuvering in Canberra toward the end of 1967 and into 1968 threatened to upset the coalition government and

46 Hasluck, Chance of Politics, 153, 156.
47 Hasluck, Chance of Politics, 158-161.
48 For more impressions about Gorton’s style of leadership, see Alan Reid’s lengthy The Gorton Experiment (Sydney: Shakespeare Head Press, 1971) and Alexander Downer’s section on Gorton in Six Prime Ministers (Melbourne: Hill of Content Publishing, 1982), especially pages 109-114.
presented an opening for the return of a strengthening Labor Party for the first time since 1949. Such political instability created a contentious environment under which important future policy decisions about Australia’s path forward had to be made.

**The Acceleration of Withdrawal**

Although economic changes and political division created an air of uncertainty in Australia, a bigger issue had the potential to upset regional stability east of Suez. In addition to the economic and political disruptions taking place at the end of 1967, assurances by Wilson and Healey failed to match the reality of Britain’s tenuous economic situation, which once again affected defense plans east of Suez. During his previous meetings in the Asia-Pacific, Denis Healey mentioned that staged withdrawal from Southeast Asia could be accelerated, but he and Prime Minister Wilson made it clear as recently as November that this would not be the case, even with additional defense cuts underway. Canberra continued to plan according to this understanding, but Wilson’s announcement on 18 December that all major areas of policy fell under review negated those plans. As part of this review, all departments were asked to prioritize their programs and determine which could be cut or postponed in an effort to reduce expenditure by £800 million. The Australian High Commission in London notified Canberra that Australia should expect revisions to the staged withdrawal in Southeast Asia, including the possibility of changes to post-1970 commitments and a shift of the post-1975 amphibious force from Southeast Asia to an association with NATO.50 In one short month, assurances about maintaining the original withdrawal plans turned into

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almost certain changes to those plans, throwing yet another wrench into Australian planning. As the British economy continued to deteriorate and defense came under fire once again, the implications of additional changes cast doubt on Australian preparations for British withdrawal east of Suez.

A Wilson Cabinet shuffle at the end of 1967 contributed to the shift in attitude toward the economy and the subsequent call for policy revisions. James Callaghan resigned as Chancellor of the Exchequer in November 1967 due to his view that devaluation represented his own failure as Chancellor. His resignation brought Roy Jenkins in as Chancellor, while Callaghan took Jenkins’ former position as Home Office Secretary. As Chancellor, Callaghan called for £400 million in cuts, but Jenkins secured an agreement from Wilson to raise that amount to £800 million in order to channel resources toward exports and achieve a greater surplus toward the balance of payments.\(^51\)

In his autobiography, *A Life at the Center*, Jenkins explained that he met with Wilson in mid-December to discuss cuts in public expenditure, and he presented the idea of accelerating the pace of withdrawal east of Suez. Jenkins argued that the decision allowed Britain enough time to cancel its order for fifty F-111 aircraft from the United States, which saved a significant amount of money.\(^52\)

A 20 December meeting between Jenkins, Healey, Thomson, and Brown, opened a discussion about Jenkins’ plan for additional defense cuts, which greatly affected these three main overseas ministers at the Ministry of Defense, the Commonwealth Office, and the Foreign Office, respectively. Jenkins wanted to announce his plan for a large package

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\(^51\) Dockrill, *Britain’s Retreat*, 200.
of reductions in civil and defense expenditure by 17 January but understood that he
needed the support of Healey in order to achieve his goal. In order to sell the idea of a
£300 million reduction in civil expenses in the 1968/69 budget to a reluctant House of
Commons, he needed to pair it with an announcement of defense policy changes. Jenkins
envisioned the acceleration of withdrawal from Southeast Asia by 1970/71 with complete
withdrawal from the Persian Gulf by the end of 1968 or in 1969. After undergoing four
defense reviews since becoming Defense Secretary, Healey wanted to see the plans
Jenkins had for civil expenditure before agreeing to equipment and commitment changes.
Healey argued that he had agreed to defense reductions in the past with the understanding
that civil expenditure also faced substantial reductions, but he remained unsatisfied with
the level of cuts achieved. Healey also hesitated because the Cabinet authorized him to
assure the Services that the July 1967 review served as the final one during the life of the
current Parliament.53 Privately, Healey faced pressure because he no longer held
Wilson’s support for his position and the Chiefs of Staff threatened resignation unless
cuts in commitments preceded additional defense cuts.54

Like Healey, Commonwealth Secretary George Thomson and Foreign Secretary
George Brown questioned Jenkins’ proposal at the meeting. Whereas Healey emphasized
the impact on defense, Thomson and Brown commented about the consequences of the
plan. According to Thomson, Britain needed to avoid the appearance of unilateral action
in order to preserve domestic and international confidence in the government. Thomson

53 20 December 1967, “Record of meeting between Brown, Jenkins, Healey and Thomson,” in Ashton et
al., Australian Foreign Policy, 250-252.
54 Healey, The Time of My Life, 337. Healey did have some support among his junior ministers, who
agreed to follow him if he chose to resign over this latest round of defense cuts.
rejected the idea of abandoning all British commitments outside Europe and suggested that the immediate solution proposed by Jenkins only presented a short-term solution without acknowledging that these decisions had a lasting impact on British overseas policy. George Brown echoed Thomson’s concerns about the long-term implications of what seemed to be hasty decisions. Jenkins called for decisions about his plan to be made in less than one month, but Brown insisted that more time was necessary to fully consider the foreign policy consequences of the proposed commitment changes. In the end, all three Ministers argued for the importance of maintaining Britain’s global role and honoring its commitments – an experience Jenkins compared to “being knocked around like a squash ball” for an hour. Jenkins disagreed with the position of his colleagues and continued with the attitude that Britain must avoid overcommitting itself.

In the Asia-Pacific region, the period between December 1967 and January 1968 closely resembled the months leading up to Wilson’s official announcement for the withdrawal of forces from east of Suez in July. Much like Henry Brandon’s article announced the possibility of withdrawal in April 1967, Special Correspondent for the Sydney Morning Herald T.S. Monks sounded the alarm about the likelihood of accelerated withdrawal in December 1967. In his article, Monks warned that complete withdrawal from Malaysia and Singapore could take place by 1970/71 rather than the mid-1970s, just as Jenkins suggested during his private meeting with the Ministers.

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55 20 December 1967, “Record of meeting between Brown, Jenkins, Healey and Thomson,” in Ashton et al., Australian Foreign Policy, 250-252.

56 Jenkins, A Life at the Center, 213-214. Coral Bell named Roy Jenkins as one of the significant factors that contributed to the deterioration of the Anglo-Australian relationship during the late 1960s. He held important positions in government and made major decisions, such as the acceleration of withdrawal, which negatively affected Australia’s relationship with Britain. See Bell, Dependent Ally, 99-102.
According to Monks, devaluation created a situation where Healey faced pressure to make additional cuts even though he resisted the measure. The article even claimed that Healey threatened to tender his resignation in objection to these cuts, an action Healey confirmed in his autobiography.\(^5^7\) As a new year began, evidence pointed toward the withdrawal plans that Monk outlined in his article. This time, instead of sending Healey and Brown to discuss the impending changes, the unenviable task fell to Commonwealth Secretary George Thomson.

Thomson’s trip, billed as an opportunity to consult with the governments affected by the changes, included stops in Kuala Lumpur, Singapore, Wellington, and Canberra from 5-14 January 1968.\(^5^8\) Prior to Thomson’s departure from England, Australia’s High Commission in London sent a cable to brief External Affairs on the content and purpose of the visit. Tom Critchley described British defense policy as being in “complete disarray” with no firm policy ideas in Southeast Asia beyond 1971. The High Commission gathered that the intended changes affected a variety of previously discussed aspects of withdrawal. The idea of using Australia as a base in order to maintain a presence east of Suez after 1967 disappeared, unless Canberra agreed to pay the majority of the costs associated with the project. Instead, the British Service Chiefs suggested military training in Australia without the associated base facilities. Critchley also explained that uncertainty existed regarding British presence in Southeast Asia after withdrawal with the exception of one brigade available for a limited time after 1971. According to Critchley, Canberra should also expect another round of defense cuts,

which predominantly included a reduction in equipment. Ultimately, the budgetary changes had the greatest impact on the long-term phase described in the initial withdrawal plan. Unlike the discussions in April 1967, Critchley warned that this time, “external factors such as United States influence or pressure from Australia, New Zealand, Malaysia and Singapore are unlikely to have much effect.” Although several British Ministers disagreed with the measures, the High Commission warned that Jenkins’ proposal received enough support to continue.

Once Thomson arrived in the region, reports that reached Canberra confirmed Critchley’s suspicions. Thomson’s first stop in Kuala Lumpur brought information that Britain intended to expedite the staged withdrawal of forces from the region with 31 March 1971 as the date of final withdrawal from Malaysia and Singapore. The second important piece of information from Kuala Lumpur described Cabinet’s 4 January decision to support acceleration as “firm but not irrevocable” and warned that the British Cabinet planned to maintain the façade of postponing a final decision until 15 January. In doing so, the British government continued under the guise that Thomson’s visit served as an opportunity to consult with Malaysia, Singapore, New Zealand, and Australia. In reality, Wilson planned to announce the acceleration of withdrawal on 17 January regardless of the outcome from Thomson’s visits. The cable of Thomson’s visit to Kuala Lumpur described Defense Minister Tun Abdul Razak’s reaction as “clearly distressed” while Minister of Finance Tan Siew Sin had a “more acidic” reaction. Tan

59 In terms of equipment changes, Critchley specifically listed the cancelation of the Ark Royal refit, the reduction in the number of Phantoms required by the Navy and the Air Force, and the likely reduction of F-111s from 50 to 15.
Siew Sin argued that “Malaysia assumed responsibilities in East Malaysia on the understanding that British military presence would take a substantial load off Malaysian defense expenditure.” Broken promises underlined Tun Razak’s response, as well. According to him, the British “had let them down badly,” and he anticipated that this marked the end of AMDA since Britain broke the trust created through their promise of upholding existing commitments.61

The negative reactions to Thomson’s visit continued in Singapore. The information coming from Malaysia led Prime Minister Lee to call a meeting prior to Thomson’s arrival. According to High Commissioner Alf Parsons, Thomson’s news “displeased” Prime Minister Lee. Parsons quoted Lee as stating: “The British have done it again. Every time they have bad news for us they make the decision first, then send a nice chap, someone on our side in fact, to break it to us and give us some hope that it might not be quite as bad as it first seems. Last time it was Healey, now it is Thomson, before that it was [former Commonwealth Secretary Herbert] Bowden.”62 Like his contemporaries in Kuala Lumpur, Lee’s frustration stemmed from the promise that additional changes would not occur for some time, but the acceleration of withdrawal involved economic, defense, and security changes.63 Thomson’s explanation of accelerated withdrawal by March 1971 meant that Singapore had only three years to prepare its forces, equipment, and command structure to meet the challenges posed by withdrawal – a task Lee deemed impossible.

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63 Lee Kuan Yew, The Singapore Story, 37, 40.
According to Parsons, Thomson’s news left Lee “more coldly calculating than emotional” with Lee making it “quite clear that Singapore was going to play a hard and tough line with the British.” If Britain wanted to focus on the economic aspect of withdrawal from the region, Lee was prepared to play the same game. He determined that he would threaten to move Singapore’s sterling balances if Britain intended to follow through with the plan Thomson presented, which meant that this transfer cost Britain more money than it would save by leaving early.64 Lee also told those present at the meeting that Singapore would not allow Britain to “sell or realize on any of the real estate or other assets which they have” in Singapore, which would cost Britain approximately £100 million. In Lee’s opinion, Kuala Lumpur’s response was too weak, so he asked that Canberra also adopt his tough stance, especially by making threats against the sterling.65 Lee became so frustrated by the changes that he flew to London with the objective of expressing his discontent directly to Wilson. During his meeting with Wilson, Healey, Brown, and Thomson, Lee explained that the withdrawal of troops would “shake the confidence of investors” and undermine the security of the region. Although Wilson proposed economic aid to Singapore, Lee admitted that security encouraged investments, so it remained his primary concern. Wilson understood Lee’s concerns but reiterated that Singapore’s security would have to depend on a regional defense agreement not on British presence.66

By the time Thomson arrived in Australia on 12 January, Canberra already knew the basic content of his spiel. Thomson informed those present about the acceleration of

64 Lee, Singapore Story, 41.
66 Lee, Singapore Story, 41-44.
withdrawal and insisted that Cabinet still had to vote on final decisions. The response from Canberra resembled those from Singapore and Kuala Lumpur. The proposed changes amounted to “drastic alterations of previously understood arrangements as to the continuing availability of British forces in the region.” The Ministers present for Thomson’s meeting emphasized that security remained a global question and criticized Britain for taking an action that seemingly damaged the security system in the Asia-Pacific. This reasoning reflected the familiar stance that British presence in Australia’s region of primary interest contributed to peace and security, and the Ministers emphasized again that Australia and New Zealand could not be expected to take over Britain’s role because both lacked the capability to do so. The acceleration of withdrawal without provisions for the period beyond 1971 produced short and long-term “political uncertainties and risks in the Southeast Asian region” and the current defense policy revisions gave the impression of being “permanent and perhaps irreversible.”

Aside from the concerns regarding regional security, Australian Ministers warned against transferring the security of Malaysia and Singapore to the United States, either in appearance or fact. They viewed it as “an error on the part of the United Kingdom to formulate their policy upon the promise that the vacuum that would be created by the withdrawal of the United Kingdom would…be automatically filled by the United States for reasons of its own total strategy.”

Even though it seemed unlikely, Canberra once again wanted to try to influence the outcome as much as possible. First and foremost, the Australian Government

appealed for an extended timetable for political and military purposes, since 1968 was a presidential election year in the United States and because Vietnam continued. Secondly, Malaysia and Singapore needed more time to make the necessary adjustments to prepare for withdrawal so it would be advantageous for Britain to provide some forces to aid in the transition. Overall, the revisions to Britain’s defense policy created anxiety and uncertainty in Australia. The initial plans to withdraw completely by 1975 with the potential for some presence beyond that period already caught those in Canberra off-guard in April 1967, and now the decision to speed up complete withdrawal by four years with no promises beyond 1971 added another element of surprise in the ongoing attempt to solidify future plans.

After his meeting in Canberra, Thomson informed Wilson of the reactions he encountered. According to Thomson’s summary, Prime Minister Gorton’s disapproval was twofold. He disliked the potential creation of a power vacuum in the region and grew concerned about the possible rapid escalation of smaller conflicts that could not be curbed due to Britain’s departure. Much like Holt did in his meeting with Wilson in June 1967, Gorton rehashed all of the promises and proposals provided to Canberra, which acceleration altered, and suggested that such policy shifts gave him little confidence that the current changes would be the final ones. Paul Hasluck agreed with Gorton’s point and added that British decisions already led to reassessments of Australian defense planning to address these changes on three separate occasions. As McMahon indicated, these adjustments led Australia to spend an increasing percentage of its gross domestic

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product on defense, more so than even Britain, and that the increase could not continue to meet the necessities created by Britain’s absence.\textsuperscript{70}

During the meeting, Thomson justified Britain’s position as one of necessity that was intended as a long-term solution, not a short-sighted, hasty decision. He relayed to Wilson that Defense Minister Fairhall requested that Britain reconsider the pace of withdrawal and the new completion date because Australia faced circumstances that could not be met within the shortened timeframe. Additionally, Fairhall interpreted the new proposals as an indication that Britain could no longer fulfill its previous commitments to SEATO and AMDA. Both of these affected Australia and required additional planning in order to meet the anticipated changes. Although Thomson did not directly address the issue of AMDA in his letter to Wilson, he did suggest the possibility of a Five Power Conference. He sold the idea as an opportunity to encourage cooperation between Malaysia and Singapore and privately attempted to gauge the extent to which New Zealand and Australia were willing to contribute to regional security.\textsuperscript{71}

Despite the warnings about Australia’s private and very public disapproval of the most recent policy changes, as well as the disappointment expressed by the other Commonwealth allies, Wilson announced the acceleration of withdrawal in the House of Commons on 16 January 1968. According to Wilson, the recently completed review where “no spending program could be sacrosanct” served to “make devaluation work,” and the cuts came in addition to those announced by then-Chancellor Callaghan on 20

\textsuperscript{70} For Wilson from Thomson, “Telegram, British High Commission to Commonwealth Office,” 12 January 1968, in Ashton et al., \textit{Australian Foreign Policy}, 253.

\textsuperscript{71} For Wilson from Thomson, “Telegram, British High Commission to Commonwealth Office,” 12 January 1968, in Ashton et al., \textit{Australian Foreign Policy}, 253.
November. As anticipated, defense expenditure became one casualty in the new round of spending cuts. Wilson explained that two principles guided defense decisions. First, the strengthening of Britain’s economy remained in the interest of those at home and allies abroad. Second, a review of commitments resulted in capability reductions in both equipment and manpower. Based on these principles, Wilson confirmed the acceleration of withdrawal from Singapore and Malaysia, but he extended the date for complete withdrawal from March 1971 to 31 December 1971. Still, this information meant that Britain maintained no military capability outside of Europe beyond that date, and the drawdown of troops led to a reassessment of its existing AMDA and SEATO commitments in the region. Wilson mentioned that Britain might agree to help train personnel to operate a joint air defense system in Southeast Asia, but only if the government deemed those agreements suitable.\(^72\)

Wilson also outlined the extent of manpower and equipment reductions in Southeast Asia. In addition to withdrawing 75,000 military personnel and 80,000 civilians from Malaysia and Singapore four years earlier than planned, the Navy would remove its aircraft carrier fleet and the RAF would cancel its order of 50 F-111 aircraft from the United States. Unlike the British forces, the Gurkha Brigade in Southeast Asia continued to withdraw at the pace outlined in the original July 1967 announcement with a reduction to 10,000 Gurkhas by the end of 1969 and continue through 1971 with a total strength of 6,000 remaining. Although many components of the review had been decided, questions remained about what would happen to the Gurkhas after 1971 and how Britain should apply its previously planned economic aid to Singapore and

Malaysia. Much like the aftermath of the July announcement, Canberra scrambled to make sense of the most recent changes being thrust upon them and their regional allies. Once again, they were in the position of reacting to unexpected changes in the midst of developing their long-term defense plans through an updated Strategic Basis of Defense paper.

**Negotiating the Aftermath of Acceleration**

Upon learning about the most recent British policy changes, Canberra studied Australia’s options in the period leading up to and beyond withdrawal in 1971. With Australia’s 1967 Strategic Basis of Defense paper still under review, Defense began considering the impact of British policy changes on Australia. The Defense Committee’s report on 24 January stressed that “time is running against us for planning and programming” as a result of the changes announced by Wilson. The Committee’s report, “Implications for Australia of British Defense Decisions,” identified planning questions surrounding the future of Australia’s role in the region. Prior to Thomson’s visit in January, Canberra wanted to extend British presence in Malaysia and Singapore for as long as possible and planned to keep Australian forces in the region at their present level. In part, this approach allowed for an ongoing Australian commitment through AMDA, but it also related to the US-Australia relationship. Washington privately approved of Canberra’s decision to stay, and Canberra viewed their regional presence as a way to influence US commitments to the security and defense of Southeast Asia. Upon Wilson’s

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formal announcement of British policy changes, Canberra had to reconsider the political and military problems created by accelerated withdrawal on a compressed timeline.\textsuperscript{74}

In addition to questioning how short term planning affected long-term objectives, the Defense Committee called for a careful review of Australian defense policy and strategy – a task that had been underway since Wilson’s July 1967 announcement. The Committee acknowledged that this review should still reflect the present strategy of forward defense, but understood that factors such as the lack of a US commitment to the area could mean changes to the application of the policy and Canberra’s “precise military posture.” In addition to the expected problems, Canberra identified the ongoing Vietnam War, US intentions after its conclusion, and potential US interest in the Indian Ocean after Britain left as uncertainties that required consideration as well. The Defense Committee also deliberated Australia’s present and future commitments in Malaysia and Singapore. Previously, Defense argued that they planned to maintain Australian force presence in the region to ensure stability in Southeast Asia, preserve the SEATO area as Vietnam continued, and encourage US support in the region. The acceleration of withdrawal opened additional opportunities for Canberra. According to the report, Australian military presence could serve as insurance against insurgency. Australian forces also had an opportunity to build Australia’s regional influence by working to build a cooperative relationship between Malaysia and Singapore. Although tension existed between the two nations, their geography created common security concerns. Finally, maintaining a presence in Malaysia and Singapore presented an opportunity to prevent any disruption to the US-Australia relationship. Because Washington considered the

\textsuperscript{74}“Report by Defense Committee,” 24 January 1968, in Ashton et al., \textit{Australian Foreign Policy}, 258-263.
security of Malaysia and Singapore a Commonwealth issue, Australia’s willingness to compensate for British withdrawal by supporting the buildup of local forces created the impression that Australia could function as a strong ally in the Asia-Pacific.\footnote{“Report by Defense Committee,” 24 January 1968, in Ashton et al., \textit{Australian Foreign Policy}, 258-263.}

In light of the changing situation, the Defense Committee recommended that all three Services remain in Malaysia and Singapore at their current operational levels through 1971, as long as Singapore and Malaysia supported the plan and the two nations agreed to take on greater defense responsibilities to support Australian forces. In return, Australian forces would help to develop local defense forces, discourage threats of insurgency, and maintain existing facilities and communication for potential allied use. Although the Defense Committee’s report emphasized the centrality of Malaysia and Singapore in planning, the Committee classified Indonesia as holding a “fundamental place” in Australian policy considerations with a sympathetic, not a suspicious, Indonesia as the goal. After outlining the previous policies, current problems, and policy considerations, the Defense Committee recommended that Australia retain its current force levels in Malaysia and Singapore and encourage friendly relations with Indonesia, while avoiding bilateral arrangements that could overextend Australian resources.\footnote{“Report by Defense Committee,” 24 January 1968, in Ashton et al., \textit{Australian Foreign Policy}, 258-263.}

While various defense-related committees continued to study Australia’s role after British withdrawal, Paul Hasluck and Defense Minister Allen Fairhall prepared their own report titled “Australia’s role in Asian Security” for Cabinet consideration. The note echoed some of the issues addressed in the Defense Committee report while expanding on others in order to identify Australia’s future relationship with its Asian neighbors.
The first important point involved the need to gather information. Prior to Thomson’s arrival in the region, Cabinet authorized a visit by Hasluck to Southeast Asia. After the announcement of accelerated withdrawal, his trip became a reconnaissance mission to determine the best role for Australia in Asia after British forces left. Hasluck planned to travel to Singapore, Kuala Lumpur, and Jakarta at the end of January in order to discuss the changing situation with Australia’s allies and prospective friends. His planned trip, as well as the 5 April SEATO and ANZUS meetings, led departments in Canberra to prepare basic national security policy talking points for the Australian delegation in order to effectively gauge the reaction to Australia’s position.77

In addition to gathering information, Fairhall and Hasluck listed several changes in Asia that they expected to alter the security environment in the future. A weakened SEATO, resulting from French, British, and Pakistani disengagement, and the alliance breakdown of ANZAM topped the list. In terms of security, the Ministers identified a “Communist China with nuclear capacity” as a direct security risk for Japan and India, and they suggested that Malaysia and Singapore consider security within the context of regional cooperation and an association with the United States. Finally, Indonesia’s immediate and future role in Southeast Asia remained a mystery. When considering Australia’s future regional role, Hasluck and Fairhall wrote that the key for Australia would be “to have friendly states in Southeast Asia working with others in their own defense” but admitted that US support and participation would be necessary. In order to achieve these goals, Hasluck and Fairhall argued that Australia’s role had to be “more than nominal.” Although Australia must undertake an active role in the region, Canberra

should choose flexibility over definitive arrangements in an effort to keep their options open after British withdrawal in December 1971.\textsuperscript{78}

The Foreign Affairs and Defense Committee of Cabinet discussed the Defense Committee Report and the note by Hasluck and Fairhall on 25 January. The FAD approved the recommendations for both documents and reiterated Australia’s fundamental problems and objectives moving forward. First, the Committee noted the numerous uncertainties facing planners in the coming years. Uncertainties surrounding the outcome of Vietnam, Indonesian policy, the tenuous relationship between Malaysia and Singapore, future US policy in Asia, and the threat of Chinese aggression after Vietnam required flexibility in order to accommodate each of the possible outcomes. The FAD Committee also highlighted the importance of working with as many countries as possible in the region in order to develop collective security and to achieve Canberra’s fundamental objectives of “stability in Southeast Asia, continued American support, and [the] maintenance of the Australian-American alliance.”\textsuperscript{79} Defense expressed the need to maintain some flexibility moving forward, but the preparation for a new Strategic Basis of Defense Paper that reflected recent changes progressed slowly.

Until the completion of the Strategic Basis of Defense paper, Defense Minister Fairhall assured others in Canberra that the necessary talks and studies were underway to determine the future of Australia’s strategic planning. Fairhall’s defense statement to the House of Representatives on 2 May 1968 previewed some of the specific defense changes that Canberra could anticipate in the forthcoming paper. He identified the

British decision to accelerate withdrawal on a compressed timeline as a “critical
development” that “measurably increased the pressure” on Australia to face anticipated
problems head-on. As a result, the decision affected the shape and application of
Australian defense policy. Fairhall reiterated the point made in previous defense reports
that several unknown factors, such as the situation in Vietnam, the US policy toward Asia
after Vietnam, and the upcoming Five Power Defense Talks, also complicated the
ongoing strategic planning efforts. As a result, Defense needed time to complete the
comprehensive studies necessary to assess the “rapidly changing situation,” and Fairhall
cautioned the House against holding unrealistic expectations for the Strategic Basis of
Defense paper. Fairhall argued that Australia must proceed with its own interests in mind
since “[in] the Defense sense, Australia has now fully come of age.”

In order to accommodate the shift toward the independence Fairhall expressed,
Defense considered a number of topics. First and foremost, the Defense Department
planned to allow the most recent Three-Year Program for defense to expire in June 1969
without replacing it until answers became apparent. In the meantime, the Department
along with the three Services continued to study Australia’s forward defense posture and
its alliances. Although the conversation about Australian strategy fluctuated between the
use of garrison forces, local forces, or mobile forces, Fairhall remained certain about the
ongoing importance of Southeast Asia in Australia’s strategic outlook. Stability and
security continued to be the guiding principles of Australian involvement to the North,

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and Fairhall noted that Australia “shall be guided by our independent judgment of what best serves Australian interest” (original emphasis).\(^81\)

This more independent approach to regional defense concerns involved additional studies about fields in which Australia could increase its involvement. In order to match his rhetoric, Fairhall encouraged the growth of Australian industrial involvement in defense needs. Australian industry, as a whole, had strengthened over the course of three years, and Fairhall wanted that growth to continue. Building facilities to handle highly complex equipment might not be cost-effective, but Australian industry could provide increasing support in meeting equipment, repair, and maintenance needs for Australian forces. Fairhall also saw an opening for increasing Australian involvement in research and development through modern weaponry like Ikara, an Australia-designed anti-submarine missile system, which was already being offered to the US Navy. Australia’s alliance with New Zealand provided a more immediate outlet for industrial growth. Traditionally, New Zealand depended on Britain for logistic support, but British withdrawal opened an opportunity for Canberra to strengthen its relationship with Wellington and for Australian supplies to replace British ones.\(^82\) Fairhall’s defense statement to the House highlighted the importance of Australian industrial growth in pursuing a more independent approach to regional defense. Still, the absence of an updated Strategic Basis paper and the lack of knowledge about US plans after Vietnam left questions about the practical application of the defense independence and flexibility that Fairhall promoted.

Conclusion

The expansion of problems from late 1967 through 1968 placed Canberra in a reactive position, instead of a proactive one. The continuation of the problems faced by Canberra in the wake of Britain’s initial withdrawal announcement and the changing global environment led to the potential revision of Australian strategy. When the initial defense cuts failed to alleviate Britain’s economic situation, London decided to devalue the pound with the goal of generating export-driven growth. Devaluation might have provided an opportunity to strengthen the British economy, but it also forced other countries in the sterling area to decide whether or not to follow. In Australia, the decision to reject devaluation meant that its primary industry likely faced challenges in the future, while competing against countries like Denmark, Ireland, and New Zealand that devalued their currency. The devaluation discussion and questions about how to respond to the domestic impact of these changes also revealed a split between members of the Liberal-Country coalition government with Country members, like party leader John McEwen, pushing for sweeping industry changes to compensate for the losses caused by increased competition. Internal political divisions did not end with devaluation discussions. The process for choosing Harold Holt’s successor revealed the extent of the divisions within the Liberal-Country coalition as well as conflict within the Liberal Party. William McMahon’s ongoing feud with John McEwen, the effects of his divisive personality, and the senior/junior member divide in the Liberal Party placed the coalition government on shaky ground, leaving the door open for a strengthening Labor Party to challenge the government’s position in the future.
While British economic problems contributed to the decision to devalue the pound and led to challenges for Australian industries, the ongoing budget concerns in London also guided a decision that had an even greater impact on Britain’s Asia-Pacific allies. The first round of defense cuts tied to devaluation involved the cancellation of some equipment and programs that were under consideration. The later defense cuts, resulting from a December 1967 review, left Healey with no other option than to change British commitments overseas. The decision to accelerate the withdrawal of forces and compress the timeline for complete withdrawal by four years created a situation in which the Asia-Pacific allies had very little time to respond to the expansion of problems created by these changes. Although Malaysia and Singapore had strong ground forces, both lacked operational navies and Singapore had no Air Force. Additionally, New Zealand depended on British logistic support for its forces in Malaysia and Singapore. Although Australia remained the country best equipped to supplement the loss of British forces and services, the acceleration of withdrawal brought questions about what type of commitment Canberra could provide and what strategy best addressed Australia’s future role in the region. Questions surrounding the outcome of the conflict in Vietnam, the future US role in Asia, Indian Ocean security, and the intentions of Indonesia prevented Canberra from making concrete plans. Although Canberra faced these uncertainties and others, Defense Minister Fairhall acknowledged the importance of Southeast Asia in Australia’s strategic outlook and recognized the opportunity to expand Australian influence in the region by taking a more independent approach to defense considerations. As a result, Canberra committed Australian forces to Singapore and Malaysia through
1971 in an effort to extend influence, prevent insurgency, help train local forces, and maintain allied facilities. As the decade neared its end, Canberra had yet to determine how to approach the question of Australian defense. Decisions between forward defense and continental defense would become more certain once the United States announced its future plans. Until then, Canberra continued to study Australia’s options for the future and waited for answers about the role of the United States in the Asia-Pacific region after the Vietnam War ended.
CHAPTER 3: A STRATEGIC SHIFT, 1968-1969

Although Canberra cautiously accepted the forward defense strategy after Britain’s initial announcement of withdrawal from east of Suez in 1967, the expansion of problems at the end of 1967 and into 1968 proved to be too much. A forward defense posture allowed Canberra to quickly deploy Australian forces from Malaysia and Singapore to Vietnam, but British changes clouded the feasibility of maintaining that posture. With the complete withdrawal of forces accelerated to 1971, decisions about Canberra’s strategic outlook had to be made sooner rather than later. After completing a thorough assessment of the changing environment, the Department of Defense in Australia determined that Canberra should adopt a strategy that reflected the importance of regional support rather than a strategy that risked isolation from regional development. This strategic shift recognized Australia’s need to prioritize independent action in shaping the nation’s strategic outlook in the decade ahead.

After selecting a potential strategy other than forward defense, Australia’s future looked like one of increasing self-reliance, in which Canberra made decisions based on Australian interests while still supporting advantageous alliances. The importance of this move toward independence was confirmed when the new US administration under President Richard Nixon announced the reduction of US military presence in Asia in the form of the Guam Doctrine. Although the Guam Doctrine only called for force reductions rather than complete withdrawal, the decision had the potential to challenge the structure of Australia’s defense alliance with the United States. The decision to shift Australian strategy toward one of ‘continued involvement’ allowed Canberra to maintain
a focus on regional developments and determine how the US promotion of self-reliance in Asia impacted Australian involvement in its area of primary interest.

**The Strategic Basis of Defense**

Changes resulting from the acceleration of withdrawal and the continuation of the conflict in Vietnam called for the reassessment of Australia’s strategic basis of defense. Initially, this process began soon after the July 1967 announcement of staged withdrawal from east of Suez but needed further review after Britain’s decision to accelerate withdrawal.\(^1\) In the months following Wilson’s January announcement, committees in Canberra met to determine the content and direction of the new Strategic Basis paper. The Joint Planning Committee’s March report still identified the forward defense strategy as the most appropriate approach and emphasized the use of alliances and collective security arrangements as a way to encourage stability in Southeast Asia through the containment of communism. Although Canberra planned to rely on its major allies, the report also noted that political and defense policies must encourage non-Western allies to aid in political stability, economic growth, and regional cooperation.\(^2\)

However, when the Defense Committee met in early May to discuss the March JPC report, several members acknowledged that it required amendments to account for important developments among Australia’s major allies. At the meeting, James Plimsoll, Permanent Secretary at the Department of External Affairs, aptly noted that events had overtaken the March report. Although the report emphasized the ongoing importance of

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forward defense, it became clear by May that circumstances dictated the need to consider additional strategic options. Plimsoll placed Fortress Australia, an isolationist approach to defense, at one end of the spectrum and forward defense at the other, but he refrained from advocating a specific strategy. Still, he recognized the need to rewrite the Strategic Basis of Defense paper, not just amend certain parts. Aside from the modifications related to the acceleration of withdrawal, one of the most notable changes occurred with President Johnson’s announcement of de-escalation in Vietnam at the end of March. Uncertainty about Washington’s future policies led Permanent Secretary of Defense Sir Henry Bland to suggest that Canberra might have to rely less on ANZUS as an answer to regional concerns than it had in the past. According to Bland, Canberra thought too much about the United States as a “guardian angel.” With a variety of changes and new concerns brought to light during the Defense Committee’s meeting, a new White Paper draft could be expected by July or August 1968.3

Defense Minister Allen Fairhall submitted the official 1968 Strategic Basis of Australian Defense Policy paper for Cabinet consideration on 22 August. It provided a thorough assessment of Australia’s present strategic situation with special attention given to potential instability to the North.4 Australia’s strategy of forward defense dated back to the immediate post-World War II era and had developed around the idea that a strong and stable Southeast Asia served “as a shield against any Chinese pressure.” Although Great Power alliances with the United States and Great Britain helped Australia build its

3 “Note by Plimsoll,” 10 May 1968, in Ashton et al., Australian Foreign Policy, 272-276.
4 Permanent Secretary of the Cabinet Office, E.J. Bunting remarked about the length of the paper in a note to McEwen: “To read [the new paper on the Defense Policy] from start to finish and take it in is the work of at least a day, and may be a good deal more.” “Bunting to McEwen,” 6 September 1968, in Ashton et al., Australian Foreign Policy, 290.
position in Southeast Asia since the end of World War II, the global environment continued to change and influence the direction of the 1968 review. In addition to British policy changes, Defense listed uncertainties related to US policy after Vietnam, the recession of a communist threat in Southeast Asia, and the increasing strength of Japan as reasons for reviewing Australia’s strategic outlook. In addition to these myriad external changes, internal changes involving the growth of Australia’s national and military capability allowed for larger independent contributions to Southeast Asian security.

Beyond the discussion surrounding the viability of forward defense and the reasons for review, the 1968 Strategic Basis paper outlined the factors shaping Australia’s strategic outlook through the 1980s. The first set of factors involved a discussion about the international and geographic issues influencing Australia’s strategic situation. The international environment facing Australia in 1968 looked a bit different from that of 1967. Although the Cold War conflict between the United States and the Soviet Union continued, détente between the two superpowers and the push for nuclear non-proliferation established some degree of stability on a global scale. In addition to détente, the extension of nationalism on a global scale changed the character of international relations. The Australian Department of Defense described this as a transition from the traditional approach of expanding power through imperialist means to an approach consisting of long-term “management and control of great blocs of power” with greater respect for the integrity of independent nations. Therefore, changes in the international environment enhanced Australian security.\(^5\)

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Geography, specifically Australia’s relative isolation, provided another factor, which shaped Australia’s strategic outlook and provided security. However, Britain’s accelerated withdrawal from east of Suez created a more pronounced concern in 1968 than in 1967 about the security of the surrounding oceans. Australia depended on free passage across the Pacific and Indian Oceans for the bulk of its trade and defense supplies from allies. As a result, Australia had a “permanent interest” in maintaining the security of its approaches and communication lines while preventing other powers, especially hostile ones, from influencing them. British military withdrawal from east of Suez corresponded to the absence of British power in the Indian Ocean, exposing the approaches to Australia and opening the opportunity for external influence in the area. The Strategic Basis paper pegged the Soviet Union as a likely candidate for the expansion of influence into the Indian Ocean in an attempt to strengthen its global position. At the same time, India and South Africa, the two border countries most capable of exerting influence in the region, could only do so on a limited basis. Despite these potential influences, Canberra determined that Britain would likely retain some island territories into the 1970s for use as communications and staging facilities and that the United States had an interest in the security of the Indian Ocean area. As a result, the Anglo-American interest counterbalanced any potential Soviet influence in the region, and Defense deemed Australia’s Indian Ocean territories secure.  

Like the Indian Ocean, the Pacific Ocean also factored into Australian planning because Britain’s Pacific territories could become independent or gain self-government within a decade. As a result, Australia needed to direct additional attention and influence

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to those territories in order to protect the Pacific approaches to Australia. Beyond the
Pacific Islands, the Defense Committee acknowledged that US involvement in the Pacific
ensured that no power “is likely seriously to contest [the US] position.” Still, Canberra
affixed some concern to a Soviet, and possibly Chinese, capability of staging a nuclear
submarine attack via the Indian and Pacific Oceans. Even after identifying low-risk
threats in the Indian and Pacific Oceans, the Committee anticipated that friendly powers
would continue to be the dominant influences in both oceans, contributing “a substantial
measure of security” for Australia’s eastern and western approaches. Australia’s
southern approaches also remained secure as a result of the Antarctic Treaty of 1959,
which prohibited military or defense use in the Southern Ocean and Antarctica and
“stabilized territorial disputes.” After considering the factors contributing to Australia’s
strategic situation, the Strategic Defense paper acknowledged that “the facts of
Australia’s geographical situation…are predominantly favorable to its security.”
Australia’s relative isolation once again provided a degree of security from direct
invasion from the east, west, and south, but areas to the north warranted the greatest
amount of attention for long term strategic planning.7

Australia’s proximity to nations that recently achieved independence left
questions about the degree to which the disparity between population growth and
economic growth contributed to regional instability. Canberra recognized that China’s
militant nationalism played a significant role in the security and stability to Australia’s
north. According to the paper, China’s domestic weaknesses limited its ability to project
power abroad, but subversion and insurgency through “political agitation and

indoctrination, the training of political cadres and military and guerilla training, the establishment of agents, broad instruction on political and insurgency tactics, some supply of armaments, other material and finance and the provision of safe havens” allowed China to extend its influence into Southeast Asia. Outside of China’s potential influence, the Department of Defense assessed the likelihood of an overt threat to mainland Southeast Asia from North Vietnam. Although the North Vietnamese had the capacity to overrun Laos and Cambodia, the regional and international risks attached to such actions made this unlikely. In addition to external influence, internal disputes, including power struggles in newly independent nations, tension from economic and social change, and ethnic, religious, and regional discontent also increased the potential for instability in Southeast Asia.  

Although the Strategic Basis paper recognized the potential for instability in mainland Southeast Asia, Canberra considered the countries of island Southeast Asia, especially Malaysia, Singapore, and Indonesia, as having a more immediate impact on national security due to their proximity to Australia. Canberra grouped Malaysia, Singapore, Indonesia, and the Philippines together and suggested that they had similar problems “integrating their nations because of communal, ethnic, and religious divisions.” In Malaysia, possible border disputes with Thailand, ethnic tension between ethnic Chinese and Malays, and Philippine territorial claims in East Malaysia hampered attempts to create a balanced, stable Malaysia. East Malaysia, consisting of Sarawak and Sabah, posed particular challenges in planning (Map 3). Many communities in East  

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Malaysia disagreed with rule from Kuala Lumpur, but neither Sarawak nor Sabah could survive as an independent nation. Additionally, the development of a communist organization in Sarawak created the potential for localized insurgency with the potential for expansion. In addition to this threat of insurgency, the Philippines disputed the status of Sabah as part of Malaysia, which opened the potential for territorial dispute in the foreseeable future. Australia had a vested interest in stability, and the issues in Malaysia challenged that interest.⁹

Indonesia operated as a wild card for strategic planners, but the Defense Committee acknowledged two important, positive developments. President Suharto’s government placed Indonesia on track to develop economically and politically, and he appeared to support cooperation between Malaysia and Singapore. Still, Canberra questioned whether or not this “subdued role” would continue over the next decade. Concerns also arose over potential harassment by Indonesia along its shared border with Papua New Guinea, an Australian territory.\(^{10}\) Canberra viewed a unified, friendly Indonesia as a “major element of stability in the overall Asian power balance and part of Australia’s strategic shield.” Upon considering the potential issues to the North, Australia’s strategic posture emphasized the importance of projecting Australia’s military presence as an attempt to aid in stabilizing the region as a whole. The Strategic Basis paper’s consideration of the factors influencing Australia’s strategic situation linked geography to Australia’s favorable security outlook, while recognizing that Chinese ambitions and instability in Southeast Asia could disrupt security to the North.\(^{11}\)

While the first section of the 1968 Strategic Basis paper reviewed Australia’s present strategy and reasons for review and the second addressed a variety of factors shaping Australia’s strategic situation, the final section presented potential alternative strategies for developing Australia’s long-term strategic outlook. This final segment

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\(^{10}\) Papua became a British protectorate in 1884 and a colony in 1888, but Australia inherited control of the colony in 1902 with a formal transition of power in 1906. In response to a suggestion by the British Secretary of State that Australia seize German wireless stations during World War I if able to do so, Australia took German New Guinea in 1914. As a former German colony, New Guinea fell under Australian trusteeship in 1919 as a result of the mandate system established by the League of Nations. In 1949, the two territories formally united as the Territory of Papua and New Guinea, and Australia continued to administer the territory. For more information about the relationship between Australia and Papua New Guinea, see W. J. Hudson, ed., *Australia and Papua New Guinea* (Sydney: Sydney University Press, 1971).

included a noticeable difference from the previous year. Whereas the 1967 paper promoted the continuation of forward defense, the 1968 paper called for “further development of Australian strategic thinking beyond the present defense concept” due to the changes impacting Australia’s area of primary strategic interest. In addition to supporting détente and encouraging international stability, Canberra expressed concern over the security of its communication lines and strategic approaches, a strong US position in Southeast Asia and the Pacific, the prevention of external aggression and insurgency in Southeast Asia, and the strengthening of Japan’s interest in Southeast Asian security.12

While many of those strategic interests reflected previously-voiced concerns, the paper included an important statement that contradicted prior assertions and explained the need to re-evaluate the forward defense strategy. The 1968 Strategic Basis paper asserted that Australia no longer faced the threat of a “direct advance of communist power through a weak and fragmented region.” In other words, the lack of a direct threat from China and the growth of Southeast Asian nations improved Australian security. Since the forward defense strategy depended on the idea of an aggressive and expanding communist threat in Asia, this statement transformed the need for upholding the existing postwar strategy. The paper touted the past success of forward defense but reiterated that Australia was “moving into a new era in which the recession of the threat permits and the nature of our strategic problems requires change and adaption of our policies.” The question of what an alternate strategy might look like began to take shape.13

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The Defense Committee pitted the ‘insular strategy’ against the ‘strategy of continued involvement’. The insular strategy, similar to Fortress Australia, called for Australian withdrawal from Southeast Asia once current commitments expired and depended on Australia living and developing “behind the United States’ protecting presence” through the 1970s. The logic behind this strategy centered upon the idea that Australia and its territories faced no direct threat of aggression; therefore, Australia should focus on the development of its resources, industries, and population in order to fulfill long-term national interests. An insular strategy allowed Canberra to offer economic and political aid to Southeast Asia, while avoiding direct military involvement and leaving Southeast Asian defense to Southeast Asian nations. However, far too many external factors shaped Australia’s strategic situation, and the Committee determined that Australia could not afford to become isolated from issues on its doorstep.14

Australia’s Defense Department anticipated that an insular strategy risked Australia’s regional position as well as its ability to influence US policies in the Asia-Pacific region. Instead, Canberra should follow a different strategic concept that called for Australia’s continued involvement in Southeast Asia in order to protect Australian interests, deter aggression, and “maintain the strategic shield.” This ‘strategy of continued involvement’, also labeled the strategy of regional support, related to more than Australia’s defense involvement in the region. It also encouraged Canberra to avoid isolation by accepting the military, political, and economic obligations associated with regional involvement. Australia faced the acceleration of British military withdrawal from Malaysia and Singapore and an expected modification of US involvement in

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Southeast Asia after Vietnam ended. In addition to these external changes, it became increasingly important for Australia “to develop our own initiative and to stand on our own feet to a greater degree than in the past” in an effort to become more independently involved in Asia. The proposed strategy of continued involvement carried more risks and uncertainties than the insular strategy, but Australia could become proactive by strengthening its role in the region through support from the United States and other allies. As Australia’s force commitments in Malaysia and Vietnam approached their end, this strategy also allowed for the flexible deployment of forces based on the situation rather than the fixed deployment of forces under forward defense.\(^{15}\)

Australia’s geographic isolation and the ongoing lack of a direct territorial threat worked in Canberra’s favor during the period of transition between forward defense and the development of the strategy of continued involvement. In order to effectively apply this flexible strategy, Canberra had to consider Australia’s defense capabilities and available resources. Financially, the percentage of the gross national product (GNP) spent on defense steadily rose from 4.1% in 1966/67 to the projection of 4.6% for 1967/68. Great Britain’s anticipated departure from east of Suez increased Australian defense costs, but the Department of Defense proposed to maintain the GNP allocation for defense at 4.5% through the early 1980s. Based on the Treasury’s calculations, the Australian economy could sustain the increasing defense expenditure required to maintain a flexible strategy. Although Australian industries could produce supplies for defense use, a significant cost included the purchase of sophisticated weapons overseas.\(^{16}\)

In addition to defense capability considerations, Australia also recognized the importance of alliances in developing and implementing the strategy of continued involvement. ANZUS continued as the most important alliance in the direct defense of Australia. Even if American involvement in Asia changed after Vietnam ended, a direct threat to Australia still warranted a US response under the treaty. From Canberra’s perspective, ANZUS also provided an outlet for Australia to influence US thinking. Unlike ANZUS, SEATO experienced dwindling support from its members, but Canberra still identified it as a “vehicle for Australian policies for security and stability in mainland Southeast Asia.” Due to Britain’s withdrawal from the region and the likely expiration of AMDA, Australia had to consider a replacement alliance that tied together Commonwealth countries. At the time of the paper’s release in 1968, it was still unclear what that alliance would be, but Canberra expected a new arrangement based on five power consultations to create the framework for Australian involvement in Singapore and Malaysia. Together, the continuation of these treaties and defense arrangements provided a degree of security and support for Australia’s ongoing regional involvement.  

Even though much of the 1968 Strategic Basis of Defense paper focused on Australian planning through military means, security and stability depended on the application of other means as well. In large part, this was due to Australia’s inability to “intervene on a decisive military scale,” which is why the application of the forward defense strategy was structured around Australia’s Western Alliance with the United States and Great Britain. Although the idea of a flexible strategy tied into Australian attempts to develop a more independent approach to defense, its military capacity still

faced practical obstacles such as a limited population and defense capacity. As a result, the Strategic Basis paper noted that only “by the coordination of our strategic policies across the entire defense, political, economic and aid fields will our initiatives avoid wasted effort and give promise of success in preventing the sources of instability developing to a stage where only large scale military effort can contain them.” The strategy of continued involvement must extend beyond military means to accomplish regional stability. Australia’s long-term national interests included economic and military aid for its northern neighbors so they could continue to build their economies and defense forces. In the more immediate sense, Australian forces faced limitations due to existing commitments in Vietnam and for SEATO activities, as well as likely commitments to Malaysia and Singapore under Five Power arrangements.\(^\text{18}\)

Though in its infancy, Australia’s strategy of continued involvement must develop to the point where potential enemies viewed Australia’s independent “strength, military capacity, readiness and resolve to support our policies and defend our interests” as well as strength and support from its allies. Strategic flexibility, equipment compatibility, and force versatility affected Australia’s ability to respond to situations in the region, but the collection of good intelligence would allow Australia to prepare for any changes that might require a response in the first place. In the end, the 1968 Strategic Basis paper admitted that the previously followed forward defense strategy no longer applied to the changing international environment shaping Australia’s strategic situation over the course of the next decade. As a result, Australia must begin to develop a versatile and largely independent defense force that could be available for flexible

deployment to address small-scale threats without allied assistance. This strategic shift toward a strategy of continued involvement through regional support allowed Australia to continue its efforts in creating a secure and stable environment in Southeast Asia, which also created security for Australia and its territories. Even though the Strategic Basis paper addressed many of the challenges posed by the acceleration of withdrawal and introduced a new strategic approach, two important topics required further attention.

**Uncertainties Ahead**

Aside from defining the specific details of Australia’s independent strategic approach, two main questions that emerged from the 1968 Strategic Basis paper centered upon Australian involvement in Singapore and Malaysia and the future policy of the United States toward Asia, especially after Vietnam. The acceleration of withdrawal renewed concerns in Canberra about Australia’s future in and relationship with Malaysia and Singapore. From the outset in 1967, the Asia-Pacific allies agreed that defense cooperation allowed for the greatest chance of regional security. With the date for complete withdrawal moving from the mid-1970s to 1971, Canberra considered the impact of the changes and questioned the future shape and role of Australian forces in Malaysia and Singapore. The FAD determined in its updated 1968 report that Australia must adopt a flexible approach to its presence in Malaysia and Singapore by avoiding any binding commitments to the area. Australian force contributions in the area would

continue at present operational levels with the understanding that the situation could change with approval from the government.\textsuperscript{20}

As the situation evolved, Canberra continued to evaluate and revise its approach toward Malaysia and Singapore. When initial talks about withdrawal commenced in 1967, Canberra repeatedly questioned how British plans impacted Australia’s legal basis for its presence in Malaysia and Singapore through AMDA and how the Commonwealth Strategic Reserve would be affected by withdrawal. The Defense Committee initially supported the application of AMDA in its current form as long as Canberra deemed it acceptable and consistent with Australian interests. However, the acceleration of withdrawal warranted dramatic changes to the existing AMDA arrangement. Australia’s association with Malaysia through AMDA existed as long as the Commonwealth Strategic Reserve remained intact, but Britain’s most recent defense plans led to the dissolution of the Commonwealth Strategic Reserve by December 1971. As a result, Australia’s legal basis for maintaining troops in Malaysia ceased to exist, and the question of Singapore’s association with others through AMDA became a concern since Singapore never signed the agreement. A new arrangement presented the most likely solution because AMDA no longer met Australia’s needs. From Britain’s perspective, a new arrangement would emphasize the importance of a multilateral approach to defense, encourage cooperation between Malaysia and Singapore, and identify the importance of Australia and New Zealand as the principal parties of that agreement. From Canberra’s

\textsuperscript{20} “Implications of UK Withdrawal from Malaysia and Singapore,” January 1968, NAA: A4940, C4626.
perspective, any new agreement must be negotiated quickly to avoid potential problems arising during the transition.\footnote{“Military implications for Australia of the continued operation of Australian forces in Singapore/Malaysia,” 25 March 1968, NAA: A4311, 696, 2.}

Although the creation of a new multilateral agreement to replace AMDA became a significant concern, Canberra also needed to resolve more immediate problems related to the existing command structure and British services. Under AMDA, Australian forces in Malaysia and Singapore answered to a British CINCFE, who took orders from London. Therefore, new arrangements to replace or alter AMDA must reconsider the higher command structure without British involvement, which likely meant a transition from British CINCFE to Australian officers. With the reduction of troops underway and the deadline approaching, it became imperative to create the appropriate command structure so it would be in place upon the termination of AMDA. In addition to military command structure, other administrative issues required reconsideration if Australia acted as a principal party in the new defense arrangements. Under AMDA, British authorities provided a number of services, such as land acquisition, maintenance, claims for compensation, naval support, base and installation access, and communication facilities. Now Australia needed to find a way to address the loss of these services and facilities by considering its own future needs in the area and by negotiating terms of access to facilities with the governments of Malaysia and Singapore. Since the Malaysian Government refused to allow foreign or Commonwealth governments to own a title to land, the Australian government could lease the necessary facilities for a period of thirty
years or negotiate for access to existing facilities. Either way, the end of British presence brought additional expenses for Canberra.

The problems of access to facilities and a change in services led to a reconnaissance mission in February 1968 to determine the impact of Britain’s new withdrawal plans on existing and future Australian involvement in Malaysia and Singapore. The acceleration of withdrawal included a sharp reduction of forces between April and September 1971 with the removal of all remaining forces by 31 December 1971. The initial rundown also included the withdrawal of forces and support from the Australian Army base at Terendak and the RAAF base at Butterworth in Malaysia by 31 March 1970. The Defense Committee identified the changes at Terendak as an urgent matter because Britain planned to begin the removal of its forces in March 1969, which gave Canberra less than one year to prepare for the transition. The Army would be expected to begin supplementing British administrative and logistic organization in 1969, but preparations required the placement of bids on British facilities, equipment, and

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stores.\textsuperscript{24} Although Britain planned to support the RAN through 1971, the Australian Defense Committee prepared the Army and the RAAF to be self-supporting by 1970.\textsuperscript{25}

Despite the challenges posed by command structure changes and the loss of British services, the Defense Committee concluded that it remained in Australia’s best interest to continue its presence in Malaysia and Singapore after British withdrawal. Although the Committee determined that the Malaysia/Singapore area faced no immediate external threats, it identified internal political instability and local communist insurgency as areas of concern. East Malaysia, specifically, faced political problems due to the Philippine claim over Sabah and the potential for Indonesian insurgency in Sarawak. The contrasting security concerns in different parts of Malaysia compelled the Defense Committee to consider fully the parameters of an Australian commitment to the region in an effort to avoid larger conflicts over territorial disputes. Canberra understood that Australia’s military presence served to increase Australian influence in its area of primary interest, help Malaysia and Singapore build their local forces, and to encourage cooperation between Malaysia and Singapore.\textsuperscript{26}

In addition to contributing to regional stability, the Defense Committee viewed the continuation of Australian presence in the area as an opportunity to “influence U.S.

\textsuperscript{24} Changes became especially difficult for the Army as the Vietnam War drew to a close, and it appeared as though the Army would be whittled down after its completion. Jeffrey Grey explained the results of a 1970 report from the Army Review Committee that changed the pattern of army organization in the wake of weaknesses exposed during Vietnam. While the RAN and the RAAF held a bright future in Australian defense, Grey noted that the army faced a “period of uncertainty and relative decline” as Canberra reassessed its role in Australia’s long term defense outlook. Jeffrey Grey, \textit{The Australian Army}, The Australian Centenary History of Defense series, vol. 1 (South Melbourne: Oxford University Press, 2001), 224-225, 228.


\textsuperscript{26} “Defense Committee report of Australian presence in Malaysia and Singapore,” 29 April 1968, NAA: A4311, 696, 2.
domestic thinking in Australia’s favor at a time when U.S. domestic attitudes are tending inwards.” Washington encouraged Canberra to retain a “meaningful presence” in the area and stood to benefit from the Australian maintenance of bases in Malaysia and Singapore, which allowed for quick reentry in the future should a situation call for American assistance. Even with significant benefits related to Australian influence in the region and with its allies, the Defense Committee understood that Australian presence could develop into a greater commitment in the event of insurgency or another conflict with Indonesia. As a result, the Committee adopted a cautious approach to avoid an increase in commitments beyond Australian resources and capabilities. The Defense Committee concluded that, in the immediate future, the advantages of staying in Malaysia and Singapore outweighed the risks of overcommitment because any decisions to withdraw would likely have an adverse effect on US thinking and the attitude of Southeast Asian countries toward Australia.27

Australian objectives to encourage regional stability by maintaining a presence in Malaysia and Singapore required a series of steps and a practical application of forces to achieve those objectives. Canberra needed certain assurances from Kuala Lumpur and Singapore in order to secure a continued presence. First and foremost, Canberra must verify that the governments still welcomed Australian forces. Paul Hasluck’s visit to Malaysia and Singapore in early 1968 confirmed that both governments supported Australian presence beyond 1971 but understood that Australia still had no intention of assuming Britain’s role in the region. Hasluck made it clear that Canberra expected

Kuala Lumpur and Singapore to bear their own share of the defense costs and support Australian forces, to cooperate with each other in defense, and to agree to the use of Australian forces deployed to Malaysia and Singapore for SEATO commitments.²⁸

With support from the governments of Malaysia and Singapore, Canberra had to adjust the role of Australian forces in the area to coincide with the changes brought on by accelerated withdrawal. Australian forces would continue to help Malaysia and Singapore build effective and efficient defense forces by promoting defense cooperation between the two nations, training forces in Australia, and providing supplemental support in necessary areas. Since Singapore had no Air Force or operational Navy and the Malaysian Navy still required help to become operational, RAAF and RAN presence compensated for air defense and security deficiencies created by British withdrawal.²⁹

Although the armies of Malaysia and Singapore remained the most developed of the three services, Australian forces could provide training and support to strengthen air and naval forces while promoting cooperation and interoperability. In addition to training, Australian forces would be expected to share the responsibility of ensuring the accessibility of facilities to allies, including the United States and Britain. Although Australian forces would be deployed in Malaysia and Singapore, the Australian Government retained full control over the right to increase, decrease, or change the level

²⁹ Singapore’s navy was officially established on 5 May 1967 but operated as a volunteer force with two wooden ships. As such, it could not operate as a credible naval force in the area. For a detailed history of Singapore’s navy, see the Republic of Singapore Navy’s commemorative book, Onwards and Upwards: Celebrating 40 Years of the Navy (Singapore: SNP International Publishing, 2007).
of Australian force contributions and commitments. Canberra had a sense of what role Australian forces could play in Malaysia and Singapore after British withdrawal from the region, but changes resulting from the acceleration of withdrawal left Canberra with little time to determine what specific shape its future involvement might take. The Five Power Talks presented an opportunity to discuss the potential options with regional allies.

The acceleration of withdrawal from Malaysia and Singapore hastened the need to hold the Five Power Talks because Britain’s early withdrawal eliminated four years of planning and preparation time for the Asia-Pacific allies. The concept of three, four, or five power defense talks between the Asia-Pacific allies had been discussed in mid-1967 as a way to address the changes brought on by British withdrawal, but it became apparent that a Five Power arrangement between Great Britain, Singapore, Malaysia, Australia, and New Zealand presented the best option moving forward. The first Five Power meeting was scheduled for 10-11 June 1968 in Kuala Lumpur, and it gave all five parties an opportunity to discuss the impending changes to AMDA. The Five Power Talks allowed Canberra to negotiate the terms of Australian presence in Malaysia and Singapore and to gauge British interest in the area beyond 1971 in such fields as training and technical assistance. Although British involvement beyond 1971 no longer involved the presence of regional forces, Canberra wanted clarification about the potential deployment of its European-based forces to the area if necessary.31

Over the course of discussions prior to the Five Power Talks, Australia fell into the leadership position for coordinating defense cooperation. Britain noted the importance of Australia in serving as one of the principal parties in the development of a new arrangement to replace AMDA. Malaysia and Singapore were still building up their defense forces and lacked the ability to provide for their own air defense and naval security along the busy shipping lanes surrounding the area. As a result, both governments continued to look to Australia as a key source of support in the region, especially after British withdrawal. Although Britain identified New Zealand as the other principal party in the new agreement, New Zealand officials informed Canberra that “it would tend to be guided by the decision to be taken by Australia” regarding regional force contributions. Since New Zealand relied wholly on Britain for logistic support, it could not provide for its troops without Australian support. Even the United States, who previously indicated no desire to shoulder British responsibilities in the area, encouraged the Australian government to “take the lead with its Commonwealth partners to work out new security relationships.” Realistically, Australia possessed the capabilities to provide regional support on such a short timeline.  

Still, Canberra hesitated to accept the leadership position. Because the Defense Committee understood the extent of Australia’s limited capabilities and potential commitment to the area, the Australian delegation at the Five Power Talks had to avoid adopting too much responsibility for regional defense. The push for flexibility during the initial meetings followed the pattern promoted throughout the defense establishment in

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Canberra, but the Defense Committee presented an agenda for the progress of the meeting. Ideally, Britain would reveal its position, Malaysia and Singapore would state their general attitudes toward the British position, and the Australian delegation would indicate the limited parameters of Australian presence. If the others supported Australia’s position, the Australian delegation would be allowed to broadly express the ceiling limits for Australian force commitments. The Defense Committee advised that if Malaysia or Singapore proposed additional commitments, the Australian delegation should remind the other powers that external threats to the region had not been identified, Australia’s military presence was still required in Vietnam, and regional defense arrangements would address any threat that might appear. This guarded approach allowed Canberra to achieve the objectives outlined in the 1968 Strategic Basis paper by determining the level of support for Australian presence in the region while retaining flexibility in the shape and level of its commitments.

While Canberra had an idea about how the first Five Power Defense meeting should progress, Defense Minister Fairhall’s report of the meeting clarified some of the questions that Canberra had in determining the future viability of regional security. First, the British contingent indicated that British interest in the region remained after withdrawal and that they would be prepared to offer advisory teams and training personnel in addition to forces made available for general use outside Europe. During the meetings, the Ministers from Malaysia and Singapore agreed to cooperate with one another because “the defense of their two countries was indivisible,” and both

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acknowledged that they would improve their individual defense position while contributing additional support to joint regional defense. The plans expressed by Britain, Malaysia, and Singapore addressed a few key objectives that Canberra wanted to achieve for the meeting, but a couple of points remained inconclusive. First, the five governments agreed to conduct further studies about a possible integrated air defense system (IADS), which would maintain the security of airspace over Malaysia and Singapore and encourage a multilateral approach to defense. Second, questions still surrounded the role of AMDA after 1971. During the talks, the countries decided that the agreement would stand in its current form but understood that it would have to be adapted or replaced after 1971.34

Fairhall noted in his report that the first set of Five Power talks introduced important steps toward cooperative regional defense arrangements and helped Canberra plan for collective defense beyond 1971, but he approached other decisions with caution. Although Britain retained an interest in advising or training forces in the region, the government held no interest in stationing units in the area and could not provide details about the circumstances under which a general purpose force capability might be available. Fairhall remained cautiously optimistic about the declaration of defense cooperation by Malaysia and Singapore but wanted to monitor the progress of accomplishing such cooperation to ensure that it had “practical and real meaning.”

Moving forward, the RAAF would continue to operate at Butterworth and an advisory group would determine Australia’s role in the operational burden of an IADS.35

At the Five Power meeting, representatives from Singapore and Malaysia agreed to cooperate, since geography created common security concerns, but their mutual suspicion challenged their ability to do so. The permanent heads of the Malaysian and Singaporean defense ministries called for an Australian Joint Air Defense Commander as a way to fulfill joint defense needs without placing one government or the other in control of IADS. The request presented an opportunity for Australia to expand its involvement in the region, but Canberra had to consider the international implications of this type of commitment since Australia was still in no position to replace great power support in the region.36 In addition to the RAAF role, Canberra anticipated the ongoing presence of the RAN through 1971. Kuala Lumpur and Singapore supported contributions from the RAN and the Royal New Zealand Navy (RNZN), and the RAN received UK support until late 1971. Fairhall expressed that a continued naval presence provided an opportunity to ensure cooperation between Kuala Lumpur and Singapore, and it allowed Australia to provide security for important shipping lanes.37

The future role of the Australian Army in Malaysia and Singapore remained the most uncertain of the three services with their contribution, shape, and location still undetermined. The presence of the Australian Army had the potential to encourage

active interest in the region by the United States and Great Britain, to aid in the
development of local forces, and to facilitate joint exercise participation. Still, as
expressed on numerous occasions, Canberra approached Army involvement with caution
to avoid becoming embroiled in internal conflict as opposed to external threats. The Five
Power Talks in June might have allowed for an open discussion about the potential
direction for the Australian Services, but uncertainty still prevailed for the period after
1971. Since the Five Power Talks occurred prior to the official release of the 1968
Strategic Basis of Defense Paper, the debate between continental forces versus forward
deployed forces contributed to that uncertainty. With the Strategic Basis Paper
emphasizing the shift away from forward defense toward a strategy of regional
involvement, Canberra could begin defense force planning to accommodate the
developing strategy and the call for a more independent approach to regional defense.
The Five Power Talks provided an immediate outlet for a discussion between
Commonwealth partners about regional security, but Australia’s strongest ally remained
noticeably absent from the talks and brought questions of their own.

The Five Power Talks excluded the United States from formal discussions about
regional security, but Canberra acknowledged the importance of determining the future role
of the United States in Asia. Along with Great Britain, the United States served as one of

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38 Cabinet Minute, Decision No. 543, 19 September 1968, NAA: A5868, 282; Report on Five Power
39 For additional information about AMDA and the Five Power Talks, see Ian Storey, Ralf Emmers, and
Daljit Singh, eds., Five Power Defense Arrangements at Forty (Singapore: Institute of Southeast Asian
Studies, 2011); Ang Cheng Guan, “Malaysia, Singapore, and the Road to the Five Power Defense
Arrangements (FPDA), July 1970-November 1971,” War and Society, Vol. 30 No. 3 (October 2011), 207-
225; Andrea Benvenuti and Moreen Dee, “The Five Power Defense Arrangements and the Reappraisal of
the British and Australian Policy Interests in Southeast Asia, 1970-1975,” Journal of Southeast Asian
Studies, 41.1 (2010), 101-123; and Damon Bristow, “The Five Power Defense Arrangements: Southeast
Australia’s most trusted allies. The British decision to withdraw from east of Suez and to accelerate withdrawal six months later marked a decline in British interest toward Asia. As a result, Canberra leaned more heavily on its alliance with Washington. The United States consistently viewed the defense of Malaysia and Singapore as a Commonwealth issue but recognized their importance in keeping the area stable and secure. As a result, the United States accepted that Australia held an important role in maintaining the security of Southeast Asia in Britain’s absence and actively supported the presence of Australian forces in Malaysia and Singapore as British forces withdrew. Although Australia and New Zealand lacked the capability to fully replace Britain, Secretary of State Dean Rusk argued that defense force support from both countries provided a “valuable stabilizing influence” in the region, augmented existing forces in Malaysia and Singapore, and symbolized “outside concern” for the area. As the Defense Committee expressed in their April report, Australian presence in Malaysia and Singapore provided an opportunity to help Canberra influence Washington and cement the US-Australian relationship, but Canberra also encouraged visible US activity in the region.

One specific way to achieve active US involvement in the region related to the use of the Singapore dockyards by the US Navy as an alternative to facilities in the Philippines and Japan. Rusk noted in a response to Paul Hasluck that Australian and New Zealand forces in the region could ensure that bases stayed “operationally effective.” Based on a conversation with a “senior US Defense Department official,”

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Minister of Defense Fairhall understood that US interest in the use of facilities in Singapore grew, and he explored the Commonwealth response to US interest during the Five Power Talks. He found that Singapore’s Ministers were receptive to the idea but had to discuss the possibility with Swan & Hunter, the British shipbuilding firm managing the commercialization of the dockyards. The Ministers anticipated that the company would accept naval repairs and docking as a priority, and they even suggested a possible arrangement that allowed berthing, storage, and secret repairs of equipment to occur under naval control while Swan & Hunter focused on other repairs. During their discussion, the senior official told Fairhall that the United States preferred Australia to operate the facility that handled sophisticated equipment and that the United States would pay for services rendered based on a fixed agreement. The United States began using the repair facilities at Sembawang on a trial basis and provided S$4-5 million in business during this time. Although Washington avoided force commitments in Malaysia and Singapore, the US Navy’s use of the dockyards in Singapore provided economic support and a subtle reminder of US presence in the region.\(^4^2\)

Washington’s interest in access to Singapore’s naval facilities sounded encouraging, but Fairhall exercised caution once again. The American defense official presented a case for Australia to gain greater US involvement in the region, but Fairhall expressed doubt about how much support the idea had and whether or not the next administration would support the use of facilities in Singapore.\(^4^3\) By early 1969, the answers became apparent. The United States still had an interest in regular use of the


Singapore Naval Base as long as Australia and New Zealand managed a facility at the base after British withdrawal. Although Lee Kuan Yew supported the proposal, which received US presidential sanction, the use of Singapore’s naval facilities by the United States was “being treated as a secret project because of United States public opinion on U.S. involvement in Asian defense activities.” According to the proposal, the USN, RAN, and RNZN would share the cost of operating a joint facility with the USN paying 70% of the cost. Canberra expected to pay 70% of the remaining shared cost with New Zealand. The arrangement not only reduced Australian support costs by A$500,000, but also enhanced US visibility in the region.\(^{44}\)

Canberra emphasized the importance of US interest in Asia, especially after British interest dissipated, but the specific nature of long term US involvement depended on the outcome of the conflict in Vietnam. Australia’s commitment to Vietnam began in 1962 with the deployment of the Australian Army Training Team Vietnam, expanded to include a battalion by 1965, and increased in October 1967 in the wake of Wilson’s announcement of British withdrawal.\(^{45}\) President Johnson’s announcement of a “major unilateral de-escalation” in Vietnam on 31 March 1968 and the peace talks, which began in Paris soon after, indicated the first steps toward the end of the conflict.\(^{46}\) Fairhall best expressed Australia’s position in relation to Vietnam in his Statement on Defense in May 1968, when he suggested that Australia “must watch, both hopefully and carefully, all moves that are made.”\(^{47}\) With little progress made at the talks and the uncertainty

\(^{45}\) From Holt to Johnson, 6 October 1967, NAA: A7854, 1.
surrounding the election year in the United States, definitive strategic planning was left in a holding pattern while attempting to account for the future US role in Asia.

While Canberra waited for concrete answers, strategic planning continued with the presumption that Washington would not “retreat to isolationism” since global interests around the world required US attention. Even though domestic pressure might lead Washington to minimize its overseas forces and possibly withdraw the bulk of its ground forces, Canberra expected the United States to remain a Pacific power, supported by forward bases and infrastructure to uphold this position. Additionally, the United States would retain an interest in Asia since Chinese activities had the potential to disrupt the global balance of power. Still, the specific US position in Southeast Asia, aside from the USN’s use of the Singapore Naval Base, lacked clarity. Defense Minister Fairhall clearly expressed to others in Canberra that “whatever situation ultimately emerges in Vietnam will have a positive and direct bearing on our Defense effort, and the disposition of this country’s Forces. Conceivably, situations could arise which would call for a complete re-appraisal of our strategic situation.”

Although Canberra awaited a definitive answer regarding the outcome of Vietnam and its impact on US policies toward Asia, Defense expected a review of US policies toward Asia when the new administration took office in 1969. The 1968 Strategic Basis paper proposed a strategy of continued involvement and emphasized the importance of flexibility in strategic planning to accommodate the changing international environment, but the inability to resolve two major areas in defense planning – the commitment to Malaysia and Singapore after 1971

and US policies after Vietnam – highlighted just how important flexibility would be for strategic planning over the course of the next decade.

**The Guam Doctrine**

After rejecting the insular strategy due to its unrealistic call for isolation, the Australian Department of Defense promoted the strategy of continued involvement, or regional support. This strategy encouraged active military, political, and economic involvement in a region that remained central to Australia’s own security and allowed flexibility to better address the uncertainties ahead. While the 1968 White Paper marked a shift toward a strategy of continued involvement, this strategic shift left Canberra with the task of defining the strategy. Before doing so, the Department of Defense needed clarification about the US policy toward Asia after the conflict in Vietnam ended. Although the Strategic Basis paper indicated the need for flexibility and a greater ability to act independently, Australia’s relationship with the United States still factored into its defense concerns at the end of the 1960s. Soon after the publication of the 1968 White Paper, Defense Minister Fairhall explained that Australia had to watch and wait to see who won the upcoming election in the United States before making definitive defense plans. Even though Canberra dismissed the idea that Washington would adopt a policy of isolationism after Vietnam, it remained unclear what the policy might be. The de-escalation of fighting in Vietnam and the election of a new US President in 1969 suggested that those questions might be answered before the end of the decade.
Canberra might have been in a holding pattern while waiting for the end of the war in Vietnam, but they had many opportunities at the ministerial level to determine the US position toward Asia and to reinforce the importance of US presence in the region for Australia. As Prime Minister, John Gorton’s first official visit to the United States in May 1968 provided an opportunity for him to gauge the positions of President Johnson, policymakers, and presidential hopefuls regarding their commitment to Asia and the US relationship with Australia. Gorton reminded his US counterparts why Australia placed such importance on the region by stating that “it is here that we, contiguous to Asia – part of the Southeast Asian region – live and breathe and have our present and our future. It is here that we feel that we can best contribute to stability and to progress and to preserving its political freedom which seeks economic freedom as its concomitant. It is here that we can play our part. But we cannot effectively play it alone.”

Gorton anticipated that Australia was destined to become a great power even though it had not yet achieved that status. He noted that over the course of a decade, Australia’s population had grown from 9 to 12 million, its GNP had risen by 80%, and fixed capital investment doubled. He even alluded to the Australian coat of arms, which was flanked by an emu and a kangaroo, as a way to explain Australian advancement since the emu and kangaroo could only walk forward, not backward. Gorton’s lack of subtly in boasting about Australian growth and advancement served two purposes. First, it reminded the United States that Australia served as a strong partner in the region and increased in strength. Second, Gorton’s emphasis on the importance of the US in helping

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Australian progress likely served as an attempt to persuade the United States to remain in the area and encourage similar progress in Southeast Asia.\textsuperscript{53} During Gorton’s visit, President Johnson reassured him that he supported US presence in Asia, not the withdrawal from US commitments. Yet he also noted that it would become increasingly important for Asia to “shape its own destiny” by relying less on the United States. Johnson envisioned that Australia would continue its leadership role in Asia for the foreseeable future in an effort to support Asian growth.\textsuperscript{54}

Although President Johnson made his position about the US-Australia relationship and the US role in Asia known, the end of his presidency led to questions about the policies of the next administration. Gorton communicated with the potential presidential candidates during his May 1968 visit and confirmed that they all supported Johnson’s position of a continuing US interest in Asia.\textsuperscript{55} Upon Richard Nixon’s election as President in 1968, Gorton planned another visit to the United States with similar objectives as his visit with Johnson the previous year. The May 1969 trip offered Gorton the opportunity to remind President Nixon about the importance of the US-Australian relationship and to determine Nixon’s position on US policy toward Asia. On the first objective, Gorton admitted that the discussions left him with “a feeling of a special relationship” between the United States and Australia as they worked toward common objectives. On the second point, Gorton determined that Nixon planned to work to end the conflict in Vietnam, but the specific nature of US policies toward Asia after Vietnam still lacked clarity. Nixon admitted that Australia remained geographically closer to

\textsuperscript{55} Television interview given by Gorton at the Lodge, Canberra, 3 June 1968, NAA: A1209, 1968/8373.
problems in Asia than the United States, and he anticipated that insights from ‘down under’ could help the United States better respond to those problems. In the meantime, Nixon explained to Gorton that the United States planned to remain a Pacific power and “strengthen the forces of freedom and progress in Asia.” Although Nixon claimed to be “Asia-oriented,” the manner in which the United States planned to uphold a continuing role remained unanswered.\(^56\)

On 25 July 1969, President Richard Nixon’s statements during an informal press conference in Guam provided the long-awaited answers and reinforced the importance of Canberra’s decision to pursue independent action as expressed in the Strategic Basis paper. His comments, initially dubbed the ‘Guam Doctrine’ and later the Nixon Doctrine, responded to increasing pressure from Asian countries to define the US role in Asia and the Pacific after Vietnam. Nixon viewed China, North Korea, and North Vietnam as aggressive Asian powers that posed a threat to peace for the next ten to twenty years, but he also understood that Asia as a whole offered the “greatest hope for progress in the world” – a sentiment previously expressed by Australian Prime Minister Holt. Nixon’s recognition of the importance of Asia, both as a threat to peace and as a region experiencing rapid growth, solidified his position that the US should continue to play a significant role in Asia.\(^57\)

While the United States might not fully withdraw from Asia, Nixon acknowledged that the US should limit its role to one of assistance since the regional powers requested less outside interference. Because geography made the US a Pacific

power and Asia abutted the Pacific, Washington’s interest in providing economic and political aid in an effort to support growth in non-communist Asia continued. In response to Press questions, Nixon expanded on his views of US-Asian relations and the expectations after Vietnam with three points. First, the US planned to uphold its treaty commitments. Second, military and internal security issues became the primary responsibility of Asian governments rather than the United States. Finally, collective security with the potential for US support provided a long term solution for regional security. Ultimately, Nixon wanted to avoid any involvement in another situation similar to Vietnam by adjusting US policies to meet the changing environment in Asia. His long-term view of US-Asian relations allowed for proactive policies as opposed to reactive ones.  

Nixon’s Guam Doctrine echoed the sentiments he expressed in a *Foreign Affairs* article two years earlier, titled “Asia after Vietnam.” In the October 1967 article, Nixon argued that the United States must focus on what would happen after Vietnam, especially because non-communist Asia used the shield of Vietnam to grow outside of China’s grip. He anticipated that the United States would hesitate if asked to provide aid to Asian countries in the event of insurrection after leaving Vietnam, thus regional defense pacts would help to prevent actions that might lead to nuclear war. As a result, the countries of Asia would have to address any regional threats collectively before asking for US assistance if the first step failed to diffuse the situation. In other words, Nixon offered US assistance based on collective consultation rather than immediate action. Although many in the United States began looking toward new isolationism in response to

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disillusionment over Vietnam, Nixon encouraged the continued development of a Pacific community with Japan playing an important role. According to Nixon’s conclusions, the United States should remain interested in Asia but show restraint as changes developed.  

Although the Guam Doctrine might not have been offered as an official statement on US policy toward Asia, Canberra understood it as such because of the direct correlation between Nixon’s October article and his statements in Guam. A cable from the Australian Embassy in Washington, D.C., reinforced the decision to accept Nixon’s ‘unquotable Asian policy’ as a “definitive statement of the guidelines for future U.S. policy in Asia.” Officials postulated that Nixon chose to make his comments in Guam, a U.S. Territory, prior to embarking on his Asian tour with the purpose of addressing an American and an Asian audience. A week before Nixon’s tour began, National Security Advisor Henry Kissinger informed Asian leaders that the visit marked a “turning-point” in US-Asian relations, suggesting that the comments might reflect official policies.

The Embassy’s cable also reminded Canberra that Nixon’s stance regarding an increasing role for Asian regional involvement simply reflected a position held by US presidents since Dwight Eisenhower, but it had two new factors. First, the last statements along those lines were made by President Johnson prior to the start of Vietnam. As a result of Vietnam, Nixon’s position emphasized the importance of handling insurgency and subversion in a different way in order to avoid “more Vietnams.” The second ‘new’ factor in US policy toward Asia included the importance Nixon attached to regional cooperation and economic growth where the United States engaged in ‘active

cooperation’ instead of guiding the direction of both. Taken together, these points suggested that Nixon’s informal comments served as an attempt to gauge the regional response to his position before turning unofficial statements into an official policy.\footnote{“President Nixon’s Policy towards Asia,” 29 July 1969, NAA: A5882, CO818.}

Historian T.B. Millar has argued that Australia failed to take the Guam Doctrine seriously and suggested that the government viewed Australia as exempt from the doctrine’s guidelines, but Canberra’s acceptance of the doctrine as official suggests otherwise.\footnote{Millar, \textit{Australia in Peace and War}, 453.} By accepting the Guam Doctrine as a policy statement, Canberra and other governments in the region could begin to assess the implications of the impending changes. In Canberra, the public might have been surprised by Nixon’s Asia policy, but two themes filtered through official channels prior to Nixon’s tour: gradual disengagement from Asia by the United States and increasing self-reliance for Asian nations.\footnote{“President’s Tour of Asia,” 29 July 1969, NAA: A5882, CO818.} In this sense, the doctrine did not lead to a “dramatic shift in the strategic imagination.”\footnote{Anthony Burke, \textit{Fear of Security: Australia’s Invasion Anxiety} (Cambridge University Press, 2008), 127.} Canberra anticipated a change in US policy upon the conclusion of the conflict in Vietnam in the 1968 Strategic Basis paper, which contributed to the strategic shift away from forward defense. Still, serious concerns about the impact of the shifting US policy toward Asia emerged in Canberra. The Guam Doctrine rejected isolationism, reinforced the importance of Asia to the United States, and committed to upholding treaty obligations. Still, it remained unclear how the United States might respond to situations that fell short of treaty obligations or involved a major non-nuclear threat. According to Nixon’s \textit{Foreign Affairs} article, Asian nations could make a ‘collective’ request for US
aid if their ‘collective’ efforts failed to address the threat, but Canberra questioned how
Washington defined the term. Canberra grew concerned about whether or not Japan and
Indonesia would become part of a regional agreement and whether or not the US
expected their participation in the process.  

Australia had a vested interest in the security and stability of Southeast Asia, but
the lack of information about Nixon’s conversations with Asian leaders left Canberra to
rely on information coming from its Washington Embassy. Based on reports received in
Canberra, Nixon’s tour of Asia garnered support from the leaders he visited in the
Philippines, Indonesia, Thailand, South Vietnam, India, and Pakistan. However, the
enthusiasm for some in Southeast Asia was not nearly as strong as suggested in
Washington. When US Senator Mike Mansfield presented his Asia trip report to the
Senate Committee on Foreign Relations, the impact of the Guam Doctrine painted a
slightly different picture by suggesting that some concerns accompanied the support.
Mansfield defined the Guam Doctrine as a “contraction of the official U.S. presence in
Southeast Asia,” and he acknowledged that many Southeast Asian nations anticipated this
shift. Still, he admitted that while most welcomed the transition, they did so cautiously
by discouraging the United States from complete or rapid withdrawal.

Based on his visit, Mansfield outlined how the Guam Doctrine affected Southeast
Asian countries and shed light on the reasons why other countries, like Australia, wanted
more clarification about what this doctrine entailed. The United States had a strong
presence in the Philippines with 30,000 US personnel stationed at Clark Field and Subic

Bay, and the United States Department of Defense was the second largest employer. In addition to a military presence, the United States spent $270 million in the Philippines over the course of a year and American investors were allowed to hold a controlling share in certain companies. The Guam Doctrine failed to address such topics as what would happen to the military bases and whether or not the Laurel-Langley trade agreement, which allowed for preferential tariffs, would be renewed before it expired in 1974.⁶⁷

Although the relationship between the US and the Philippines faced some obstacles, Mansfield suggested that the concepts expressed by Nixon in the Guam Doctrine offered an opportunity for the United States and Cambodia to reestablish relations on a clean slate. For a country like Laos, which continued to receive hundreds of millions of dollars in US assistance, the Guam Doctrine ran counter to the increasing spending patterns of the United States because it created a sense of dependence instead of self-reliance. As such, Mansfield questioned how the new doctrine could be sustained if old aid patterns continued. The lack of an official statement clarifying the ambiguity of the Guam Doctrine, even months after President Nixon’s comments began to circulate, led to speculation about the specific implications of the doctrine for each country. As a result, Mansfield encouraged the Administration to clarify and thoroughly explain the concepts involved in the Guam Doctrine across all US agencies and departments in an effort to minimize the speculation. According to Mansfield, the specific nature of the US position in Southeast Asia became increasingly essential to define due to its relevance “to our national interests, to the interests of the people of Asia and to the peace of the

Clarification of the US position and the gradual withdrawal of troops allowed for an easier transition for Southeast Asian governments to address their future defense needs, which was something that the acceleration of British withdrawal failed to do. As a result, it appeared as though the region would remain stable as Asian governments gradually moved toward the concept of self-reliance promoted in the Guam Doctrine. Although Australia likely remained secure during this transition, questions about the changes still plagued Canberra.

**The Shield of ANZUS**

At the time President Nixon expressed the changing US policy toward Asia in July 1969, the memory of British withdrawal was still fresh in the minds of those in Canberra. Statements about gradual withdrawal and the maintenance of existing treaty relationships accompanied Prime Minister Harold Wilson’s initial announcement of British withdrawal in July 1967. Six months later, the announcement of complete withdrawal by 1971 eliminated the idea of a gradual transition and compromised British involvement in existing regional arrangements such as AMDA. Nixon’s comments in Guam contained similar language to Wilson’s. The United States would gradually reduce its military presence in Asia while upholding existing commitments. Although the 1968 Strategic Basis paper anticipated US policy changes once the situation in Vietnam ended, the memory of British withdrawal contributed to Canberra’s cautious approach to the Guam Doctrine. Australia intended to move toward self-reliance and the independent pursuit of national interests prior to Nixon’s July comments, but the combination of

British withdrawal and US policy changes contributed to what historian Coral Bell described as “diplomatic foot-shuffling.” 69 Canberra planned to accomplish national security objectives under the shield of ANZUS, but it became essential to obtain answers about whether or not that shield would be available in the decade ahead.

Although President Nixon’s comments omitted direct reference to Australia, the regional changes resulting from the Guam Doctrine certainly influenced Canberra’s own regional security outlook. Prime Minister Gorton made it clear in his Ministerial Statement on 25 February 1969, prior to the Guam Doctrine, that Australian security lay firmly in the stability and security of Southeast Asia, which relied on the avoidance of territorial or other disputes, an improved standard of living, and peaceful cooperation. Gorton envisioned that the Australian government would promote stability through diplomacy, economic aid, and trade, but he recognized that Australia could not act alone in promoting security throughout the region. Sustained stability required “a positive, cooperative effort to encourage and assist peaceful change and progress.” Initially, the British decision in January 1968 to accelerate the withdrawal of its troops called into question the stability of the region without the presence of a major power that provided the backbone of forces in the region for some time. At the time, Gorton explained that Australia would not turn its back on its neighbors because the “security, stability and progress for the other nations in the region must also contribute to the security of Australia.” Due to this understanding, Gorton chose to keep Australian troops in Malaysia and Singapore because the visible presence allowed for a faster response to any

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69 Bell, Dependent Ally, 87-88. Ward, Australia and the British Embrace, 251-252.
disputes or insurgency in the region.\textsuperscript{70} The same sentiment could be applied after Nixon’s comments at Guam five months later. The United States did not intend to completely withdraw from the area like Great Britain, but the contraction of US power in Asia had the potential to create regional instability.

Although direct US military presence in Southeast Asia declined, Canberra received reassurance in words and actions that the United States planned to fulfill its obligations as a Pacific power. Nixon’s initial comments at Guam emphasized the need for the United States to engage in long-term thinking, and he predicted that the greatest threat to peace in the next decade or two would be in the Pacific. Since the US had states and territories bordering or surrounded by the Pacific Ocean, as well as bases overseas to support US presence, President Nixon recognized that geography made the United States a Pacific power. Therefore, withdrawal from the area was not an option.\textsuperscript{71}

Vice-President Spiro Agnew’s visit to the Asia-Pacific region in January 1970 reassured the governments, who were not on Nixon’s initial Asian tour, of US support and echoed the statements Nixon made in Guam about long-term US interests. Upon his arrival in Canberra on 13 January, Agnew reinforced Nixon’s assurance that the US would not withdraw from the Asia-Pacific or abandon its treaty commitments. He viewed Australian aid in the region and support for Malaysia and Singapore beyond 1971 as examples of common interests between the United States and Australia. Still, he

\textsuperscript{70} Gorton provided a specific list detailing Australia’s commitment. It included two squadron of Mirages, or forty-two aircraft in total, at Butterworth in Malaysia with eight aircraft stationed at Tengah in Singapore. Australia and New Zealand contributed one naval ship each to the area for protection and training, as well as two total battalions of ground troops based at Singapore with one company in rotation in Malaysia at Butterworth.

advised that the “1970s will not be an easy period. But it will be a period of challenge and opportunity.” Agnew expected long-term cooperation between all nations linked by the Pacific Ocean, including the United States.72

Senator Mansfield also confirmed this position to the Senate Committee on Foreign Relations after considering Nixon’s declaration within the context of his visit to Asia. Mansfield identified the United States as “Pacific Power” with an ongoing interest in the Western Pacific and Asia. As such, the United States would lend “a concerned and understanding ear” to Pacific-related matters. Unlike Nixon’s comments, Mansfield’s statements provided some explanation about how the US would stay involved in the Asia-Pacific region. He identified Indonesia as a strong potential recipient of aid from the United States. With Indonesia under Suharto’s leadership, the United States provided food aid and $6 million per year in military assistance. Although the military assistance excluded sophisticated equipment, the US advisory group in charge of administering support assisted in training Indonesian officers to help strengthen their defense efforts. US loans, provided through a multilateral group, also allowed the US to still encourage self-reliance along the lines of the Guam Doctrine without acting as the primary power responsible for development. Although US assistance in Indonesia included a variety of investments and other economic aid, US involvement did not exclude military presence in the Asia-Pacific. The United States still had a sizable defense presence in the Philippines, with Clark Field and Subic Bay among the largest global US defense

holdings. These facilities provided tangible evidence of the US commitment toward remaining a Pacific power.\textsuperscript{73}

Marshall Green, Assistant Secretary of State for East Asian and Pacific Affairs, wrote a paper about the continuation of the US as a Pacific power and provided further explanation about the Guam Doctrine. This paper incorporated statements made by President Nixon and Secretary of State William Rogers during their trips to East Asia. Green stated emphatically that the “U.S. is a Pacific Power and will remain so.” Along with arrangements such as SEATO and ANZUS, the United States participated in bilateral arrangements with Korea, Taiwan, the Philippines, and Japan. All of these arrangements called for the continuation of US presence in Asia, but the degree of involvement depended “upon the extent to which countries of the area maximize self-help measures in cooperation with their neighbors.” Therefore, economic improvement in places like Taiwan, Hong Kong, Singapore, Malaysia, and Indonesia signaled positive development, which could lead to assistance from the United States to sustain this growth. Evidence of improvement provided access to US support as a reward for moving toward self-reliance.\textsuperscript{74}

The Guam Doctrine gave the impression of being a ‘new approach’ that allowed the United States to achieve “greater flexibility.” Therefore, at the same time that Canberra wanted to increase Australia’s profile in the region as an example of greater flexibility, Washington moved to decrease US visibility in an effort to achieve the same objective. Changes in Asia and the influence of US public opinion at home informed US

\textsuperscript{73} “The President’s New Asia Doctrine,” 22 September 1969, NAA: A5882, CO818.

\textsuperscript{74} “U.S. Policy in East Asia,” 8 October 1969, NAA: A5882, CO818.
defense policy toward Asia, but the contraction of power still allowed for involvement in the region. Green understood that “[peace] in Asia is a precondition to peace in the world. Peace in Asia cannot result primarily from American conceptions, but has to involve Asian institutions and structure developed by Asians.” Geography, treaty commitments, and ongoing aid in Southeast Asia reinforced official statements that the United States would remain a Pacific power with an interest in the Asia-Pacific region. While this answered one of the questions about the impact of the Guam Doctrine, it still did not explain what effect the changing US policies had on Australia’s fundamental security relationship with the United States.

President Nixon highlighted the importance of the United States providing a shield in the event of a nuclear threat to a US ally “whose survival we consider vital to our security” as one of the three guiding principles of the Guam Doctrine, but the shield of ANZUS remained a priority in Canberra. Australian newspaper snippets collected in the weeks after Nixon’s Guam comments revealed some of the concerns relating to the ANZUS treaty. In an 8 August 1969 *Sydney Morning Herald* article, the author argued that “the whole security system of which the ANZUS Treaty was designed to be a part has been thrown into doubt by the uncertainties clouding America’s Asian and Pacific policies.” The lack of clarity about how the Guam Doctrine would be applied through Asia left many questioning the value of the existing ANZUS treaty, but not all of the reactions supported clarification. A writer for the *Melbourne Age* argued that the ambiguous language used in the ANZUS Treaty allowed for its adaptability to a variety

77 United States obligations under ANZUS, 8 August 1969, NAA: A1945, 16/2/2.
of situations. In an article from *The Australian*, the writer suggested that Australia would be better served by focusing on Australian interests instead of waiting for further clarification from an American President about the role of ANZUS. By accepting that ANZUS served as “Australia’s ultimate guarantee of security against direct attack,” Canberra could work to become more independent by allowing the Australian outlook to be guided by independent decisions not US influence.\(^78\) Reactions about the impact of the Guam Doctrine varied, but the value of ANZUS remained. Australia might be able to act with greater independence in the region, but it could not act alone in the event of a global conflict or a large-scale direct attack on the nation.

Canberra acknowledged the importance of the US-Australian defense relationship in the wake of British withdrawal from the region. When Prime Minister Gorton visited the United States in 1968, he explained that “we, who for two centuries were shielded by the British Navy, have as our major shield the ANZUS pact.” According to this perspective, the security provided by the United States through ANZUS allowed Australia the time and money necessary to build the nation’s strength based on long-term interests, since the money that would be allocated for defense could be diverted to other areas of development. Behind the shield of ANZUS, Australia could realize its full potential as a strong regional power and ally.\(^79\) One year later during his May 1969 visit with President Nixon, Gorton reiterated the importance of ANZUS as “the strongest guarantee” of Australian security against a direct attack. Nixon confirmed the importance of the US relationship with Australia through ANZUS. Since its

\(^{78}\) United States obligations under ANZUS, 7-8 August, NAA: A1945, 16/2/2.

establishment in 1951, the treaty guaranteed that in the event of an attack, Australia, New Zealand, and the United States would not “stand alone in the Pacific area.” When President Nixon commented on US policy changes in Guam, he noted that one of the three guiding principles included the fulfillment of existing US treaty commitments, which included ANZUS. However, a strict interpretation of the Guam Doctrine could leave Australian forces with escalating responsibilities in Malaysia and Singapore without access to US aid or assistance through the ANZUS treaty. The Guam Doctrine emphasized the importance of self-reliance with little US military intervention, which meant that the application and interpretation of the Guam Doctrine might require clarification based on changes in US policy toward Asia.

Despite the uncertainty surrounding the impact of the Guam Doctrine on the US-Australian relationship, ANZUS provided the “best shield” for Australian security. It became increasingly important for Canberra to be aware that Australia’s relationship with the United States must not be taken for granted since British withdrawal from east of Suez left Australia “more isolated than ever on the edge of Asia.” Keith Waller, the Australian Ambassador in Washington, admitted that it was too soon to understand the full impact of the Guam Doctrine, but he acknowledged that the policy changes “[signify] that henceforth existing United States treaty commitments in the Pacific will be read more carefully and interpreted more strictly than before.” He encouraged Canberra to remember that ANZUS called for Australia and New Zealand to assist the United States

just as they expected the United States to assist them in times of need. As a great power, the United States offered many benefits to a medium power like Australia, but Bruce Grant, foreign correspondent for the Melbourne Age, observed that “Australia, strategically placed between the Indian and Pacific Oceans, with a proven interest in the security of Southeast Asia, must look good to American strategists.” The ANZUS treaty originally applied to the Pacific area. Since the United States planned to continue as a Pacific power despite a contraction of military presence in Asia, the existing application of ANZUS to the Pacific area would likely continue uninterrupted. Yet British withdrawal from east of Suez led Canberra to wonder if the geography covered by ANZUS could be expanded to include other post-withdrawal areas of concern, such as the Indian Ocean.

Australia’s west coast provided an opportunity for Australia to attract US interest and continued involvement in the Asia-Pacific region. For Canberra, the withdrawal of British presence east of Suez corresponded to the lack of British presence in the Indian Ocean, a concern made clear in successive Strategic Basis papers. Australia’s 3,000 mile Indian Ocean coastline required protection that Australia did not have to fulfill prior to British withdrawal, but vital interests in the area called for the expansion of protection along the coast. Nearly 45% of Australia’s total exports and imports were transported across the Indian Ocean. The movement of existing goods along with the increase in iron ore trade with Japan and the movement of oil from Barrow Island in Western Australia to southern refineries reinforced the importance of protecting Australia’s western

85 Bruce Grant, “Keeping ANZUS in perspective,” Melbourne Age, 13 May 1969, NAA: A1945, 16/2/2.
approaches. As a result, Canberra might have to consider building a west coast naval base, which would allow for the flexibility to act independently in the Indian Ocean as Britain withdrew its forces.\textsuperscript{86}

A naval base in Western Australia could also attract the United States in addition to meeting the objectives of increasing Australian independence laid out in the 1968 Strategic Basis paper. A partnership between the United States and Australia already existed in Western Australia at the North West Cape, so the expansion of the ANZUS geographical area to the Indian Ocean would not be unprecedented. Although initially used when the Royal Navy patrolled the Indian Ocean, the Harold E. Holt Naval Communications Station opened to the United States in September 1967. The station originally operated as a very low frequency (VLF) communications station, which allowed for long range communication with American submarines in the Indian and Pacific Oceans, but the joint use of the base provided the United States with a strategic location to extend its global reach.\textsuperscript{87}

An allied naval base in Western Australia presented a similar opportunity for the United States and included benefits for both parties, which was in the spirit of ANZUS as Waller described it. For Australia, a west coast naval base marked a move toward self-reliance and independent action since the base would allow for security along the coast, but it also provided incentive for ongoing US presence in the area at a time when the Guam Doctrine pushed for decreasing military presence. Australia’s limited resources meant that Canberra needed Washington to “fill at least some of the Indian Ocean

\textsuperscript{86} \textit{The Canberra Times}, “Looking to the West,” 24 July 1969, NAA: A1945, 16/2/2.
vacuum created by Britain’s withdrawal.” Access to a base in Western Australia presented the United States with a less expensive way to operate in the Indian Ocean at a time when Soviet activity began to increase.\(^88\) The North West Cape and a potential west coast naval base reached beyond the original parameters of ANZUS, but by expanding the geographic reach of ANZUS beyond the Pacific, Australia could extend the shield of ANZUS to an area of vital interest.

Although the Indian Ocean issue was a concern in Canberra, a more immediate concern about the impact of the Guam Doctrine on ANZUS related to Australian involvement in Malaysia and Singapore. By the time Nixon announced the Guam Doctrine, Prime Minister Gorton already had committed Australian forces to Malaysia and Singapore beyond the 1971 British withdrawal date. Since Washington considered Malaysia and Singapore a ‘Commonwealth’ issue, they supported Gorton’s decision. Still, with that ongoing force commitment to Malaysia and Singapore, the possibility existed for Australia to be drawn into internal conflicts from which they could not easily extricate their forces. Canberra approached its physical presence in Southeast Asia with caution because Australia had limited resources, and the government wanted to avoid situations where Australia would end up committed beyond its capability.\(^89\)

In the event such a situation occurred and Australian troops in the area fell under attack, Canberra wanted to understand whether or not the ANZUS treaty applied. Based on previous discussions and agreements, ANZUS only required “consultation in the event of a threat” not an automatic guarantee of a joint defense response in the event of an


\(^{89}\) “Significance of the ANZUS Treaty,” no date, NAA: A1945, 16/2/2.
attack. Over time, Australia understood that an overt attack by any country on Australia or its territories brought ANZUS into effect. However, the greatest threat to Australian forces in Malaysia and Singapore – subversion and insurgency – were not expressly addressed by the treaty. According to the October 1963 Kennedy/Barwick understanding, Australian troops under attack in Malaysia would bring ANZUS into effect, but the United States only agreed to consultations not immediate involvement. At the time, Washington wanted Canberra to consult with the United States before agreeing to take on commitments that could result in the application of ANZUS. By the late 1960s, Washington only committed to consultations in the event of attack without specifying whether or not ANZUS applied to ANZ troops in Malaysia and Singapore.90

At the ANZUS Council meeting on 8 August 1969, representatives from the three countries discussed the changing situation and the application of ANZUS. Although the meeting discussed such topics as the peace talks in Vietnam and the upcoming strategic arms talks between the United States and the Soviet Union, part of the conversation related to Malaysia and Singapore. Secretary of State Rogers echoed previous official statements in support of the ANZ commitment to Malaysia and Singapore, calling it a practical contribution that added to “the general stability and security of the area.” All three ANZUS members reaffirmed the importance of the ANZUS treaty in support of cooperation, mutual understanding, and a “common determination” to “strengthen the peace and prosperity of the Pacific area.”91 Although Canberra wanted to understand whether or not ANZUS applied to Malaysia and Singapore, Minister for External Affairs

90 “Significance of the ANZUS Treaty,” no date, NAA: A1945, 16/2/2.
Gordon Freeth clarified that Australia wanted to avoid a precise definition “since we felt that if the United States was asked to commit itself too far in advance the answer would very probably be no.” Secretary of State Rogers avoided a direct response regarding hypothetical situations and suggested that the United States would consider situations as they happened. Rogers refused to stray from the existing structure of ANZUS. A direct attack on an ANZUS member warranted consultation not direct action.92

Malcolm Fraser, who became Defense Minister in October 1969, supported this refusal to address hypothetical situations. From his perspective, the ANZUS treaty acted as a statement of intent. According to Fraser, the United States had a global role to fulfill and the ANZUS members shared common goals, which left little doubt about the willingness of the ANZUS members to uphold the treaty. The treaty still served as the foundation for Australian defense after eighteen years, despite significant regional changes, precisely because it did not define the specific circumstances that required a definitive response. Fraser argued that “any Government must reserve for itself, the ultimate responsibility of making the decision to move in support of a treaty partner.” The United States adopted ANZUS according to these standards, as did Australia. Therefore, the expectation would be that the United States and Australia responded to any threats within the existing structure of ANZUS.93

While Fraser spoke with more authority on the matter than many of his predecessors, the full implications of the Guam Doctrine had not become apparent. As a

93 Transcript of Interview between Mr. Tony Charlton and the Hon. Malcolm Fraser,” 2 December 1969, NAA: A1838, TS686/1/1 PART 2.
result, Canberra had to approach its defense outlook with caution, but reassurances from Washington and the continuation of US aid to Southeast Asia suggested that Australia could count on the United States to follow a different path than Great Britain. The adoption of a ‘strategy of continued involvement’ in the 1968 Strategic Basis paper opened the opportunity to develop a flexible, independent approach to regional support. Canberra’s questions about the impact of the Guam Doctrine on ANZUS did not run counter to that objective. In the past, ANZUS provided a shield behind which Australia could develop, but the apparent shift in US policy toward Asia had the potential to remove that shield. In order to achieve the objectives set out in the 1968 Strategic Basis paper, Canberra needed to fully understand the long-term interests of its strongest ally and the impact US policy changes had on Australia’s most important defense treaty.

Conclusion

Prime Minister Wilson’s 1968 announcement of accelerated withdrawal led Canberra to lean more heavily on its relationship with the United States, even though the US position in Asia after Vietnam remained unclear. With negotiations underway to end the conflict in Vietnam, it became increasingly important for Canberra to identify how Australia would approach the decade ahead. In response to global changes, the 1968 Strategic Basis paper rejected the ‘insular strategy’ because it isolated Australia from

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regional developments and accepted a strategic approach characterized by flexibility, regional support, and greater independence. This decision marked a strategic shift away from the post-World War II strategy of forward defense toward the strategy of ‘continued involvement.’ Canberra understood that Australia’s strategic outlook must remain flexible in order to accommodate the changing global environment in the decade ahead. Changes in the US policy toward Asia reinforced the importance of developing a new strategic approach based on flexibility and the independent ability to act according to Australian interests.

The Guam Doctrine promoted the concept of self-reliance in Asia, according to which nations relied on their own systems of defense for security and only appealed to the United States for military support in a situation beyond their capacity. The Department of Defense in Canberra recognized the need to create a more independent approach to defense in order to meet Australia’s individual needs in 1968. In that sense, Australia had begun the shift toward self-reliance before Nixon’s July 1969 comments became the Guam Doctrine. Still, the reduction of US forces in Asia introduced important questions in Canberra about the impact of this policy change on Australian interests. With assurances that the United States intended to remain a Pacific power and fulfill its commitment through ANZUS, Canberra could refocus its attention on the development of the strategy of continued involvement as the new decade began. Facing the loss of its traditional allies and the power vacuum it created, the defense organization in Australia began to weigh the advantages and disadvantages of overseas commitments versus continental defense.

By the start of the 1970s, the picture of the relationship between Australia and its traditional allies had come into focus more than it had a few years earlier. Britain had unveiled its intention to withdraw military forces from east of the Suez Canal while refocusing attention on Europe. The United States, through the Guam Doctrine, clarified its own position toward Asia by emphasizing self-reliance and a contraction of US power in Asia. Britain’s decision resulted from economic problems, which influenced political and military decisions in Southeast Asia. For the United States, the public outcry resulting from Vietnam created an environment in which the US could no longer serve as the primary guarantor of security in mainland Asia. Both plans were revealed in the later part of the 1960s, and both posed challenges for Australia’s strategic outlook.

The lack of a visible presence by traditional allies left Australia, which was surrounded by Asian nations that did not share a common heritage, as only one of two Western nations in the Asia-Pacific region for the first time since colonization. Even though the relationship changed over the years, Australia had cooperated with Great Britain in defense since the establishment of the first colony in New South Wales in 1788. The United States offered critical defense support for Australia during World War II, and the relationship continued to develop after the war. After the announcement of British withdrawal, Canberra leaned more heavily on the United States, but the Guam

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1 The idea of characterizing this period as one of challenges and opportunities originated from Vice-President Agnew’s visit to Australia in January 1970 when he commented that the 1970s “will not be an easy period. But it will be a period of challenge and opportunity.” “Vice President’s Visit,” 13 January 1970, NAA: A5882, CO818.
Doctrine suggested that Australia would also be without the immediate presence of its strongest ally in the Asia-Pacific region. The 1970s might have begun with more clarity in terms of Australia’s traditional allies and their attitudes toward Asia, but these significant changes also corresponded to a period of transition for Australia. It was during this transitional period in the first half of the decade that Canberra had an opportunity to develop the plan outlined in the 1968 Strategic Basis paper regarding greater independence to act in Australia’s best interest and the flexibility to pursue a strategy of continued involvement.

**Multipolarity and the Global Balance**

The 1968 Strategic Basis paper included Canberra’s dismissal of an insular strategy in favor of strategy of continued involvement. This approach emphasized flexibility and regional support, but Canberra recognized a correlation between Australian security, the regional situation, and the international environment. At the time of the 1968 paper, written prior to the announcement of the Guam Doctrine, the global strategic situation rested on the maintenance of détente between the United States and the Soviet Union, two superpowers who were ideologically opposed to one another. The 1970s introduced movement away from this bipolar system toward ‘multipolarity,’ or a “complex and constantly evolving web of international relationships between great and medium powers.”

The strategic situation now required a global balance among the United States, the Soviet Union, China, and Japan. It was in this environment that

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2 “International developments and their implications for Australia up to 1980,” no date, A1838, 683/70/1 Part 3.
Canberra began to determine, define, and develop Australian national interests, independent of traditional Great Power allies.

The US position toward Asia, announced through the Guam Doctrine, brought some answers as well as uncertainty to Australia and Southeast Asia, but the reduction of US military presence was not the only international change that impacted Australia’s strategic situation. Canberra identified the 1970s as a transitional period, but the apparent end of the bipolar system allowed medium powers, like Australia, opportunities to pursue national interests with greater independence. The accelerated withdrawal of British forces east of Suez, paired with the contraction of US presence in Asia, meant that Canberra faced a new decade full of political, diplomatic, and strategic changes under unfamiliar circumstances. Canberra had to reassess its traditional relationships and determine what impact any changes might have on Australian interests. At the start of the 1970s, the National Intelligence Committee (NIC), formerly the Joint Intelligence Committee, assessed the impact of international developments on Australia and examined the role Australia’s traditional allies would play in Asia over the next decade.\(^3\) These studies helped Canberra identify what those national interests would be in the short and long term.

Based on the British defense reviews of the late 1960s, which called for complete withdrawal from east of Suez by 1971, Canberra expected the British role in Asia to continue to decline over the course of the 1970s. Across party lines in London, Europe

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\(^3\) This name change resulted from the centralization of intelligence under the Joint Intelligence Organization. Elements from the Departments of External Affairs (now Foreign Affairs) and Defense along with others became responsible for collating and assessing intelligence rather than collecting it. The NIC answered directly to the Defense Committee. For more about these reforms, see Andrews, *The Department of Defense*, 186-187.
remained a higher priority than Asia. In the NIC’s assessment of Britain’s role in Asia up to 1980, the committee found that Australia could expect both positive and negative changes. In June 1970, a Conservative victory in Great Britain brought a change of party and a new Prime Minister, Edward Heath. With the memory of many Conservatives in London rallying for Britain to retain a global role rather than withdraw from east of Suez, it was possible to imagine a continued British presence in the region beyond the 1971 deadline. Prime Minister Heath explained, “[we] are matching our aspirations to our abilities, and our responsibilities to our resources.” However, Canberra recognized that the Conservative position looked much like Labour’s with Europe as the primary focus of political, economic, and military attention.⁴

Even though it had been denied entry to the EEC in the 1960s, London continued to push for British entry into the EEC as a way to align British needs with the long-term benefits of being associated with Europe. The NIC understood that entry into the EEC would bring Britain a 4-5% economic growth rate, which would help to alleviate some of the economic pressures that had been building since the end of World War II. Still, the Committee expected a decline in British trade with Asia over the course of the decade due to its anticipated entry in the EEC. Even without entry, British trade with Asia steadily declined over time. In 1955, Asia had received 11.3% of total British trade, followed by 10.9% in 1960, and 7.5% in 1969. The outlook was not completely bleak for the Asia-Pacific, however. Although British markets might change, economic links still existed and would continue to exist in the event Britain joined the EEC. Industrialized

nations like Japan and Australia could benefit from the modernization of basic industries and a wider European market for advanced technology industries. The NIC concluded that British economic interests in the region continued despite the general decline in British trade in Asia.\(^5\)

British realignment toward Europe also included a defense component. Militarily, membership in the EEC corresponded to a greater emphasis on NATO force contributions in Europe, including naval activity in the Mediterranean, but British military presence in the Asia-Pacific would continue into the 1970s. The Conservative government was unwilling to completely withdraw military support from Southeast Asia on the same timeline as its Labour predecessors.\(^6\) Even though the primary defense focus turned toward Europe, Heath’s government intended to retain a strategic presence in the Indian Ocean. In addition to the British Indian Ocean Territory (BIOT), Britain maintained a staging point in Gan (Maldives) and a communication facility in Mauritius, with construction projects underway that included an international airfield in Seychelles and a shared communication facility in the BIOT. In addition to British presence in the Indian Ocean, ongoing presence in Southeast Asia included air and naval support in Singapore, minimal force commitments in Malaysia and Singapore through the Five Power Defense Arrangements, and a Gurkha battalion responsible for the preservation of security in a self-governing Brunei. In addition to ongoing presence in the Indian Ocean and Southeast Asia, Britain also retained responsibility for the internal and external

security of the New Hebrides, the Solomon Islands, and the Gilbert and Ellice Islands in the Southwest Pacific. Despite these ongoing, though minimal, commitments east of Suez, the NIC suspected that British economic aid in Asia would surpass its military presence as the decade progressed.\(^7\) Whether political, military, or economic, Britain’s Europe over Asia even after the Conservative Party victory in 1970, but this did not correspond to a complete dismissal of Asia during the first half of the decade.

A combination of factors suggested that Britain would retain at least a minimal interest in Asia up to 1980, but the reduced role offered some important opportunities for Canberra. While Britain focused its attention on entry into the EEC, Australia would be able to express its national interests and identity as being separate from Great Britain. With increasing pressure to move toward self-reliance, less direct involvement from Britain allowed Australia to follow those interests and increase Australia’s profile in the region in order to fulfill the strategy of continued involvement. The NIC viewed intelligence as one field in which Australia could exert its influence. In the case of Great Britain, the closure of deputy high commissions in Sarawak and Sabah, as well as the British request for Australia to “take the lead in intelligence arrangements in Singapore,” presented an opportunity to extend Australia’s reach.\(^8\) With the European tilt toward Europe, Australian interests would diverge even more than they had, and the NIC recognized that “British policy in Asia is likely to be of greater irrelevance in determining Australian policy.” The commitment of Australian forces no longer served as an attempt

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to encourage US or British presence because neither traditional ally intended to rebuild its previous presence again.  

The role of the United States also fell under NIC consideration at the beginning of the 1970s. The US position at the end of the 1960s was different from Britain’s. Whereas Britain wanted to withdraw completely from the region east of the Suez Canal, US policy focused on the contraction of power, not complete withdrawal. Thus, Canberra could expect the continuation of US interest in the region throughout the 1970s, but this did not mean that the decade would continue without some changes. According to the Committee’s assessment, the Guam Doctrine marked a shift in the US approach toward foreign policy and would dominate US attitudes toward Asia for the next decade. As a result of the situation in Vietnam, public opinion became increasingly important in the application of foreign policy objectives, which contributed to Canberra’s expectation that the US would limit its role overseas.  

The first step toward a reduced role in Asia involved the reduction of US forces. In 1970, the United States announced a drawdown of forces in Vietnam, South Korea (20,000), Thailand (16,800), Japan (12,000 + 5,000 from Okinawa), and the Philippines (9,000). In addition to force withdrawals, the NIC anticipated that the US would rely on its overseas bases in Japan and the Philippines during the 1970s, but the US could look to Japan and Australia to help ease the financial burden of maintaining those facilities. Looking ahead, the NIC predicted that the US would continue to view Malaysia and Singapore as a Commonwealth responsibility, while focusing on its Pacific presence in

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Guam and Hawaii and the potential for defense installations in Micronesia. In addition to moving US forces back to the bases and facilities on US territory, the NIC also expected that treaties such as SEATO would gradually disappear and that the interpretation of others, like ANZUS, would narrow to avoid committing US forces to a combat role in Asia.

Although defense matters formed the basis of the NIC’s consideration, they identified the difficulties imposed on US actions by the prohibitive domestic situation in the United States. The Australian Embassy confirmed that it was becoming increasingly difficult for the Nixon Administration to pass programs related to development due to the general lack of support from the public and Congress. The Nixon (formerly Guam) Doctrine served two important purposes. It allowed Washington to “temper dissent at home and preserve national unity” while alleviating international concerns by providing “reassurances to American allies.”

In other words, the Nixon Doctrine provided the United States with a degree of flexibility in order to accommodate short or long term requirements in Asia without alienating public opinion. With increasing pressure to reduce Australian defense spending to 33% of the total budget (compared to 43% in 1970) and 6.8% of the GNP (compared to 9.6% in 1968) in 1971, force reductions and a shift to air and sea power would help to maintain flexibility while reducing costs.

President Nixon expressed the US position as one in which Washington expected the non-communist countries in Asia to become increasingly self-reliant in situations

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related to defense. Still, it was clear that the countries in Southeast Asia could not accomplish this on a condensed timeline without support. Like Britain, the United States planned to contribute to regional development through programs of aid as opposed to direct military intervention. With Washington’s increasing reluctance to commit ground forces to Asia and the increasing emphasis on regional cooperation, the NIC expected that the US would also be more inclined to narrowly interpret the ANZUS treaty than it had in the past in order to avoid situations requiring US involvement. Flexibility remained in Washington’s best interest, and the NIC suspected that Washington would retain peacetime forces with an emphasis on air and naval support otherwise. Unlike the situation with Britain, Australia could still depend on the United States to retain an interest in the Asia-Pacific because the United States was geographically tied to the region, and Canberra expected the US to remain a Pacific power with bases in Guam and Hawaii along with base access in Japan and the Philippines. Similar to the situation with Britain, Canberra understood that these changes in US involvement in Asia brought some benefits for Australia. In this transitional period in which a bipolar world order gave way to a multipolar one, the major powers were concerned with one another and the continuation of détente, which allowed peripheral powers like Australia to enjoy the pursuit of national interests.¹⁵

The NIC understood that changes in British and American policies toward Asia would have a direct impact on Australia’s outlook over the course of the decade, but this impact was not necessarily negative. One of the more immediate effects of a changing US policy toward Asia related to the situation in Vietnam, in which Australia also had a

stake. Under the Nixon Administration, public opinion about US involvement
deteriorated and contributed to Nixon’s decision to reduce troops in Vietnam as South
Vietnam became increasingly responsible for its own defense. According to the plan
announced on 20 April 1970, gradual US withdrawal began with the reduction of 150,000
of the remaining 434,000 troops by May 1971, leaving 200,000 logistic and combat
support forces along with around 50,000 ground troops. By mid-1972, forces would
number 150,000 with approximately 50,000 troops remaining by mid-1973 in an advisory
role. By gradually withdrawing forces from Vietnam, Washington managed to temper
the domestic unrest without jeopardizing the situation in Vietnam by rapid withdrawal.\textsuperscript{16}

Although Australia planned parallel disengagement, the NIC anticipated that the
US long-term approach to Asia raised great concerns for other Southeast Asian countries,
especially Thailand. The Guam Doctrine had an immediate effect on Thailand. The
Manila Treaty, enforced through SEATO, provided a US military guarantee of Thai
security from external attack. With the US encouraging self-reliance and growing
increasingly unwilling to commit ground forces to Asia, Thailand still wanted a substitute
arrangement with the United States that provided a security guarantee. After all,
Thailand still faced an external situation which involved Chinese hostility, border
instability, and North Vietnamese attacks on neighboring countries at the beginning of
the 1970s. Washington exhibited reluctance to commit to an official arrangement similar
to the Manila Treaty but, in keeping with the self-reliance and regional cooperation, the

United States encouraged Thailand to seek alternatives such as economic support from Japan or other support through ASEAN.\textsuperscript{17}

It was not simply the situation in Vietnam and the impact of US withdrawal that drew the NIC’s attention in Canberra. Other global, regional, and domestic issues called for consideration as well. Globally, the NIC suspected that détente between the United States and the Soviet Union would continue but reiterated that global involvement in Asia continued to change. The “transitional stage” in US foreign policy made it difficult to determine what role the US would have in regional relations. The NIC identified the US attitude toward Southeast Asia as “the biggest imponderable with which we are likely to be faced” in the period up to 1980. While the US moved away from definitive commitments to Asia, Canberra accepted the British Conservative Party’s renewed attention toward Malaysia and Singapore but recognized the temporary nature of that renewed attention.\textsuperscript{18}

With a full assessment by the NIC on the allied roles in Asia over the next decade and the likely continuation of détente between the US and the Soviets, the attention shifted to potential sources of instability within the region. Although the NIC recognized Japan’s increasing political strength in Asia, the Committee also understood that a nuclear-capable Japan and India had the potential to create instability in the region. In addition to Japan, the NIC identified an increase in Soviet activity in the Indian Ocean,


Chinese-initiated insurgency and subversion, and the move toward independence in Papua New Guinea and the Southwest Pacific as sources of concern for Australia throughout the 1970s. With so many changes happening on Australia’s doorstep, the NIC determined that the oceans and airspace, areas over which Canberra previously had expressed concern, became more vulnerable to potential disruptions of air and sea communications than they had been in the past.19

International changes affected Australia’s domestic situation as well. The NIC recognized Australia’s economic relationship with the United States, Europe, and Japan as being of “greatest importance,” but potential protectionist policies could become harmful for Australia’s primary industries and for the exports of developing countries in Southeast Asia. Still, the present situation allowed for Australian technological advances and industrial growth as industrial nations became valuable trading partners. Outside of economic concerns, an increasing international emphasis on race relations could harm Australia’s attempt to build its influence in Southeast Asia due to Australia’s exclusive immigration policies and ongoing disputes with Aboriginal Australians. Upon consideration of the international changes and their implications for Australia, the NIC concluded that “Australia is likely to need a new flexibility and quickness of response in dealings with the countries of her neighborhood and with those outside powers which exert an influence in it. The great and powerful friends of yesteryear can no longer be relied upon to work to produce situations which will go most of the way towards solving

In terms of great power relations, the regional outlook at the beginning of the 1970s looked rather similar to that of the late 1960s. With the US and Britain unwilling to make long-term commitments in Asia and Australia’s regional situation changing, Canberra had to continue to develop its proactive approach to independent regional involvement with the flexibility to adjust to a fluid international environment. Since the NIC anticipated that the global environment allowed Canberra the flexibility to pursue Australian national interests, it became increasingly important to identify those interests and Australia’s strategic outlook.

**The Strategic Basis of Defense, 1971**

The series of NIC studies at the beginning of the 1970s, dealing with the changing international situation and its implications for Australia, guided the content of the 1971 Strategic Basis of Australian Defense Policy paper. While the NIC papers primarily addressed British and American attitudes toward Asia, the Strategic Basis paper took a broader look at Australia’s strategic environment, concerns, and outlook in the short and long term to plot Australia’s course through 1980. While the previous two Strategic Basis papers predominantly focused on the defense aspect of Australian strategy, the 1971 paper incorporated a more comprehensive view with an eye toward economic and political concerns, since both issues impacted national security. When it was written, the 1968 Strategic Basis paper had attempted to establish Australia’s strategic outlook through the 1980s, but the changing international environment in the 1970s necessitated

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yet another review of Australia’s defense situation. The conclusions reached in the 1968 paper stemmed from the acceleration of withdrawal from east of Suez, but the paper left many questions unanswered, such as US policy after Vietnam and the role of Indonesia. The 1971 Strategic Basis paper provided many of these answers and reiterated the need for Australia to approach the coming decade with Australian interests and independence as driving factors in identifying national interests throughout the 1970s.

Like the NIC papers, the 1971 Strategic Basis paper placed Australia’s strategic outlook in the context of international changes. Canberra not only faced the reduction of British and American presence in Asia, but also responded to the shift to multipolarity. The international strategic situation depended on a balanced relationship between the US, Soviet Union, Japan, China, and Western Europe, as well as the relationship between those powers and small, independent nations. The 1971 paper assumed the continuation of détente, but the new players in global politics could upset the existing balance. The ongoing division between the USSR and China, and China’s increasing influence in Southeast Asia, presented the most apparent source of concern in this shift toward multipolarity. Still, the Strategic Basis paper recognized the positive effects of this complex strategic situation. A reduction in ideological conflicts provided smaller countries the opportunity to “[readjust] their thinking away from strict alignment and towards more pragmatic links based on self interest, or practical relationships with each other and more balanced relationships with the Great Powers.” In addition to these political relationships changing, Canberra also anticipated that issues such as economics, race, and culture would influence the global dynamic and Australia’s response to it.
Against the backdrop of significant international changes, Australia’s strategic outlook in the 1970s must remain flexible and encourage a balance between all powers involved in this multipolar system.  

Despite the changes taking place on its doorstep and in the wider world, there was a degree of consistency between the topics addressed in the 1971 review and the previous papers. Like past papers, the 1971 version reiterated the link between Australian geography and strategic concerns. The paper noted that Australia’s strategic concerns “flow from Australia’s geographic situation as an island continent, its Western origins and associations, its location distant from its greatest friends and close to Asia, its small population, its reliance on long sea and air lines of communication, and its need for regional stability, technological progress, and international trade.” As a result, the paper identified Australian interests that were similar to those identified in past papers – protection of communication lines, security in Southeast Asia, and international support for Australian policies. However, the relative status of those interests, along with others, needed to be adjusted based on the changing global environment.

Due to Australian geography and relative isolation from its allies, the security of communication lines and, by extension, stability in the areas near those lines of communication remained an important strategic interest for Canberra. The 1967, 1968, and 1971 Strategic Basis papers reached similar conclusions on this topic. The Philippines and the Southwest Pacific remained primary areas of interest due to their

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proximity to important lines of communication and their potential for instability. The Philippines sat along communication lines between Japan and Australia and provided an alternative deployment route to Southeast Asia. As a result, Australia needed to support the ongoing presence of the USN at Subic Bay and the USAF at Clark Field to encourage stability and keep the area out of the hands of hostile powers.23

The Southwest Pacific also held strategic value because of its geography and its communication lines (Map 4). For example, Papua New Guinea was located on Australia’s doorstep and housed lines of communication between Australia, Southeast

Map 4: Lines of Communication between Australia and the neighborhood (Source: TeleGeography, © 2014 PriMetrica, Inc.)

Asia, and areas to the North. Other islands in the Southwest Pacific, specifically Fiji, remained on the list of Canberra’s strategic interests due to its communication lines that connected Australia to other areas. However, Papua New Guinea would become independent during the course of the decade, and Fiji had recently gained independence. As a result, Australia must closely monitor the developments in both areas to avoid the potential for internal instability that could draw the attention of hostile, external powers. Canberra depended on the protection of sea and air lines for defense, trade, and the movement of defense equipment. Therefore, Australia must preserve the security of its neighbors to secure its own interests, which could become vulnerable due to instability.  

Along with the preservation of communication lines, another strategic interest that was expressed in past Strategic Basis papers related to the security and stability of Southeast Asia. The 1971 Strategic Basis paper explained that Australia should encourage political, economic, and military independence for its neighbors and allies, as well as “the pursuit of domestic objectives” that would not disrupt domestic peace and economic development. Indonesia retained its status as being of “the greatest strategic significance to Australia” due to its location as a “substantial sea and air barrier between Australia and mainland Southeast Asia, with narrow sea routes between the main islands.” Its population of 120 million, history of strong nationalism, and untapped natural resources made Indonesia an imposing neighbor. Even though Australia occupied a space the same size as the continental United States, Australia’s population only

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numbered around 12 million. The majority of that population lived in cities on the east coast, and most of the interior remained empty.\textsuperscript{25}

Indonesia could either be a shield or a barrier for Australia, and it was not clear at the end of the 1960s which one the Suharto-led government would become over time. By 1971, the Australian Defense Department admitted that the continued existence of Suharto’s government corresponded to friendly relations between Indonesia and Australia, but economic and military aid would be critical in building a stable, economically strong and friendly Indonesia in the long term. In other words, with Suharto at the helm and aid from international sources, Indonesia could shield Australia from any encroachment from the North. Even though Australia remained optimistic about the relationship, Indonesia’s border with Papua New Guinea could strain that relationship, especially after Papua New Guinea gained independence later in the decade. Overall, the changes in Australia’s relationship with Indonesia led to opportunities for cooperation in an effort to help Indonesia build its military capability through technology and defense assistance from Australia.\textsuperscript{26}

Although Indonesia was of primary strategic importance in Canberra due to its proximity to Australia, Malaysia and Singapore also continued as a potential source of instability to the North. The Strategic Basis paper recognized that one result of multipolarity was that the increasing complexity of global relations offered smaller powers an opportunity to avoid strict alignments in favor of agreements or relationships based on self-interest. That opportunity appealed to Malaysia and Singapore just as it did

to Australia. Kuala Lumpur and Singapore advanced foreign policies based on non-alignment, with a neutral Southeast Asia guaranteed by Great Powers. A gradual move toward non-alignment would not necessarily jeopardize Australian interests since this approach still involved multilateral arrangements, but Canberra understood that non-alignment likely ended the forward deployment of Australian forces in Southeast Asia.

For the early 1970s, at least, Australia, Malaysia, and Singapore continued to support the Five Power arrangement as a temporary source of security. Still, Malaysia and Singapore continued to build their defense policies according to the principle of self-reliance. In the case of Singapore, which only became an independent nation in 1965, Lee Kuan Yew rapidly built Singapore’s defense forces but still relied on Australian, New Zealand, and British (ANZUK) forces as he did so. By 1970, Singapore’s defense expenditure increased eightfold to 8.8% of the GNP, and Malaysia’s defense expenditure doubled to 7% of the GNP within the same five year period. With the Five Power agreements only serving as a framework for consultation instead of military intervention, Malaysia and Singapore were in a better position to handle their own defense and foreign policy needs than they were during the early years of national development.

Even though Malaysia and Singapore appeared to be on more solid footing in Southeast Asia than they had been when British Prime Minister Harold Wilson announced withdrawal, not everything was moving in such a positive direction. One of the concerns Canberra expressed from the late 1960s into the 1970s involved the

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importance of peaceful cooperation between Malaysia and Singapore. By the early 1970s, the relationship appeared to be strained due to growing Malay nationalism, which corresponded to increasing distrust of Singapore. As the government in Kuala Lumpur moved toward a state based on a predominantly Malay identity, Chinese communities in a multi-ethnic Malaysia became alienated from their Malay counterparts. This division in Malaysia was certainly not new. When Malaya gained independence from Great Britain in 1957, Malays had enjoyed a privileged position within a multi-ethnic society. By 1965, the concern by Malay elites about the imbalance caused by a large overseas Chinese population contributed to Singapore’s separation from the newly formed Malaysia. Decisions by the Malaysian government in 1965 to give scholarships to Malays on a preferential basis and to create a Malay-speaking state represented examples of how this growth of Malay nationalism further alienated Chinese communities.29

The growing push for a strictly Malay identity in Malaysia caused those in Singapore, a country with a predominantly ethnic Chinese population, to question whether or not they should prepare for a conflict with Malaysia. Lee Kuan Yew recalled that in the campaign leading to the May 1969 Malaysian elections, political leaders accused officials in Singapore of interfering with the political process. As the situation escalated, Lee instructed his defense minister to “build up as fast as we can. I am sure the troubles will spill over to Singapore.” Lee’s concerns were realized when the 10 May election results led to riots in Kuala Lumpur on 13 May, which resulted in the suspension of the Constitution and the closure of government until 1971. Retaliatory attacks on

Malays by Chinese also occurred in Singapore. Geography created shared security concerns between Malaysia and Singapore, but ongoing tension between the countries had the potential to destabilize their relationship at a time when cooperation and multilateral actions grew in importance.

Despite the fact that Australia had its own racial problems to address, the 1971 Strategic Basis paper viewed Australia as being in a position to respond to the potential disruption in relations between Malaysia and Singapore. As a relatively neutral, unintimidating force in the region, Australian presence could bring influence. In order to encourage stability and security in the region, Australia’s Defense department suggested using Australian military presence to provide the political pressure needed to ensure peaceful cooperation. For the overseas Chinese population, Australian presence prevented Malay extremism, but it created potential problems for Malay nationalists. Instead of focusing on the internal tension in Malaysia and risking involvement in internal conflicts, Australia would provide military assurance for support in the event of an external attack, especially in East Malaysia where the Philippines continued to lay claim to Sabah. More importantly, Australian military presence supplemented the local forces of each country and facilitated cooperation through joint training exercises. Canberra wanted to encourage self-reliance and cooperation in Malaysia and Singapore without becoming too involved in the internal conflicts between or within the two countries. If the leaders in Singapore and Kuala Lumpur reconciled, Australia and others

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in the international community might be more inclined to provide the economic and political support needed to preserve regional security.\textsuperscript{31}

In addition to the topics of protecting communication lines and encouraging stability in Southeast Asia, building Australia’s influence in an effort to gain international support also factored into planning through the 1970s. As was the case in the previous Strategic Basis papers, the 1971 version identified regional security as fundamental to Australian security. Canberra was already moving toward self-reliance and the strategy of ‘continued involvement’ due to British withdrawal, but the Guam Doctrine reinforced the importance of building Australian influence in Southeast Asia. It would be in Canberra’s long-term interests to exercise Australian influence overseas through politics, diplomacy, trade, and aid with military operations as a last resort. Canberra identified Southeast Asia, the Southwest Pacific, and the surrounding oceans as the primary areas of interest with the potential for direct military involvement, but admitted that peripheral strategic interests extended to mainland Asia, Europe, and North America, as well. Australia had strong ties to the Western world, often relying on its association with the United States and Great Britain for support, but regional involvement remained the priority. Australia might have only been a nation of 12 million without the capability of filling the power vacuum left by Great Britain and the United States, but Australia’s Department of Defense acknowledged that “Australia’s very location close to Asia and its reputation as an independent, non-imperialist nation with special interests in the security of Southeast Asia have given it a special position, which should enable it to exercise

influence somewhat disproportionate to its power.” With direct military involvement as a last resort, the Strategic Basis paper outlined several ways in which Australia could exert its ‘somewhat disproportionate’ influence.32

Although the NIC expected British and American involvement in Asia to dwindle in the 1970s, Canberra’s regional diplomatic influence was still tied to the value of its Western associations, especially its potential to influence US presence. Political pressure in the United States might have contributed to the policy changes outlined in the Guam Doctrine, but Australia still had a solid connection to the United States through the ANZUS treaty. Canberra’s movement toward self-reliance and the increasing economic links with Asia allowed Australia to hold a position where it could continue to independently influence its region of primary interest. Still, the 1971 Strategic Basis paper identified the importance of trade and aid, especially the country’s economic strength and technical skills, in extending Australia’s reach into the Asia-Pacific region. Although Canberra shied away from direct military involvement in the 1970s, military support through the selective use of forces and credible capability factored into the plan to build Australian influence. By helping countries in the region build their local defense forces, Australia acted as a limited ‘counterweight’ in the regional balance of power against other industrialized powers that had an interest in Southeast Asia.33

With Canberra’s focus directed to its immediate neighborhood, Southeast Asia and the Southwest Pacific, Australian objectives had to match the country’s abilities.

Australia’s military capability would not be strong enough to independently address the internal and external threats to all of the countries in the region, but Australia’s military support could help build a foundation that would allow for regional defense responses in line with the Guam Doctrine. Australia’s show of support achieved two objectives. First, by supporting regional governments, Canberra increased its influence in the region—a move that fulfilled Australia’s strategy of continued involvement. Second, Australia’s growing regional influence and its efforts to act independently in the region provided a way to attract great power support for initiatives that could increase Australia’s diplomatic profile with regional governments. Even if Australia might not be called into a general war, Canberra must have the capacity and influence to act in the event of a limited war or low-level threat in its region of primary interest.34

In addition to the shift to multipolarity and the continuity of themes from past defense papers, the 1971 Strategic Basis paper also highlighted important changes, positive and negative, to Australia’s strategic outlook. Since the 1950s, Australia accepted the threat of communist expansion, particularly from China, as the most likely direct threat to Australian security. Although the 1968 paper retreated from this perspective and admitted that China’s quest for expansion had subsided, Canberra suspected that China wanted to increase its influence in Southeast Asia, potentially through methods of subversion and insurgency. The early 1970s introduced a shift in attitudes toward China, and the Defense Committee adopted the position that it was “in Australia’s long-term strategic interest to establish satisfactory relations with mainland

China.” Although obstacles clearly remained, China’s interest in international involvement through the UN likely meant that China would become a member by the mid-1970s, leading to changes in power relations between the US, Soviet Union, Japan, and China in the Asia-Pacific region. The Strategic Basis paper listed concerns that included the impact of China’s international acceptance on Taiwan, the potential for China to become a nuclear power, and the ongoing Sino-Soviet conflict. Although China’s international position would likely change within the decade, the Defense Committee still identified China’s policy direction as an ongoing “source of concern.”

In addition to China, Soviet activity in the Indian Ocean warranted extra attention from Canberra in the 1971 Strategic Basis paper. Soviet interest in influencing parts of Asia became more apparent with increasing naval presence in the Indian Ocean, but Canberra acknowledged that Soviet interests in the region were legitimate and could bring economic gains. With little certainty about the Asian response to Soviet presence, Canberra closely followed Soviet actions because their “long-term political objectives in the region will seldom accord with those of Australia and its allies.” Ultimately, Canberra did not want Soviet influence to erode Western influence in the region, so Lee Kuan Yew’s decision to welcome the Soviet navy to Singapore sparked concern in Australia. By understanding that a Soviet naval presence in Southeast Asia ran counter to Australian interest, Lee hoped to use his offer to the Soviets as leverage. At a time when Britain and the United States seemed to be withdrawing from the area, Lee wanted to force Australia and New Zealand into making a definitive commitment toward Singapore.

Moving forward, Canberra would have to find ways to limit Soviet influence and presence in the region in an effort to preserve Australia’s long-term interests. The paper noted that Australia could counter Soviet influence through “technical assistance and aid programs” in some areas and through “port and maritime development and oceanographic and fishing research” in others. Regardless of Canberra’s method for addressing the increase in Soviet naval presence in the Indian Ocean, Soviet activity required close monitoring throughout the 1970s.36

In addition to changes in Australia’s attitude toward Chinese and Soviet influence in Australia’s region of primary interest, potential challenges closer to home called for more attention in the 1970s than they had in the late 1960s. Canberra considered Papua New Guinea and the Southwest Pacific as two separate issues, but independence in the 1970s led to concerns about the stability of both in the post-independence period. Australia had an ongoing strategic interest in Papua New Guinea due to its geography in relation to communication lines through Port Moresby, as well as its connection to the military and trade lines to the North. However, Canberra’s concerns in the early 1970s encompassed PNG’s move toward independence within the first half of the decade.37

Canberra anticipated a smooth transition and friendly relations between the two governments, but post-independence concerns ranged from internal conflicts to disputes along Papua New Guinea’s border with the Indonesian province of West Irian. Because of Papua New Guinea’s strategic importance to Australia, Canberra considered ways to support an independent PNG. First and foremost, Australian defense support might be

necessary upon independence, and the Department of Defense considered the infrastructure necessary to support Australian forces. Staging posts for the deployment of forces into Southeast Asia, air facilities on the north coast, and a naval refueling station off the north coast remained possibilities for defense assistance. Canberra also anticipated that PNG would need financial support but wanted to avoid giving the impression that such support compromised Papua New Guinea’s independence.38

Since the strategic situation allowed for smaller states to exert their separate identities, Canberra questioned how the islands in the Southwest Pacific might respond. The process of British decolonization unfolded in the Southwest Pacific Islands throughout the 1970s. With a decline in British interest to participate in trade and aid to the area, Canberra suspected that Australia and New Zealand would become the key sources of support for the islands in the Southwest Pacific. Like Papua New Guinea, the strategic importance of the Southwest Pacific contributed to the importance of keeping the islands from seeking resources from the Soviet Union or China. With the growth of regional consciousness, Canberra anticipated that the Southwest Pacific would pursue “the search for a regional identity” regardless of external perspectives because the “Island governments do not welcome being lumped together with Asia in the minds of the Western world.”39

Canberra related to the need for the expression of a separate identity, so this perspective opened the opportunity for Australia to adopt a leadership role by providing economic, technical, and political support that allowed the island governments to achieve

their goal. Australia could also encourage the expression of regional interests through the newly formed South Pacific Forum. Although the development of a regional identity formed the core of Australia’s approach toward the Southwest Pacific, Fiji caught Canberra’s attention because it recently had gained independence from Britain in 1970. Canberra planned to keep a close eye on domestic issues, including tense Indo-Fijian relations, which could escalate and require external intervention. Still, Australia wanted to avoid direct military intervention in the Southwest Pacific in an effort to “win the confidence of the peoples and governments” and maintain friendly relations with an area recognized for its strategic importance.40

As a result of the Defense Committee’s assessment of international events and the concerns that accompanied those changes, the final piece of Australia’s strategic planning puzzle focused on the importance of reshaping Australian defense capabilities to allow for versatility without mediocrity. Once again, the Defense Committee concluded that Australia faced no direct threat in the 1970s, but it also included an important addendum. Although the Defense establishment could not anticipate any direct threat to Australian territory, significant changes in “Australia’s strategic environment…will alter the strategic balance and some trends which have the potentiality of developing, in a later decade, into a more active threat to Australia’s security.” The potential for an active threat to Australia, though distant, contributed to the call for maintaining Australian defense capabilities and regional involvement during a period of relative calm. Yet, the

decrease in US and British activity in the area, along with the increasing presence of Soviet and Chinese activity, pointed to a potential imbalance within the strategic environment. In the decade ahead, Australia could be called to deploy forces abroad, but Canberra preferred military cooperation in Southeast Asia to the overseas deployment of Australian forces. Still, a number of obstacles made the creation of a multilateral defense arrangement unlikely, and the Strategic Basis paper noted that “regional military capabilities alone are unlikely to ensure the security of the area.” As a result, Canberra would continue to build its defense capabilities at home while focusing on military aid and training assistance abroad.\textsuperscript{41}

The 1968 Strategic Basis paper argued in favor of the ‘strategy of continued involvement’ over the ‘insular strategy’ because the latter created an Australia that was isolated from regional developments. The 1971 capability objectives can be viewed as an attempt to avoid such pitfalls in the future should the need for an Australian military response in its region of primary interest arise. The Australian Defense Department expected Australian force requirements to include contributions in Vietnam until the conflict ended, aid to Thailand as the United States began to reduce its forces, air and naval support for SEATO activities, and supplemental forces in Papua New Guinea after independence. Canberra could also develop facilities in Western Australia to contribute to activities in the Indian Ocean. In addition to developing Cockburn Sound and Learmonth in Western Australia for naval and air forces, respectively, Australia could improve its surveillance capabilities and host military exercises with friendly countries.

Canberra might not be able to accurately plan twenty years in advance, but trends identified in the early 1970s suggested that the Soviet Union and China would possess major military power and that Japan would build its economic and political position in the region. As a result, Australia should continue to pursue “her own security interests by her own efforts” while keeping forces “strongly equipped and self-reliant.”

Canberra linked Australia’s diplomatic influence in maintaining a peaceful and stable region to Australia’s ability to show military strength and its capacity to expand. In order to build the necessary military strength, Canberra turned its focus to the national economy and the skillset of Australians as two areas that allowed Australia to build its military potential. A ‘strong and diversified’ economy with interests in aid and investment provided a solid foundation on which to develop the proper defense capabilities for the decade ahead. The Strategic Basis paper recognized Australian security, but moving forward required Canberra to find a balance between short term needs and long-term expectations, with an intermediate capability strong enough to reduce the potential for a threat to Australia. Options included extending the life of some aging equipment, restricting equipment acquisitions, and adjusting the balance between manpower and support services. It was not clear in the early stages of the decade how to adjust Australian defense forces without further review, but the Defense Department planned to implement a five year rolling program to meet the need for the continuous review of defense matters and provide enough lead time to react to any changes.

In the meantime, Canberra concluded that “Australia needs forces which are appropriate to a small population in an island continent geographically alongside Southeast Asia, rich in many resources, but dependent on imports for various strategic materials and engaged in particularly high per capita trade.” With the anticipation of less operational involvement overseas, Canberra increased Australia’s long-term emphasis on the ‘defense of Australia’ and the development of mobile forces, which offered versatility without risking mediocrity. Based on the extensive assessment of Australia’s strategic outlook in the early 1970s, Australia had to maintain credibility as a strong, capable, and independent ally in order to achieve its long-term national security interests even as the global situation remained in flux.44

The Economic Outlook in the 1970s

Australia’s economic relations with its traditional allies and in the Asia-Pacific had long been an interest for Canberra, but the emphasis on economic aid and technical assistance over military intervention, as expressed in the 1971 Strategic Basis paper, warranted further review of Australia’s economic situation. During the early 1970s, Australia was in the midst of a “Long Boom,” exemplified by strong, sustained economic growth, which began in the mid-1950s. The foundation of this growth rested on a rising demand for goods and services, increasing investment in manufacturing, and limiting restrictions on capital inflow. International sources of capital from the United States and

Britain, along with the expansion of exports from Australia due to a manufacturing and minerals boom, contributed to Australia’s sustained growth.\textsuperscript{45}

In addition to a strong, stable economy, Australia also participated in several international economic arrangements, which assisted in strengthening regional economies. The Colombo Plan, established in July 1951 and intended to encourage economic development in South and Southeast Asia, expired in 1971, but other arrangements were set to last into the 1970s. The Asian and Pacific Council (ASPAC), whose first meeting occurred in June 1966, encouraged regional cooperation in the Asia-Pacific as a way to strengthen solidarity in the region. The Economic Commission for Asia and the Far East (ECAFE), established March 1947, gained permanent status by the United Nations and supported economic studies related to interaction within and outside the region. Finally, the Association of Southeast Asian Nations (ASEAN), inaugurated in August 1967, worked toward the acceleration of economic growth, social progress, and cultural development through regional cooperation.\textsuperscript{46} Although Australia’s level of involvement in each of these arrangements varied, they provided Australia with opportunities to stay involved in and potentially build influence toward regional economic development, which became increasingly important for Australian interests in the 1970s.

Since the NIC determined that US trade with Australia would likely continue and possibly increase over time despite force reductions in Asia, the two areas of immediate interest for Canberra included Australia’s economic relationships with Great Britain and

\textsuperscript{45} Meredith and Dyster, \textit{Australia in the Global Economy}, 205-208.
\textsuperscript{46} “Membership of Regional Economic Arrangements.” no date, NAA: A4311, 696, 2.
Japan. One of the greatest economic challenges facing Canberra since the early 1960s centered on the British application for entry into the Common Market, later known as the EEC.\(^4^7\) When the NIC studied Britain’s role in Asia through 1980, Britain’s turn to Europe and likely entry into the EEC contributed to the assessment that Britain considered Asia to be peripheral to its interests; therefore, a disproportionate amount of time and resources in London would be directed toward Europe instead of Asia. The NIC determined that British entry into the Common Market “will modernize and restructure Britain’s economy, increase trade and other links with Europe and other industrialized countries, and divert some trade and aid to African States associated with the EEC.” As an industrialized nation, Australia could expect to benefit from Britain’s projected 4-5% growth rate per year through trade, but entry into the EEC would negatively impact Australia. The NIC expected the EEC to limit agricultural imports from outside Europe, which encompassed a large part of Australian exports to Britain. Fortunately, Australian manufactured goods could supplement the loss of trade in agricultural products. In the remote chance that the EEC rejected Britain’s application for a third time, the NIC still expected similar economic trends to occur.\(^4^8\)

Historian Andrea Benvenuti argued that this ‘turn to Europe’ and subsequent strain on Anglo-Australian relations originated with Britain’s first application to join the European Economic Community in 1961. Although his argument extended beyond the economic relationship between the two, the economic component of British entry in the


EEC certainly affected Australian interests in the early 1970s. According to Benvenuti, Britain’s first application broke the special relationship that Britain and Australia enjoyed and presented a significant point of discord that created irreversible damage even when the EEC rejected Britain’s application on multiple occasions. Because Canberra wanted to compensate for this loss, they diversified trade, redirected it to the Asia-Pacific, and redefined their strategic priorities. The problem with this argument about diversification was that it failed to account for the existing engagement with the Asia-Pacific and the diversification of trade in the 1950s.

At the time of Britain’s first application, trade preferences between Britain and Australia allowed for advantages for both parties, but British trade with the EEC countries already began to outpace trade with Commonwealth countries before the 1970s. Britain’s first attempt to enter the EEC in 1961 certainly marked a clear desire to turn toward Europe, but Britain still waited for acceptance into the community ten years later. Although the intention to realign the British economy with Europe began with the first EEC application, this link did not officially materialize until the third application and subsequent negotiations from 1970-1973, which meant that the Anglo-Australian trade relationship remained intact at the beginning of the 1970s.

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49 Francine McKenzie’s *Redefining the Bonds of Commonwealth* is a valuable reference for the economic relationship between the Commonwealth and Britain during and immediately after World War II. This relationship allowed the nations of the Commonwealth to act in their own interests while also experiencing benefits, such as reduced tariffs on their products. The tariffs debate took center stage at the Geneva Talks/GATT talks as seen in Zeiler’s *Free Trade, Free World*.

50 Benvenuti, *Anglo-Australian Relations*, 5; Pitty, “The Postwar Expansion of Trade with East Asia,” in Goldsworthy, *Facing North*, vol. 1, 220-261. On this issue, McKenzie suggested that the challenges in the Anglo-Australian economic relationship could be tied back to World War II when Australia and the other Dominions wanted to exert their national interests. Each nation in the Commonwealth held different interests and concerns that may overlap at times. This perspective helps to explain why Australia diversified interests and increased trade with the Asia-Pacific before the 1960s. McKenzie, *Redefining the Bonds of Commonwealth*, 3-6, 14-15.

51 Benvenuti, *Anglo-Australian Relations*, 2-8, 27, 40-41.
Despite the problems in Britain’s economy that contributed to the decision to prioritize Europe over Asia, the Anglo-Australian trade relationship still existed in the early 1970s. British investment in Australian companies represented the United Kingdom’s greatest monetary contribution to Australia and accounted for $A1.136 billion in equity investment from 1970-1971 – the most of any overseas source. During the same period, British investment capital inflow to Australia also edged out the United States at $A572 million to $A496 million. Investment provided the greatest economic link between Britain and Australia at the beginning of the decade, but it was not the only one. In 1971-1972, Australia exported $A442 million in goods to and imported $A836 million in goods from the United Kingdom, which dropped the UK behind the United States and Japan. Britain’s third place finish in trade confirmed a general pattern of decline in Anglo-Australian trade relations prior to British acceptance into the EEC. From the early 1960s to 1971-1972, Australian exports to Britain decreased in value and percentage of trade. Australian exports to Britain dropped from 19.2% ($A413 million) in 1961-1962 to 9.1% ($A449 million) in 1971-1972. A similar pattern emerged for Australian imports with 30% of Australian imports ($A532 million) coming from Britain in 1961-1962 to 20.9% ($A836 million) in 1971-1972.

Trade between Britain and Australia might have declined over the years, but entry into the EEC led to greater challenges in some industries more than others. Since 1932 at the Ottawa Conference, Australia and other members of the Commonwealth participated with Britain in a complex system of tariff preferences, which allowed for mutually

52 “Australia and Britain, some useful statistics,” no date, NAA: A1838, 67/1/3 Part 7.
beneficial trade relationships. In the case of Australia, primary (agricultural) industries received favorable treatment in the markets while giving Australia access to other resources available throughout the Commonwealth. This concept of ‘imperial preference’ changed after World War II as the individual Commonwealth nations began to pursue their national interests, whether that was in line with the rest of the Commonwealth or not. The diversification of economic interests in Australia, which prompted the long economic boom that it experienced through the mid-1970s, changed the pattern of trade with Britain, but the bilateral Anglo-Australian trade relationship was solidified through the United Kingdom-Australia Trade Agreement (UKATA) in 1956.\(^5\)

In May 1970, John McEwen, then Minister for Trade and Industry, informed the Australian Cabinet that Britain, along with Denmark, Norway, and Ireland, began negotiations to enter the EEC in 1970, but the application omitted any reference to preserving ‘vital Commonwealth interests’ as the 1961 application had, apart from mentioning New Zealand’s products and the sugar industry. Thus, McEwen anticipated that Australian commodities, especially agricultural exports to Britain, would be negatively affected.\(^5\)

The termination of UKATA upon Britain’s anticipated entry into the EEC meant the loss of duty-free, preferential tariffs in Britain as well as an increase in trade barriers

\(^5\) “The Macmillan Government’s turn to Europe,” in Ashton et al., *Australian Foreign Policy*, 343.
on Australian agricultural products to Britain. According to a report by the Department of Overseas Trade, Australian exports most impacted by increased trade barriers fell into two categories – products subject to variable levies and products subject to common customs tariff. Butter, gluten and gluten flour, and sugar regularly accounted for high percentages of total Australian exports in the former category from 1969-1972, with butter reaching 75.9% of all butter exports in 1970/71, gluten and gluten flour reaching 57.5% in 1969/70, and sugar reaching 27% in 1970/71. Products subjected to common customs tariff included products such as offals (60% in 1970/71), canned fruit (67.1% in 1969/70), and fresh rabbit (69.8% in 1970/71).

According to McEwen, “the virtual closing of the largest open market” would not only result in changes to Australian exports but contribute to an overall reduction in prices and demand for those products in other markets. The diversification of Australian markets in the 1950s reduced the impact on Australia’s overall economic situation, but the losses expected for primary industries – the same industries affected by British devaluation in 1967 – caused great concern.

Moving forward, McEwen encouraged Cabinet to publicly plead the case of these primary producers to representatives in Washington and Tokyo in an effort to produce a favorable outcome for Australian trade in other markets.

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58 McEwen also suggested reminding Britain that any EEC policies on a common agricultural policy (CAP) had to be in compliance with GATT as a way to limit an increase in prices and trade restrictions with other countries. Zeiler’s Free Trade Free World provides a thorough explanation about the context of GATT and the arguments Australian representatives put forth to protect trade interests in the immediate aftermath of World War II.
It was not simply the EEC that factored into the changing economic environment in Australia. British trade and economic involvement over the years might have decreased, but Australia’s economic relationship with Asia steadily increased, especially Australian trade with Japan. In *a Financial Times* article titled “Why Britain must adjust to changing times,” Foreign Editor J.D.F. Jones reiterated that Japan was Britain’s primary economic competitor in the region. With Japan as a stronger trading partner than Britain, those in London must accept that “[rightly] or wrongly, Australia has chosen the Pacific. Britain is a long way away, and Australia’s future – in strategy, in diplomacy, in commerce – lies with the Pacific nations.”

The conclusion Jones reached was not a surprising one because Australian trade with Japan was thriving. Even the Defense Committee identified Japan as an attractive ally due to its economic growth and potential to support economic growth in Southeast Asia and the Southwest Pacific.

Australian interest in trading with Japan increased with Britain’s third attempt to join the EEC, but Australia and Japan had a history of strong trade relations before the 1970s. By 1971/72, Australian exports to Japan totaled $A1.362 billion, or 28.7% of total Australian exports – more than the exports to the United States and Great Britain combined. Imports from Japan fell below the US and UK, but still constituted $A629 million, 15.7% of Australia’s total imports. As imports and exports related to Anglo-Australian trade experienced decline over the course of two decades, Australia’s trade with Japan steadily rose. Prior to reaching 27.8% of exports in 1971/72, Australia exported 14% in 1956/57 and 17.3% in 1961/62. In terms of imports from Japan,

Australia only imported 1.8% of its goods in 1956/57, followed by 5.6% in 1961/62 before reaching 15.7% in 1971/72. The increase in trade between Australia and Japan can be attributed, in part, to the formalization of trade relations through the formal trade agreement the two nations signed in 1957 and amended in 1963. Both governments viewed the arrangements as contributing to “further strengthening of friendship between the two countries, to creation of prosperity in Asia and the Pacific, but also to the further development of the world economy.” During McEwen’s 1970 trade talks in Japan, he appealed to the “restrictive wall” that the EEC built around its members as common ground on which to strengthen trade relations between Japan and Australia.

As Australia’s primary industries appeared to be falling victim to Britain’s turn to Europe, Australia compensated for this loss by taking advantage of its mineral boom and building its economic relationship with Japan through the trade of such minerals as iron ore, nickel, lead, copper, and zinc. Minerals constituted 5.5% of all merchandise exports in the early 1960s, 11.4% in the late 1960s, and over 18% (with fuel included) by the early 1970s. Japanese demand for iron ore in the late 1960s and early 1970s translated into Japan receiving four-fifths of all of Australia’s iron ore exports. In addition to minerals, Japan welcomed Australian wool, manufactured goods, beef, and sugar to its markets. The economic situation facing Canberra at the beginning of the 1970s appeared to pit Britain against Japan, but Canberra recognized that Australia could not afford to lose either trading partner. After all, a strong Australian economy would help

Canberra fulfill its goal of strengthening the economy while contributing to the region’s economic health through trade and aid. Australia’s trade situation reinforced the objective laid out in the 1971 Strategic Basis paper since economic and technical growth could help Canberra accomplish its ambitions of independent involvement in the region.

**Contentious Canberra: Round 2**

The Strategic Basis paper aimed to prepare Australia for the decade ahead by assessing the impact of global and regional changes and plotting out the Australian response to them, but the paper failed to account for a significant domestic shift, which occurred soon after the Australian Cabinet accepted the 1971 paper. The collapse of the Liberal-Country coalition government had the potential to change Australia’s approach to foreign and domestic affairs alike. The Coalition remained on shaky ground and never fully recovered after the death of Prime Minister Harold Holt in December 1967. Aside from the McMahon/McEwen divide and the Hasluck/Gorton leadership competition in 1968, Prime Minister Gorton failed to gain the support of his party after winning the leadership vote. The Coalition government barely survived the 1969 election intact, but the victory did not indicate a healing of the party. Gorton’s approach to international issues often coincided with those who preceded him, but his style of government, especially when compared to his predecessors, proved off-putting to his contemporaries. His approach to government ultimately led to the loss of his support base, cost him his position as Prime Minister, and contributed to the ongoing decline of the party.
Soon after winning the Liberal Party leadership ballot in 1968, Gorton set off on a series of overseas visits to Australia’s traditional and regional allies, and his statements appeared consistent with those made by Harold Holt. Gorton’s speech in March 1968 during his first stop in Wellington, New Zealand, reiterated the enduring link between Australia and New Zealand, created by their common history and actions. He noted the importance of ongoing trade relations between the two nations and aimed to build upon the free trade agreement signed in 1966 in an effort to balance trade across the Tasman Sea. Gorton placed particular emphasis on the need for Wellington and Canberra to cooperate in order to prepare for British withdrawal from the region and to increase defense compatibility in anticipation of regional changes.64

Gorton aimed to establish similar bonds as Harold Holt with President Johnson during his visit to the United States in May 1968, but the visit also provided an opportunity to gauge the politics of the presidential candidates. Much like his speech in New Zealand, Gorton reiterated the importance of Australia’s relationship with the United States based on their common histories and common vision. Gorton’s relationship with the United States also held a personal value because his wife Bettina was born and spent much of her early life in Maine. Aside from this personal connection, Gorton focused on the importance of maintaining ANZUS as a ‘strategic shield’ behind which Australia could grow to its full potential. President Johnson and Prime Minister Gorton both anticipated that US-Australian relations would continue along the path that

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64 Some political leaders in New Zealand had reservations about close cooperation between the two countries. Norman Kirk, Opposition Leader, argued that Wellington had to exhibit caution in its relationship with Canberra. They could maintain a close friendship “but not let her [Australia] become some busybody mother-in-law that wants to take us over and control every thought.” “Prime Minister’s Visit,” 27 March 1968, NAA: A1209, 1968/8183.
they had since the end of World War II. During his visit, Gorton received similar assurances from the presidential candidates that the US-Australian relationship would continue. In Gorton’s first visits overseas, his emphasis on the natural connection between English-speaking allies and his focus on the importance of the preservation of those ties appeared consistent with the approach of his predecessors.

Gorton achieved a similar outcome in his tour through Southeast Asia in June 1968. He specifically commented to the Australian press before his departure that he wanted to show that “there has been not the slightest variation of our interest in the region.” Gorton’s visit to Saigon predictably identified ‘international communism’ as the common enemy and touted the need to achieve a ‘lasting peace’ in Vietnam. He justified Australian interest in Southeast Asia as a whole by suggesting that the “frontiers of the world are shrinking.” As a result, the actions in one country had the potential to impact other countries in the region and the world. The theme of shrinking frontiers carried over to the other stops on his Southeast Asia tour, too. Gorton spent the most time in Singapore and Malaysia, which confirmed the continuation of increasing attention they received from Canberra after Britain’s withdrawal announcement. During his visit to Singapore, Gorton reiterated the importance of “useful and practical” regional cooperation and hinted that Australian interest in the region would expand beyond military cooperation. Gorton encouraged economic growth in both countries since it

contributed to regional security, but he also reinforced the idea that Australia’s defense posture after British withdrawal in 1971 had yet to be determined.  

Gorton concluded his trip with a visit to Jakarta, Indonesia. At the time, Canberra preferred a friendly Indonesia to a hostile one, and Gorton made sure to emphasize the importance that geography played in developing a cooperative relationship. From his perspective, Australia and Indonesia “look out on the same vista of international affairs from the same geographical situation, and we give thought to the same questions, and cope with similar problems.” He hoped to build on existing areas of cooperation, including educational exchanges, infrastructure projects, and communications installations, in an effort to build an enduring relationship based on “friendly cooperation with our neighbors.” President Suharto allayed some of Canberra’s concern about Indonesia’s future by reassuring Gorton that Indonesia’s external relations would be governed by a “good neighbor policy” with friendly countries, especially those in the region. Throughout his Southeast Asia tour, Gorton appeared to receive support for an ongoing Australian presence in the region. Internationally, his consistent approach to Australia’s foreign policy appeared to be well-received by regional governments and traditional allies, but Gorton faced resistance at home.

The Prime Minister’s public statements about Australia’s relationship with its allies fell in line with Holt’s, but his approach to politics at home elicited a negative response from many of his contemporaries. Paul Hasluck summarized the challenge of understanding John Gorton. He wrote, “the longer one knows John Gorton the more

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66 “Prime Minister’s visit to South East Asia,” June 1968, NAA: A1209, 1968/8679.
67 “Prime Minister’s visit to South East Asia,” June 1968, NAA: A1209, 1968/8679.
difficult it is to make up one’s mind about what sort of man he is.” In Hasluck’s words, Gorton’s contradictions led to impressions that he was intelligent but “mentally undisciplined,” interested in politics but ignorant of the process, charming but “embarrassingly rude,” and self-confident but lacking “self-knowledge.”68 John McEwen, Deputy Prime Minister and Minister for Trade and Industry, observed that Gorton carried an attitude of superiority with a “free-wheeling style.”69 Alexander Downer, longtime High Commissioner to London, described Gorton as having “strong individuality” with a “refusal to be bound always by convention.” Downer also noted that Gorton enjoyed an active social life where he often “exuberantly flirted with other men’s wives.”70 By those descriptions alone, Gorton was shaping up to be a very different type of Prime Minister than his more polished predecessors, Robert Menzies and Harold Holt.

When Gorton became Prime Minister in 1968, he revamped his Ministry almost immediately and rewarded those who supported his leadership bid. Men like Malcolm Fraser, Allen Fairhall, William McMahon, and David Fairbairn held key positions in government, including Minister for the Army, Minister for Defense, Treasurer, and Minister for National Development, respectively. In addition to a Ministry shakeup, Gorton also elevated one supporter, Lenox Hewitt, to be the permanent head of the Prime Minister’s Department and chose 22-year old Ainslie Gotto as his private secretary.71 These moves marked a major misstep in the eyes of Gorton’s contemporaries. Gorton’s

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68 Hasluck, Chance of Politics, 174-175.
70 Downer, Six Prime Ministers, 109-110.
71 Downer, Six Prime Ministers, 109-113.
promotion of Hewitt created controversy because many viewed it as a demotion of John Bunting, an experienced, well-respected senior official. To pacify some of his critics, Gorton split the conjoined posts of Permanent Head of the Prime Minister’s Department and Secretary of Cabinet into two separate positions with Hewitt taking responsibility for the Prime Minister’s Department and Bunting in charge of Cabinet. This action exemplified what Downer had described as Gorton’s desire to do things his way with his own people.\textsuperscript{72}

Hasluck attributed the decision to Gorton’s distrust of the public service and his failure to make use of his senior public officials. He noted that Gorton’s questionable administrative practices also handicapped him. Not one to mince words, Hasluck noted Gorton’s “untidy and irregular method of working,” including his decision to skip appointments, avoid set office hours, and allow constant interruptions, presented the image that his office was run “in and out like undisciplined dogs.”\textsuperscript{73} Although McEwen experienced a better relationship with Gorton than others, he still had reservations about Gorton’s unorthodox style. Unlike previous Prime Ministers, Gorton proved unwilling to consult with the Cabinet before making decisions or policy statements, which led to some Ministers learning about such decisions from the Press before they were informed. Additionally, Hewitt and Gotto screened any documents intended for the Prime Minister before they reached his desk. Some argued that this gave Hewitt and Gotto too much

\textsuperscript{72} Downer, \textit{Six Prime Ministers}, 111.
\textsuperscript{73} Hasluck, \textit{Chance of Politics}, 177-178.
influence, but Hasluck credited Hewitt for keeping the Prime Minister focused and on
task to avoid an even bigger bottleneck of documents than already existed.\footnote{Golding, \textit{Black Jack McEwen}, 286-288; Hasluck, \textit{Chance of Politics}, 178.}

Gorton’s international antics, including his travels and his public statements, fell
under scrutiny, as well. Instead of bringing his Ministers for Defense and External
Affairs on his trip to the United States, where critical topics like Vietnam and the
ANZUS treaty would be discussed, Gorton only arrived with his wife, Gotto, Hewitt, and
the man who arranged his travel.\footnote{Golding, \textit{Black Jack McEwen}, 293.} During his January 1969 visit to London, Downer
remembered that Gorton carried an air of Australian nationalism that contributed to his
“lukewarm attitude to things British.” Gorton even went as far as to suggest that Britain
had become like a “foreign country” to Australia and that it would be treated as such.
Even though Gorton’s attitude changed over the course of his visit, the statements
displayed a sharp turn from traditional sentiments expressed by Australian leaders.\footnote{Downer, \textit{Six Prime Ministers}, 114-115. Benvenuti also relayed this story in his introduction as an example of Gorton justifiably sounding ‘the death-knell’ of the Anglo-Australian relationship. Benvenuti, \textit{Anglo-Australian Relations}, 1-2.}

In addition to criticism from his own party, Gorton also became a target for
Opposition Leader Gough Whitlam’s acerbic attacks. Unlike Robert Menzies and Harold
Holt, Gorton was not a gifted orator, but he decided against having a speechwriter. On
one occasion, Gorton’s May 1968 press briefing in Washington devolved into Gorton
fumbling for answers to press questions on standard topics, such as Australian defense,
ANZUS, and Vietnam. When asked about the application of the ANZUS Treaty to
Australian troops in Singapore and Malaysia, a frequent topic of conversation in
Canberra, Gorton responded, “…I don’t know I can give you any definite answer to that
either.” When pressed on the issue, he deferred until he could check with External Affairs about the application of ANZUS. If Gorton had invited his Defense and External Affairs Ministers on his trip to Washington, he might have been more prepared to field important questions without the air of uncertainty. Gorton provided very few clear responses that day, and he gave the impression that he was as inexperienced as some of his contemporaries in Canberra feared.77

Whitlam pounced on Gorton’s underwhelming performance after hearing Gorton’s Ministerial Statement in the House of Representatives. Whitlam argued that Gorton’s statement about his visit followed a pattern that he came to expect, which left “almost everything to the imagination” due to his “exceptionally vague” statements. He carefully picked apart several of Gorton’s statements as examples of his incompetence, including Gorton’s response to a question about the possibility of a new defense review in which he responded, “Not a defense review, I do not think. We will be looking at defense in context of the Budget. But sort of, you know – I am not quite sure what you mean by defense review.” As Prime Minister, he was expected to understand such basic practices as a defense review. Whitlam also responded to Gorton’s deflection of the ANZUS question by stating that the “Prime Minister’s attitude to ANZUS betrays the narrowness of his thinking and the Government’s thinking about our role and responsibilities in Asia.”78 As Opposition Leader, Whitlam naturally wanted to discredit his political rival, but his critique of Gorton’s lack of leadership skills coincided with

negative opinions from members of the Coalition government, thus lending the criticism some credence.

The political infighting that became apparent after Holt’s death and the controversy surrounding Gorton’s administration followed the Coalition government into the 1970s, where Gorton’s controversial time as Prime Minister ended under memorable circumstances. By the end of 1969, Gorton’s former supporters began to turn on him. Defense Minister Fairhall chose to retire in October 1969, which brought Malcolm Fraser in as the new Minister for Defense, but Fraser resigned that post just over one year later. Despite the scathing reviews of Prime Minister Gorton across party lines, he survived the 25 October 1969 election, but barely. The Coalition government’s 38 seat majority in the House of Representatives shrank to only a 7 seat majority as a result of the election. Some of Gorton’s former supporters used this significant loss as an opportunity to oust him from leadership.79 After the election, a column published in The Australian Weekly Digest called “Things I hear” suggested that the situation with Gorton led to two main schools of thought. The first required the party to “close the ranks temporarily” in an attempt to urge Gorton to retire within the year. The second called for an immediate change “because on the showing of the last 21 months, the Liberal Party might be past saving if Mr. Gorton continues any longer.” The lack of an apparent successor to Gorton made the first option the more viable one, but some party members chose to pursue the second option.80

79 Downer, Six Prime Ministers, 123-125.
80 “Things I hear,” The Australian Weekly Digest, 30 October 1969, NAA: A1838, TS686/1/1 PART 2. Journalist Frank Browne’s weekly “Things I Hear” column was known for its political gossip and its
Three days after the election on 28 October 1969, David Fairbairn, Minister for National Development, resigned his post and announced on 3 November that he would contest Gorton’s leadership. William McMahon seized the opportunity and offered to challenge Gorton, as well. Perhaps the most striking example of Gorton’s loss of respect within the Coalition occurred when John McEwen put his rivalry with McMahon aside and agreed not to block McMahon’s leadership bid. Although Gorton won the 11 November challenge, the loss of confidence from so many of his former supporters indicated just how deep the rift became.\(^8\)

Gorton faced another party leadership vote on 10 March 1971 in which he tied William McMahon – the same man who was blocked by his own party from becoming Prime Minister following Holt’s death. Instead of contesting the vote, Gorton resigned his position since he viewed the tie as an indication that he lost the confidence of his colleagues. As a result, William McMahon finally claimed his position as Prime Minister in 1971, but his time in office would be short-lived. The Coalition government’s inability to recover from the instability it experienced since the 1960s, the rise of a dynamic leader in the Labor Party, and the shift in public attitudes toward the government led to the Coalition government’s loss in the 1972 election.

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The Whitlam Effect

Although the Labor Government under the leadership of Gough Whitlam failed to win the 1969 election, the implosion of the Coalition government contributed to a Labor Party victory in December 1972, placing Australia in the hands of the Labor Party for the first time in 23 years. After running under the campaign slogan “It’s Time,” Whitlam brought an air of revisionism and arguably more political drama than Gorton to Canberra.82 His tenure in office began in an unconventional way. After being sworn in as Prime Minister on 5 December, Whitlam operated as part of a duumvirate with Deputy Prime Minister Lance Barnard, creating the smallest government Australia experienced since 1934. Whitlam took responsibility for thirteen departments and Barnard took fourteen. During its two-week stint, the duumvirate ended national service, opened talks to discuss Australia’s recognition of China, announced the withdrawal of troops from Vietnam, and appointed several new High Commissioners. When the Labor Caucus met to elect Whitlam’s full Ministry on 18 December, Whitlam made it clear that he expected his government to fulfill the policies expressed during the election campaign.83

In his account of the December election victory, Whitlam explained that his objective had been “not only to reverse the policies of two decades, but to change

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Australian attitudes, deeply entrenched over generations.” Much as Nixon’s Foreign Affairs article had informed his approach to foreign policy, Whitlam’s 1968 pamphlet entitled “Beyond Vietnam” outlined his vision for Australia. His past comments as Opposition Leader and campaign pledges indicated that Australia’s strategic outlook faced significant changes. Whitlam’s pamphlet, published prior to Gorton’s narrow election win in 1969, accused the Liberal Party Prime Ministers of having unsound policies based on prejudice and personal positions. According to Whitlam, Robert Menzies committed Australia to Vietnam with his ‘misguided’ acceptance of the domino theory and support for forward defense, and Holt’s close relationship with President Johnson led to the expansion of Australian commitments. Whitlam argued that Gorton’s “confused superficialities” furthered the Liberal Party’s unsound foreign policy. As a result, Whitlam proposed that the next Labor Government should make the Prime Minister the External Affairs Minister, too, in an effort to advance a consistent policy. Whitlam followed through on this point when he became both Prime Minister and Minister for Foreign Affairs (formerly External Affairs) upon taking office.

Whitlam’s critique of the Coalition government continued beyond the party leaders and addressed Labor’s view on some of the ‘hot topics’ of the time. On the Vietnam War, Whitlam argued that Australian presence was not actually required, nor should it continue since the “war is increasingly purposeless.” He tied Australian presence in Vietnam directly to the alliance with the United States and accused Gorton of “[reducing] Australia to a status of diplomatic and defense dependence” through his

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interpretation of the alliance. After withdrawing Australian forces from Vietnam, Labor’s policy would be to correct the understanding of the alliance, not to eliminate Australia’s relationship with the United States altogether. From Whitlam’s perspective, Australia’s relationship with the United States served an informal and a formal purpose. Formally, the alliance contained mutual obligations under ANZUS, which would continue under a Labor Government. Informally, the alliance was “a matter of spirit and attitude” in which Australia could urge the continuation of US presence in the region. Labor policy placed more emphasis on the latter than the former.86

Looking ahead, Whitlam argued that Australia’s future role should extend beyond military involvement since the real challenge was the widening gap between developing versus developed nations, not on communist expansion. With a GNP larger than most of the countries in Southeast Asia, Australia could help address this disproportionate growth without spreading Australian resources too thin. Whitlam hinted that it would be Labor’s policy to address the sense of dependence created from 63% of all Australian aid directed toward New Guinea and to reduce the number of soldiers overseas. Overall, the acceleration of British withdrawal from the region created a situation in which it became “increasingly urgent to step up Australia’s efforts to build the defenses, societies and economies of the nations in our region, the most deprived and turbulent area of the world.” Through aid, training, trade, and international support, Australia could respond to the needs of the region. Whitlam wrote, “Asians by an irrevocable act of geography, Australians have a share in the problems of Asia.” According to this logic, the Labor

86 Whitlam, Beyond Vietnam, 14-22.
Party would bring an ‘internationalist’ perspective that involved closer relations with Asia rather than an isolationist approach that alienated Australia from Asia.\textsuperscript{87}

With the Labor Party’s victory, many of the policies Whitlam expressed in his 1968 pamphlet now had the potential to translate into actual changes. One of his first orders of business included the call for another defense review to reflect Labor’s position on defense. While his rhetoric suggested a noticeable departure from the Liberal Party’s strategic outlook, the subjects addressed in the new Strategic Basis paper, endorsed on 1 June 1973, resembled those of the previous papers. Still, these similar issues were viewed through the lens of the Labor Party and responded to significant international changes that removed previous conceptions upon which Canberra based Australia’s long-term outlook. Much like the previous papers, the 1973 paper began by recognizing Australia as “one of the most secure countries in the world” due to its location on the periphery of areas that held greater strategic interest for the major powers.\textsuperscript{88} The Defense Committee argued that “location, size and forbidding climate and terrain” made Australia “a difficult country to invade, conquer and occupy, entirely or in part.” In order to sustain Australian security, Canberra needed good intelligence, continuous strategic reviews, and early decisions to allow for enough warning time in the event the Australia’s strategic situation changed. Additionally, defense forces and equipment must be maintained and in place in the event changes escape detection or escalate rapidly. This

\textsuperscript{87} Whitlam, \textit{Beyond Vietnam}, 14-49.

\textsuperscript{88} Although it was excluded from the final copy of the paper, the draft went as far as to claim that Australia had no strategic significance “either as a route to other areas of strategic significance or as a base for the deployment of their strategic power.” The question of Australia’s strategic value to allies will be addressed in chapter 5, but the accuracy of the statement might be surmised from its exclusion in the final draft of the paper.
general understanding of Australia’s strategic situation incorporated many of the views described in the 1971 paper, but the 1973 review placed greater emphasis on the economic and technical factors that could influence the global balance.\textsuperscript{89}

The 1973 Strategic Basis paper recognized the period under review as a “transitional era” in which Australia faced a “new era in international relations.” One of the uncertainties included in the 1971 paper related to the global balance of power between the US, Soviet Union, China, and Japan. Although détente helped to stabilize relations between the United States and the Soviet Union, additional steps taken through the Strategic Arms Limitations Talks (SALT) improved the ‘climate of confidence’ between the two nations. The agreements resulting from first round of talks, which began in 1969 and concluded in mid-1972, included fixed limits on long range ballistic missiles, the limitation of two systems each to defend against missiles, and the promise to verify compliance without interference. While SALT moved nuclear deterrence in a positive direction, future negotiations still required discussions about research and development, delivery systems, and technological changes. Even though détente was expected to continue, the full impact of SALT would remain under observation.\textsuperscript{90}

Beyond their discussions with one another, the United States and the Soviet Union were still part of a multipolar global structure, which also included Japan, China, and Western Europe. The balance between these centers of power contributed to uncertainty in Canberra about the future of this multipolar system. The reduction in US forces introduced through the Nixon Doctrine continued, but the extent of domestic

pressure to reduce its global role remained unclear. Still, the Defense Committee concluded that the US could not overlook an international imbalance, so they would continue to be involved in Europe, East Asia, and the Pacific. Similarly, the paper noted that the Soviet Union might face similar constraints as the US but could be expected to continue on a steady path to avoid the appearance of strategic weakness.\textsuperscript{91}

While the previous paper hinted at the potential contributions of a strong Japan, the 1973 version considered that strength in greater detail. Japan would focus on economic development by protecting its international trade with the United States and Western Europe not on conflict with the other powers. If Japan decided to pair its economic growth with a military build-up, the Defense Committee predicted that it would take two years for Japan to attain a limited regional reach and five years for major offensive capability, including an intermediate range ballistic missile. Japanese dependence on outside sources for enriched uranium led to the conclusion that Japan would not possess nuclear warheads until the late 1970s or beyond. As a result, Japan did not appear to have the capability or the desire to upset the existing global balance. Similarly, the paper concluded that China could not achieve nuclear parity with the United States or the Soviet Union within the fifteen year study period, but they could prove to be disruptive to the balance in other ways. China’s ideology shifted away from ‘world revolution,’ but that same militant nationalism provided the lens through which Peking viewed international politics. China aimed to counterbalance the weight of

American and Soviet global power by supporting defense development in Western Europe through the EEC.\textsuperscript{92}

The relationship developing between those five centers of power suggested that the global balance between them would remain intact, but other factors contributed to Canberra’s international concerns through the 1980s. Competition between so many centers of power would make it difficult for the new states that sought investment, trade, and aid. According to the paper, the competition for influence over international activity might limit the ability of the new states to grow on a global scale. In addition to the effects of competition, changes in technology also contributed to the potential for nuclear proliferation among the nations who chose not to sign or ratify the nuclear non-proliferation treaty. Canberra predicted that countries such as India, Japan, Israel, and South Africa had the potential to develop nuclear technology within a decade. As a result of this technological advancement, armed confrontation among smaller powers could destabilize the existing strategic system. Although the Defense Committee deemed this a remote possibility, concerns related to technology garnered more attention in the 1973 paper than in the previous one. Along with economic factors, technological advancement had the potential to change the shape of international relations since industrial countries needed access to resources and minerals to advance national interests. As a result, the competition for resources could result in limited military action.\textsuperscript{93}

The global balance of a multipolar system caused some limited concerns in Canberra, but the focus of the 1973 Strategic Basis paper, like the ones before it, paid


particular attention to regional developments. With the Great Powers focused elsewhere, the likelihood of confrontation in Southeast Asia between the powers dwindled. Still, the paper acknowledged that Southeast Asia served as an “area of competition for limited stakes and of localized instability.”

One of the greatest changes to Australia’s regional strategic situation occurred with the gradual acceptance of China into the international order. For decades, Australian defense planning identified Chinese expansion and its promotion of insurgency and subversion in Southeast Asia as primary threats to regional stability and security. By the early 1970s, cracks started forming in that assessment of China. The 1971 paper predicted that China would become a member of the UN by the mid-1970s and concluded that Australia should “establish satisfactory relations with mainland China” as a long-term objective.

While Opposition Leader, Whitlam traveled to Peking with a Labor Party delegation in July 1971. This visit unexpectedly coincided with Henry Kissinger’s covert meeting with Peking to begin the process of opening relations between the two countries. Before learning of Kissinger’s secret visit, Prime Minister McMahon criticized Whitlam for his visit to China, but others in Canberra deemed it a “stroke of genius” once US plans were revealed. Whitlam’s election victory led to Australia’s formal recognition of China and the transfer of Australia’s embassy from Taiping, Taiwan to Peking, China.

The 1973 Strategic Basis paper reflected this revision and changed in tone by identifying

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China’s opposition to Soviet expansion in Southeast Asia as an asset. Still, the Defense Committee was not prepared to dismiss China’s policy direction as an ongoing source of concern. After all, it appeared as though Peking still supported national liberation movements, which included the dissemination of propaganda and military aid to North Vietnam and the use of Chinese equipment in Laos and Cambodia. With every indication pointing toward long-term Chinese involvement in the region, Canberra continued to observe the direction of its policies.97

With the Soviet Union’s push to influence Southeast Asia, China’s attempts to counterbalance such influence, and the US pursuit of self-reliance, Canberra anticipated that Japan would become the most involved great power in the region. Since the Strategic Basis paper identified economic and technological changes as important factors in future planning, Canberra supported Japan’s contributions to Southeast Asian development through trade, aid, and investment. The ASEAN countries, which included Thailand, Malaysia, Singapore, the Philippines, and Indonesia, conducted 25% of their trade with Japan. Additionally, Japan imported raw materials from Southeast Asia and also had an interest in moving Australian minerals through Southeast Asian waters. Therefore, Japan had an interest in lending economic support to strengthen the region in an effort to encourage peaceful trade. On this point, Japanese and Australian national interests aligned, but it would take more than Japanese economic support to aid in regional stability.

The 1971 Strategic Basis paper acknowledged the ongoing development of Southeast Asian nations, but the new paper paid particular attention to the potential

disruption of that progress. While ASEAN created an organization that allowed for multilateral consultation, the organization was still in its infancy. From Canberra’s perspective, communism continued to pose a threat to the security of ASEAN countries even though each country successfully contained communism over the course of two decades. Even though the ASEAN countries would likely “retain the upper hand,” rapid mobilization and ongoing attacks through subversion and insurrection had the potential to undermine attempts to build a strong political center. In the period under review, tension would likely increase between the communist and non-communist nations of Southeast Asia, but a greater impact on Australia’s strategic outlook centered upon ASEAN’s neutralization proposals.98

Non-alignment in Malaysia and Singapore factored into Australia’s strategic considerations in the 1971 paper, but interest in a neutral Southeast Asia gained momentum by late 1971 when the ASEAN countries agreed that Southeast Asia should be “a zone of peace, freedom and neutrality.” Ideally, this zone promoted the end of border disputes and internal disruption between countries, neutrality in conflicts outside of the region, and a collective approach to regional affairs. Malaysia’s vision of neutrality differed from its peers. Malaysia proposed strict neutrality that would eliminate external treaties and remove foreign military presence from the region, but the other members rejected such strict parameters. From their perspective, Malaysia’s vision of formal neutrality had the potential to benefit the Soviet Union and China while limiting US aid and military support on which many of the ASEAN members depended for growth. This response indicated to Canberra that the ASEAN countries did not

actually want a neutral Southeast Asia. They preferred time to prepare for the pressures that the region would face without long term foreign military presence. With 60% of Australian trade by volume and 30% by value traveling on routes through Indonesia and Papua New Guinea, a zone of neutrality caused concern for the future of Australian trade. Additionally, Australia needed to retain access to important land, sea, and air facilities that aided in Australian communications in the region. For example, Australia used communication facilities in Indonesia to move military aircraft between Australia and Southeast Asia, so access to those facilities must remain. While a neutral Southeast Asia would limit the influence of China and the Soviet Union, it had the potential to undermine Australian interests. 99

After assessing Australia’s global and regional outlook, the Defense Committee turned its attention to Australia’s immediate ‘neighborhood’ that consisted of Indonesia and the strategic approaches to Australia through Papua New Guinea, the Southwest Pacific, Antarctica, and the surrounding oceans. The 1973 Strategic Basis paper used almost identical language to that of the 1971 version in identifying Indonesia as an area of “greatest strategic significance” to Australia and relations with Indonesia as being of “profound and permanent importance to Australia’s security and national interests.” Indonesia’s location provided security from attacks to the North as long as both countries enjoyed a peaceful relationship. Canberra anticipated that the countries would continue to experience a supportive relationship into the foreseeable future as long as Suharto’s government remained in power. Indonesia would benefit from a friendly relationship, as well, since Australia served as “a stable strategic bulwark to the south, enhancing

Indonesia’s security” and its Western associations could assist Indonesian development. Still, much like the last defense review under the Liberal-Country coalition, the review under the new Labor government acknowledged that the border between Indonesia and Papua New Guinea could create tension in the relationship. With Papua New Guinea close to independence, Australia would adopt a supportive role that could create faster development in Papua New Guinea than West Irian, which had the potential to create dissent along the border. Because the governments of Indonesia and Papua New Guinea wanted to avoid military action, Canberra expected cooperation not confrontation between the two governments.\textsuperscript{100}

Like Indonesia, Papua New Guinea and the Southwest Pacific garnered attention in 1973 just as they did in 1971 (Map 5). The more recent Strategic Basis paper had the advantage of time. As Papua New Guinea moved closer to independence, it became easier to assess the impact of the transition. Even though the Australian government no longer took responsibility for Papua New Guinea’s security after independence, Canberra had a stake in a successful transition to independence. Along with 50,000 Australians in PNG, who would likely stay as part of the defense force, in government service, and in private business after independence, Australia still had an interest in the military and trade lines running through Papua New Guinea. Canberra ruled out an external attack on PNG after independence, but the deterioration of the internal situation might require an Australian response.\textsuperscript{101}


Outside of possible internal disruptions, Canberra grew concerned that Papua New Guinea’s independence might encourage areas of the Southwest Pacific to push for secession. The Strategic Basis paper listed Bougainville in the Solomon Islands as the most likely to secede, and the government in PNG would not be in a position to suppress the attempt. Outside of this potential for separatism, the Southwest Pacific still held
importance for Canberra’s effort to preserve communication lines, maritime interests, and access to strategically important facilities. Access to facilities allowed Australian air and naval patrols to combat such issues as smuggling, gun running, and ‘intrusions’ into Australian areas of interest. Even if Soviet naval presence increased in the area, strategic interference warranted a response from Britain, France, the United States, Australia, and New Zealand. This deterrence would limit Soviet influence in the islands. Instead, Australia should commit intelligence resources to Antarctica to eliminate any Soviet use of existing transmission stations there. With the northern, southern, and eastern approaches to Australia relatively secure, the Indian Ocean became the final area of consideration in Australia’s immediate neighborhood. Although Canberra expected a competition for influence in the Indian Ocean, naval escalation seemed unlikely during the period under consideration.¹⁰²

With the regional situation reinforcing Australian security, the Strategic Basis paper turned to the fundamental objectives of Australia’s defense policy: independence and the security of Australia. The Defense Committee defined independence as more than preventing occupation from another power. From Canberra’s perspective, independence corresponded to a country’s ability to “counter threats and to safeguard against risks whose magnitude would otherwise inhibit freedom of decision in the national interests.” Defense policy not only provided the protection of national interests, but also supported this understanding of independence. Although low-level harassment and disruptions could warrant a response from Canberra, Australia faced no direct threats to its security and would have enough warning to address any fundamental changes that

might alter its strategic situation. Even without a direct threat, Canberra had to be prepared for any change in the country’s long-term situation.\(^{103}\)

Australia’s limited size and military capacity meant that any future attack by a major hostile power necessitated the maintenance of “security associations with friendly major powers.” Australia’s traditional allies showed a decreasing interest in Asia, but Canberra admitted that “Australia’s long-term development substantially depends on the readiness and capability of the ‘Western’ community to cooperation with us.” Even though Whitlam criticized the close defense relationship that his predecessors developed with Washington, his government’s defense review maintained the importance of the “Western Defense Connection.” This connection, which included North America, Western Europe, and Japan, allowed for a global display of solidarity. Australia’s relationship with the United States and Great Britain, in particular, provided Canberra with “important access to classified defense technology, doctrine, logistic support arrangements and to intelligence and policy consultations” in the strategic and defense fields. In return for global support, the paper noted that “Australia can offer limited but direct support to our strategic associates and help maintain the stability in their relations with rival Powers necessary to secure global balance.”\(^{104}\) In this respect, Canberra still recognized the value of maintaining its defense relationships with the Western Alliance to ensure national security interests while shifting toward the defense of Australia.

Outside of Canberra’s approach for handling any future global conflicts, the focus returned to the concept of independent action, which the 1971 Strategic Basis paper also

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stressed. The regions included in the Western Connection might have shared the common goal of preserving a global balance, but the reduction of involvement by some and the divergent interests of others meant that Canberra had to “operate from an independent view of our strategic interests and in our own right.” Moving forward, Australia could increase its influence through the field of intelligence and by building its technological and economic power. One aspect of operating from an independent view included Australia’s continued involvement in the region through aid, diplomacy, and technical assistance. The Defense Committee encouraged the continuation of Australian influence by avoiding military involvement in domestic situations, helping to localize any internal discontent, and intervening with other powers in the event of major upheaval. In order to advance this approach, Australia needed a military capability that would lend “credibility and authority” to its policies, and this could be accomplished in Southeast Asia with air and naval support, surveillance technology, and transport equipment. ASEAN’s acceptance of neutralization had the potential to limit Australian involvement in an area of primary strategic interest, but at the time of the Strategic Basis paper’s publication, regional governments and the Western community supported Australian presence.  

The Defense Committee determined that predictable circumstances in the short term posed little to no threat to Australia, but the less predictable future outlook required the development of a “respectable military capability” to support Australian defense policy and reinforce Australian security. Prime Minister Whitlam did not, in fact, introduce the concept of defense independence in Canberra; he built upon existing

The 1971 Strategic Basis paper emphasized the need for versatile forces that would not result in mediocrity, and the 1973 paper expanded the concept. By employing flexible forces and planning ahead, Australia’s defense strength would allow for “greater self-reliance and the ability to act independently” in regional events. If problems arose and conflict appeared imminent, those forces could be expanded to accommodate such changes. Additionally, maintaining a strong defense capability in times of peace could help to prevent the escalation of potential conflicts. For situations that extended beyond the region, Australia still looked toward ANZUS as “an assurance of ultimate security.”

As global relations experienced some degree of balance in the early half of the 1970s, Australia’s focus, as expressed through the Strategic Basis papers, turned from direct military intervention to aid, assistance, and support for regional growth. Australian geography continued to provide security in spite of the changes on its doorstep. While Canberra’s short term outlook allowed Australia to pursue influence through indirect, non-military means, the less predictable long-term outlook required flexible forces and the appropriate defense capacity to respond to regional changes as well as ongoing involvement in the Western Defense Connection for situations beyond Australia’s capability.

Although the 1968 Strategic Basis paper named the strategy of continued involvement as an alternative to forward defense, the complex strategic environment under which this new strategy must develop posed challenges to determining exactly how

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107 Although this phrase appeared in the draft, objections from senior officials led to revisions that downplayed Australia’s relationship with the United States. Andrews, *The Department of Defense*, 201.
it should be implemented. The 1971 paper built upon this new strategy by proposing a versatile force, which allowed Australia to act with greater independence. By 1973, the Strategic Basis paper took another step forward and called for a comprehensive study on continental defense in an effort to determine how Australia could accomplish self-reliance and take advantage of its anticipated security.\(^{109}\) This study called on the individual Services to consider how, in a strategic environment based on self-reliance, Australia should approach the defense of Australia. The RAAF suggested ‘repulsion,’ or the defense of surrounding sea and air approaches, as the best option.\(^{110}\) For the RAN, flexibility required an expansion of its power projection that included patrol boats, submarines, and destroyers with the core of the fleet dependent on carriers and strike aircraft. The RAN’s proposal received little support from the other services, who failed to understand that a larger fleet offered the type of sea power required for the defense of Australia without duplicating the equipment of other services. At a time when Canberra wanted to avoid direct military intervention, the cost of upgrading RAN equipment proved prohibitive.\(^{111}\) The Army’s challenges were arguably more immediate than those facing the other Services. Whitlam suspended national service soon after taking office in 1972, which led most of the 12,000 servicemen to choose immediate release and resulted in a sharp decline in numbers for the Citizens Military Force (the Army Reserve after

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\(^{110}\) After some revisions in 1977, this transformed into a strategy of ‘anti-lodgment.’ According to this revised approach, the RAAF would focus less on removing an invading force due to Australia’s limited defense resources and focus more on preventing that force from reaching Australia in the first place. Stephens, *The Royal Australian Air Force*, 278-279.

April 1974). This change meant that Canberra expected the Army to do more with fewer permanent soldiers and adequate resources.\footnote{Grey, The Australian Army, 225-228.}

The call for all three services to assess their future needs individually, often working against one another in the process, came to a halt with defense reorganization, which resulted in the establishment of a unified Department of Defense on 30 November 1973. Allen Fairhall considered the integration of the three Services in 1968 when he was Minister for Defense but chose to maintain separation for the time being. Even so, Fairhall recognized that British withdrawal precipitated defense changes, and he anticipated the increasing importance of administrative reorganization that would allow Australian forces to coordinate their efforts for joint operations.\footnote{“Statement of Defense,” 2 May 1968, NAA: A5954, 1139/3.} Sir Arthur Tange, Permanent Secretary for the Department of Defense, pursued this need for reorganization and defense reform under Minister for Defense Lance Barnard. Tange recalled in his memoir that Whitlam gave him the authority to reorganize the Departments of Supply, Navy, Air, Army, and Defense under the Defense Minister. Barnard informed him that he intended to “strengthen the role of civilian advice,” which meant that Tange would spearhead the reform process that he advocated prior to Labor’s victory.\footnote{Sir Arthur Tange, Defense Policy-making, A Close-Up View, 1950-1980: A Personal Memoir, ed. Peter Edwards (Canberra: The Australian National University E-Press, 2008), available from http://press.anu.edu.au?p=101541, 49-50.} The creation of a single Defense Department marked an effort to improve the efficiency of Defense as demands began to change. Although under the Defense Minister, each Service maintained its identity and still retained the delegation of authority. Changes in defense
policy under the Whitlam Government extended beyond Tange’s defense reforms into more public areas.  

Instead of simply talking about the shift away from a forward defense strategy, the Whitlam Government began to recall Australian forces from overseas in an attempt to return the focus back to the defense of Australia. The first major step in ending the forward deployment of forces brought the withdrawal of Australian forces from Vietnam, a promise that reflected Labor Party policy. One week after taking office, Whitlam announced the withdrawal of the remaining troops from Vietnam on 11 December 1972, with the expected completion of this process within three weeks. 

Although he presented his decision as a new one, the gradual withdrawal of forces had begun in 1970 under Prime Minister Gorton. The only troops left by the time of Whitlam’s announcement were military advisers. Still, Whitlam received credit for ending Australia’s Vietnam commitment. 

In addition to bringing troops home from Vietnam, the withdrawal of Australian forces in Singapore reinforced the aim of independent action by Australian defense forces. ANZUK, created in November 1971, operated under an Australian commander as part of the Five Power Defense arrangements and consisted of 2,100 troops from Great Britain, 1,900 troops from Australia, and 1,000 from New Zealand. 

With confirmation of Australian security in the foreseeable future, Whitlam’s government supported the

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115 Tange, Defense Policy-making, 53.
withdrawal of Australia’s ANZUK contingent. As a result, ANZUK transformed from a joint organization to preserve the security of Malaysia and Singapore into an opportunity to express Australia’s divergent interests and capacity to act independently. A 1973 Joint Exercise between ANZUK forces and the United States at Subic Bay brought a request to clarify the title of the exercise to reflect that the ANZUK forces were not participating as a joint Five Power contingent. Instead, each participated under their national identities, upon leaving the territorial waters of Singapore and Malaysia, until their return. This allowed each nation to plan directly with the United States Navy instead of relying on joint planning under the Commander of the ANZUK forces.\textsuperscript{119}

Separate operations during a joint exercise marked a step toward independent defense action for Australia. Canberra took another step when the government called for the disbandment of ANZUK forces on 1 January 1975. The formal request for the termination of ANZUK formalized a process already underway. The initial withdrawal of Australian forces from Singapore occurred in July 1973 and continued gradually while British and New Zealand forces took over logistic and administrative responsibilities. On 1 February 1974, New Zealand announced that its troops fell under national command. The end of a joint ANZUK force did not eliminate the possibility of cooperation in the future because each nation expected joint exercises to continue. For Australia, the RAAF would continue to operate Mirages and the RAN would keep units in Singapore while also remaining in Malaysia. New Zealand planned to keep a battalion, a squadron of transport aircraft and helicopters, and a frigate in Singapore. With another British defense review underway, it was still unclear what forces or equipment, if any, they

would contribute. The removal of forces from Singapore and the reduction of forces in the region aligned with Labor’s position of moving toward and independent defense capacity. The presence of a small contingent of forces, some of whom were responsible for joint exercise coordination, allowed Canberra to walk the line between regional involvement and continental defense, since the remaining contingent had the ability to expand should the need arise.

Many of Labor’s external policies aligned with the decisions of the previous Coalition governments, but Whitlam’s public crusade to develop an Australian identity that was distinct from its Western allies moved beyond the measures taken by his predecessors. Whitlam’s approach has often been called ‘new nationalism’ and aimed to restore and invigorate Australian traditions while forming new friendships that helped Australia enhance its own name and reputation. The language used by the Labor Party to achieve these goals emphasized national interests and Australian sovereignty since a strong national identity served as a precursor for successful international cooperation. Whitlam described Australia’s independent foreign policy as “not one without allies, but one without obsessions, without distortions, without subjection to the ideologies or follies of other powers.” This rhetoric might have sounded appealing, but it failed to align with the conclusions of the Department of Defense that identified Australia’s Western alliances as “critical” to the effective development of Australia’s defense forces.121

The defense review under Whitlam might not have adopted a controversial tone, but some of the measures that Whitlam advanced proved to be controversial because of

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their symbolism. One component of ‘new nationalism’ that garnered significant attention in his push for a distinct Australia identity involved his goal for a new national anthem by 1974. During his election campaign, Whitlam had promised a new national anthem. He argued that *God Save the Queen* was Great Britain’s national anthem, not Australia’s. While it would still be used for official events when the Queen was present or when Anglo-Australian ties must be acknowledged, a new anthem exhibited a distinct Australian identity. In his view, he was following a step that Canada, another Commonwealth country, took in 1967 when it chose *O Canada* as the national anthem and used *God Save the Queen* as the royal anthem.123

In addition to the national anthem, Whitlam also proposed other changes that pointed toward a break in Australia’s formal links with Britain. In the early 1970s, Australia’s highest court of appeals was located in London. Whitlam wanted to introduce the Privy Council Abolition of Appeals Bill in order to relocate the highest court to Australia. Harold Wilson, who returned as the British Prime Minister in 1974, wrote to Whitlam and requested clarification about the bill before introducing it at Westminster. In his letter, Wilson hinted that Whitlam acted hastily. Wilson explained that he required a decisive response from Whitlam, which reflected mutual agreement between the States and the Commonwealth before unilaterally changing the Anglo-Australian relationship.124

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123 *Advance Australia Fair* became Australia’s official national anthem in 1977 under Malcolm Fraser’s government, but it was used as the national anthem during some of Whitlam’s travels. “Whitlam’s BBC Interview with Lord Chalfont,” 13 December 1973, NAA: A1838, 67/1/3 Part 11 - UK – Foreign Policy - Relations with Australia – General; Whitlam, *The Whitlam Government*, 144-145.
Along with a new national anthem and the relocation of the highest court of appeals to Australia, Whitlam also introduced the Royal Style and Titles Act 1973. Since 1953, the Queen’s Style and Title in relation to Australia read, “Elizabeth the Second by the Grace of God of the United Kingdom, Australia and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith.” This ‘formula’ reflected common elements between the Commonwealth countries by referencing ‘Her Majesty’s other Realms and Territories’ and by recognizing the Queen as the Head of the Commonwealth. Whitlam proposed to the Queen that Australia should receive its own “distinctive and essentially Australian Style and Title” with the omission of the line “Defender of the Faith” since it held no relevance in Australia. As a result of his conversation, Whitlam proposed that the new Australian Style and Title would change to “Elizabeth the Second, by the Grace of God Queen of Australia and Her other Realms and Territories, Head of the Commonwealth.” Members of the Australian Cabinet accepted Whitlam’s proposal, and the Queen signed it on October 1973. These proposals symbolized the end of British ‘race patriotism’ in Australia. Even so, Whitlam’s measures for creating a distinct Australian identity led to apprehension abroad.

Whitlam received a lukewarm reception from London even before he expressed his perspective on Anglo-Australian relations and his ideas about how to establish a distinct Australian identity. In anticipation of Prime Minister Whitlam’s visit to London, Australia’s High Commissioner in London, John Armstrong, sent him a message

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126 Ward, Australia and the British Embrace, 256-262.
summarizing British reactions to him and his government. Although some viewed Whitlam’s government with general approval, others voiced apprehension that he might be moving too quickly and severing ties ‘unnecessarily.’ Despite the warning, Whitlam forged ahead and justified his position to Armstrong. According to Whitlam, he wanted to modernize not sever ties with Britain, and London should expect changes in Anglo-Australian relations for three reasons. First, the Australian Labor Party succeeded in the elections based on the promise of change. Second, the transfer of administration for the High Commission in London to Foreign Affairs indicated that Australia would treat British issues similar to other foreign relations issues. Finally, the postwar period provided evidence that Britain and Australia had divergent interests. While the Anglo-Australian relationship underwent changes over the past few decades, Whitlam still admitted that the two shared a common language, culture, and political heritage, which provided the foundation for building a new relationship. The fields of trade, investment, and defense provided opportunities for cooperation, but Whitlam acknowledged that Britain’s EEC membership marked “the end of the special trading relationship” between Britain and Australia.  

While covering Whitlam’s visit to London, *The Age* correspondent Peter Cole-Adams confirmed British apprehension toward Whitlam and his government. In his article “Whitlam goes under the UK microscope,” Cole-Adams noted that Whitehall’s reservations stemmed from what some perceived as Whitlam’s hasty approach to foreign policy initiatives. Others in Whitehall questioned Whitlam’s style of government and

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whether or not he could control the unions, his Ministers, and Labor’s left-wing. More conservative circles in Whitehall also questioned the intention behind immigration restrictions and a new national anthem. Businessmen and industrialists in The City, London’s financial center, also remained apprehensive about the impact of Whitlam’s government on investment and trade. Mining industry investors expressed concern over foreign borrowing restrictions and the freeze on foreign real estate investment.\textsuperscript{129} Whitlam did little to placate the concerns in London when he gave a press conference on the subject of Anglo-Australian relations and stated that Britain no longer enjoyed “particular privilege or immunity in Australia.” Even as Whitlam encouraged the separation of some formal ties between the two countries, he argued that “ties of sentiment” continued.\textsuperscript{130}

Although external factors influenced the direction of Whitlam’s government, his style of leadership and inconsistency contributed to his decline.\textsuperscript{131} Paul Hasluck served as Governor-General under Whitlam until July 1974 and admitted to developing a certain respect for Whitlam’s political abilities. Still, he criticized Whitlam’s tendency to use a “private bureau” rather than the public service, thus widening the gap between his government and those informing policy decisions. According to Hasluck, Whitlam latched on to “bright ideas” from a Cabinet over which he had little control, but his impulsiveness often meant that he announced these ideas before considering their

\textsuperscript{130} “Britain/Australia relations: Prime Minister’s Press Conference,” 10 April 1973, NAA: A1838, 67/1/3 Part 7.
implementation or impact. As a result, some of his smaller moves “were not even presented as moves that would bring advantage to the nation or to the people, but seem rather to have been done for the sake of doing something different; and the government seemed to take credit for nothing more than being different.”\textsuperscript{132}

Even Lee Kuan Yew noted Whitlam’s impulsiveness after meeting him for the first time at the 1973 Commonwealth Heads of Government Meeting in Ottawa, Canada. He described Whitlam as “quick-witted but also quick-tempered and impulsive in his repartees.” At the meeting, Whitlam touted his decision to allow Asian students to stay in Australia after completing their degrees as an example of changing racial policies and his ‘good neighbor’ policy toward Southeast Asia. Lee corroborated Hasluck’s observation that Whitlam expressed ideas before considering their results because Whitlam failed to understand that this policy created a ‘brain-drain’ in Singapore and other Southeast Asian countries. Additionally, Whitlam presented himself as a friend to Afro-Asian nations but offended Lee when he claimed that the Soviet Navy would not visit a country filled with so many ethnic Chinese. In Lee’s experience, Whitlam’s ‘good neighbor’ rhetoric failed to match his actions.\textsuperscript{133}

As the Prime Minister, Whitlam wanted to control information as a way to ‘instruct’ others, but the lack of a unifying strategy for his government and his frequent trips overseas left many of Whitlam’s Cabinet members to pursue individual interests without consultation. Sir Arthur Tange recalled that his initial enthusiasm for the changes proposed by Labor declined after the first few months due to the “lack of

\textsuperscript{132} Hasluck, \textit{Chance of Politics}, 199-207.
\textsuperscript{133} Lee Kuan Yew, \textit{The Singapore Strategy}, 394-395.
concerns for confidentiality, rejection of the system of security clearances, undisciplined public trespass by Ministers outside their portfolio, and unwillingness or inability to control free-ranging Ministerial staff.” The sheer volume of bills and changes that Whitlam’s government produced in the first months of office also marked his tendency to make impulsive decisions without considering the process involved in their implementation. According to Tange, he had to caution Defense Minister Barnard against making decisions before understanding their consequences even though the “deluge of decisions” crossing his desk made the task difficult.134

During his time in Canberra, Whitlam lived up to his reputation as a contradiction. He swept into Canberra with an agenda to create a distinct identity for Australia, but his time in government did not represent a ‘watershed’ moment that introduced a specifically Australian foreign policy.135 Many of the policies that emerged from his government reflected a continuation of policies advanced by his predecessors. Gradual withdrawal from Vietnam began under Gorton in 1970. The call for a strategic shift away from forward defense emerged in the 1968 Strategic Basis paper. The expression of an independent approach to Australia’s security outlook appeared in the 1971 Strategic Basis paper. Whitlam certainly made the push for independence more visible through the removal of formal links between Britain and Australia and the

withdrawal of troops from overseas. Yet political realities at home and abroad made it difficult to transform his rhetoric of independence into anything more substantial.\textsuperscript{136}

**Conclusion**

Canberra identified the 1970s as a transitional period. Significant global, regional, and domestic changes in the first half of the decade allowed Australia greater freedom to identify and pursue its independent national interests, thus strengthening its position as a strong ally in the region. At the beginning of the 1970s, the global balance began to depend less on a bipolar world and more on a multipolar one involving the United States, Soviet Union, China, and Japan. Although the global strategic system grew more complex with this shift, it created opportunities for small and medium powers to assert their national interests. In response to the shift toward multipolarity and the ongoing reduction of British and American presence in the Asia-Pacific region, Canberra emphasized the need to build Australia’s influence in the region in order to advance the strategic aim of continued involvement and provide a counterweight to other industrial powers that might exhibit an interest in the region.

In addition to trade, aid, and investment, Australia planned to provide military support through training and joint exercises to help the countries in its primary area of strategic interest continue their progress toward self-reliance. The increasing emphasis

on self-reliance led Canberra to determine that Australia needed to develop an independent, versatile defense structure, which allowed Australian forces to respond to regional disturbances without the immediate support of its traditional allies. To help support this defense structure, Australia needed a strong economy, but changes in trade relations with Great Britain and Japan left questions about their impact on Australia. As the 1970s progressed, anticipated and unanticipated changes in the region and around the world continued to shape the development of the strategy of continued involvement.

The collapse of the Liberal-Country Coalition government brought the Labor Party to power for the first time in twenty-three years, and Prime Minister Whitlam’s world was far different from that of his predecessors. Australia enjoyed a level of security that had not been possible for decades. A multipolar system had been in place for several years, the countries of Southeast Asia grew stronger with and without external support, China entered the international arena, and Vietnam negotiations reached a tentative ceasefire agreement. All of these issues plagued the previous governments because they pointed to uncertainties, which would impact Australia’s strategic outlook. Although the trajectory of events tied to these changes remained unclear during Whitlam’s government, he could approach Australian defense with a level of certainty unavailable to Holt, Gorton, and McMahon.

Whitlam’s calls for building a distinct Australian identity resulted in the end of some formal links with Britain and the withdrawal of Australian forces from overseas, but the defense review that resulted in the 1973 Strategic Basis paper reflected many of the same conclusions as the previous paper. The security of Australia in the short term
allowed for defense reform and the development of forces that could be expanded to meet any long-term objectives. In the meantime, Australian defense forces would focus on how to accomplish self-reliance through continental defense.
CHAPTER 5: POLITICS AND GRAND STRATEGY, 1975-1980

During the first half of the 1970s, Canberra used the shift from a bipolar to a multipolar environment to its advantage. While the centers of power worked to balance their relationships, Australia and other medium powers on the periphery welcomed the opportunity to continue to become self-reliant. Canberra worked to continue expanding Australian influence in the Asia-Pacific region while building Australia’s ability to act independently in its area of primary interest. Discussions surrounding Australia’s long-term strategic interests brought opinions from across the political spectrum throughout the 1970s. The debate about Australian security fell along two poles. On one side of the spectrum was Fortress Australia, or continental defense, where Australian troops would be pulled from their posts abroad and returned to Australia because the country faced no immediate threat. On the other was the Western Alliance, which suggested that Australia held an important regional role that required the country to avoid isolating itself from its regional partners and involved supplementing Australia’s limited defense capacity through its Western alliances.

Prime Minister Whitlam’s Government (1972-1975) encouraged the Fortress Australia, or continental defense, approach, but he faced resistance from many in his own party and in Opposition. The combination of internal conflict and external pressures led to his dismissal by Governor-General John Kerr in 1975 and the accusation that British and American intelligence agencies orchestrated his dismissal. In his place came a Prime Minister who supported the development of Australia as a ‘neighborhood power’ within an alliance framework – a position favored by Australia’s English-speaking allies. By the
end of the 1970s, the Australian government began to organize around a core force defense concept, which allowed Australia to continue its move toward independent action in the Asia-Pacific, thus making Australia a stronger and more appealing ally who could serve as the anchor of US policies in Asia. Consistent leadership under Fraser and a clear vision for Australian development during times of peace and conflict contributed to the creation of an Australian grand strategy.

**Contentious Canberra: Round 3**

As already explored in the previous chapter, Gough Whitlam proved to be a polarizing figure. His attempts to implement ‘new nationalism’ and his dismissal of allied concerns for these measures created tension in Australia’s relationship with its allies. Trouble continued as the 1970s progressed. As Prime Minister, Whitlam represented the voice of the Labor Party, but dissent within the party contributed to tension that extended to Australia’s relationship with the United States. Labor’s Left-wing posed the greatest internal challenge to Whitlam’s party leadership, and the best example of this divide centered on the hot-button issue of American installations in Australia (Map 6).¹ According to Sir Arthur Tange, Permanent Head of the Defense Department, suspicion about the activities at these facilities grew within the Labor Party

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¹ It is important to note that not all of the US installations in Australia were used for defense purposes or kept secret. The Australian Department of Supply operated the tracking station at Honeysuckle Creek, ACT, on behalf of NASA. This station played a fundamental role in Project Apollo – the US program designed to land an astronaut on the moon. When Apollo 11 landed on the moon in July 1969, the Honeysuckle Creek Station received the first images of the landing before transmitting them to the United States. NAA: B4498, 124D6.
while still in Opposition because successive Coalition governments refused to justify
their secrecy over the joint facilities and denied access to the information.

Map 6: Three of the disputed US defense installations in Australia (North West Cape, Pine Gap, and Nurrungar)
As an ‘inherited’ official from previous governments, Tange became responsible for informing Prime Minister Whitlam and Defense Minister Lance Barnard about two of the most controversial facilities: Pine Gap and Nurrungar. He had the authority to speak on the matters because he visited the sites and witnessed demonstrations of their functions on multiple occasions while serving under previous governments. Many on the Left remained suspicious of activities at “the Pine Gap/Nurrungar twins” when Whitlam’s government followed a practice consistent with the security standards set in place prior to Labor’s victory and refused to acknowledge the activities at both locations. Due to security expectations, Whitlam and Barnard also limited knowledge of high security matters to a ‘need-to-know’ basis within his Ministry. This decision, although a longstanding practice in government, led some of his Ministers to demand equal access to information since others outside the Ministry had access to this information. Tange attributed some of this frustration to the inexperience of new Ministry members who “never had the responsibility of preserving the confidence of allies.” Tange had to preserve secrecy and maintain positive relations with the Allies, so he focused on preventing leaks and security breaches. He mentioned that the former became difficult when the new Government included people who were “openly scornful of the security practices” they attributed to dated Coalition policies. Because security and the preservation of it retained a high priority for Tange, he chose to bypass existing procedures in place and deliver any intelligence-related information himself, which created friction among his peers.²

According to those on the Left, the presence of US facilities in Australia constituted too much American influence. In addition to the call for the disclosure of information about these facilities at home, Barnard faced calls for reassurance from Washington that resistance at home would not jeopardize the disclosure agreements that both parties signed. After all, the release of information could provide the Soviet Union access to US intelligence information. Tange explained that some activities at US facilities did not require secrecy, but other programs conducted at the Joint Defense Space Research Facility at Pine Gap and the Joint Defense Space Communications Facility at Nurrungar did because these two facilities “had the highest significance in the nuclear standoff between the United States and the Soviet Union.”

Paired with this internal call for answers was the awareness of unknown activities made public by Gough Whitlam in response to questions about his apparent resistance to total force withdrawals overseas. Whitlam and Barnard faced opposition from within the Labor party, especially the Left, on the issue of troop withdrawals from Asia because they understood that Whitlam’s policy would bring all Australian forces overseas back to Australia. Reality had altered Whitlam’s original intention to completely withdraw Australian forces. While he recalled Australian advisers from Vietnam and forces from ANZUK after Labor’s victory, a token force remained in Singapore. Criticism about his unwillingness to remove all Army units from Asia prompted the publication of Whitlam’s explanation about why 600 troops would remain in Singapore.

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4 Tange, *Defense Policy-making*, 70.
According to Tange, Whitlam’s explanation breached security because the report admitted the existence of a previously “unacknowledged signals intelligence unit” that could not be immediately relocated elsewhere. The Defense Signals Division (DSD) unit in Singapore monitored military and civilian radio traffic in Asia as part of a wider intelligence network with the United States, Britain, New Zealand, and Canada.\(^5\) When details about the unit’s presence in Singapore reached the media, Tange argued that “there was an added reason for Australia’s intelligence partners to be concerned as they watched for signs in the new Government of a slackening of protection of the information they entrusted to Australia.” Tange recalled that the anxiety expressed by the United States about leaked information also included operational information and weapons, and he became responsible for allaying the “not always unfounded” concerns from the US.\(^6\)

Questions surrounding the presence and function of these US facilities from Labor Party members, the media, and the public prompted Defense Minister Barnard to address the issue. On 28 February 1973, he made a statement in Parliament elaborating on some of the functions of the joint US-Australian facilities and rejected calls for the end of the ANZUS treaty, which underpinned the motivation for allowing such facilities into Australia in the first place. Unnecessary speculation about the role of some joint installations that operated in Australia for some time led Barnard to start by elaborating on the use of defense installations in Queensland and Alice Springs, Northern Territory. The United States Air Force measured atmospheric disturbances at Amberley in Queensland, while the Joint Geological and Geophysical Research Station at Alice

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\(^6\) Tange, *Defense Policy-making*, 70.
Springs conducted studies that could detect any manmade tremors caused by nuclear testing underground. Because both locations aided in monitoring nuclear disarmament, the facilities were just as important to Australia as the United States, and Canberra received access to assessments from these facilities.7

The main areas of concern related to the two joint installations at Pine Gap and Nurrungar, which Barnard acknowledged had “long been matters of concern and debate in Parliament.” Barnard explained that the Leader of the Opposition was excluded from receiving information about these installations, which meant that the Labor Party had to wait until an election victory to determine its policy toward these joint facilities. Despite the calls from within the party for access to information gathered from these joint facilities, Barnard reiterated the importance of preserving the confidence of the original arrangements. He added that the “Government will respect all classified information shared between us and the United States, as well as with Britain, New Zealand and other powers, including our friends in Asia. Defense cooperation cannot be conducted on any other basis.” He revealed that Australia had access to the installations, Australian civilians and servicemen participated in the joint management of both facilities, the US and Australia had access to all of the data collected, and the facilities could be used to address the individual interests of either government. Both locations operated through formal agreements between the United States and Australia. Based on existing agreements, Pine Gap, also near Alice Springs, ran until 1976 and Nurrungar until 1979, but they could extend beyond the termination date as long as one year’s notice was given.

before termination. Barnard reassured Parliament that he planned a review to determine whether or not the agreements coincided with national security interests, and he pacified some of the other complaints by offering limited Parliamentary access to the facilities.\textsuperscript{8}

The unwillingness of Whitlam and Barnard to share additional information about Pine Gap and Nurrungar and Barnard’s promise to discuss the existing arrangements with the United States reduced the momentum of those calling for the end of American facilities in Australia. Instead, dissenters turned their attention to another US facility located in Western Australia. The US Naval Communication Station at the North West Cape began through a formal agreement between the United States and Australia in 1963, which expired after May 1988. This agreement gave Australia ‘title and sovereignty’ over the land and provided Australian authorities access to the station. The terms also required the Australian government to consent to the use of the facilities for anything other than defense matters with an agreement to consult occasionally on matters related to the station at the request of either government.\textsuperscript{9}

When the North West Cape was commissioned on 16 September 1967, the Royal Navy still patrolled the Indian Ocean. As a result, US activities at the Cape focused on the Pacific Ocean first and the Indian Ocean second. Initially established as a VLF communications station to channel messages to and from American submarines in the

\textsuperscript{8} Lance Barnard, “United States Defense Installations in Australia – Speech,” 28 February 1973, in Commonwealth of Australia, Parliamentary Debates, House of Representatives. http://parlinfo.aph.gov.au; Tange noted that US Ambassador Walter Rice questioned this idea of Parliamentary access because it was unclear what this access actually meant. Tange recalled, “I was not able to predict how little interest our politicians later showed in visiting the sites.” His justification to those who asked was that Australia’s “Parliament had to be satisfied for its part that Australian sovereignty was being respected.” Tange, \textit{Defense Policy-making}, 75.

Indian and western Pacific Oceans, the station added more than forty high frequency transmitters within one year. When Prime Minister Gorton renamed the station the Harold E. Holt Naval Communications Station in September 1968, he acknowledged that the station would increase in strategic importance after the Royal Navy ceased its operations in the Indian Ocean. From Gorton’s perspective, the station “will enhance the military capacity not only of the United States but also of our own nation.”

By 1973, Labor Party members objected to complete US control of the station’s activities. According to their platform, Labor was “opposed to the existence of foreign-owned, -controlled or –operated bases and facilities in Australian territory, especially if such bases involve a derogation of Australian sovereignty.” Still, Tange questioned that objection and observed that “the Labor objection seemed to me to have much to do with symbols, and with their objection in 1973 to the provision that the agreement ‘did not carry with it any degree of control of the Station or of its use’.”

Although the North West Cape facilities did not run counter to Australian security and allowed Australian communication with its own submarines, questions arose about whether or not the mere existence of the station could result in Australia becoming a target for a nuclear attack. That concern had been heightened during the Yom Kippur War when the United States placed all of its forces around the world on alert.

Washington placed American forces at the North West Cape on an emergency alert.

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11 Quoted in Albinski, Australian External Policy under Labor, 256.

12 Tange, Defense Policy-making, 76-77.

13 Tange, Defense Policy-making, 76.
without first notifying Canberra of the decision.\textsuperscript{14} Many in Canberra argued that Australia should have been notified first since the facilities were located on Australian soil and could impact Australian security. In an effort to “placate the Party critics,” Barnard announced during his February 1973 statement that he planned to renegotiate the terms of the original North West Cape agreement to reflect greater Australian involvement in and awareness of the activities taking place at the Cape. During Barnard’s visit to the United States in January 1974, US Defense Secretary James Schlesinger agreed to make the North West Cape a joint installation. Additionally, the new agreement reduced US-controlled property to one communications building and allowed for more Australian personnel at the Cape, along with the appointment of an Australian Deputy Commander.\textsuperscript{15} These steps failed to pacify the opposition of US installations in Australia, and some Labor Party members from the notoriously radical Victorian branch openly supported an Anti-American protest at the Cape in May 1974.\textsuperscript{16}

In addition to the scrutiny Whitlam faced within his own party, the opposition he faced from the Liberal Party, especially its Senators, intensified. After the Coalition government’s defeat, the Liberal Party had to reassess its party objectives and select the next leader. Billy Snedden rose to leadership after McMahon’s election loss in 1972. Snedden, as Leader of the Opposition in 1974, listed the left-wing protests of American installations as one of the many reasons why the “steam engine [Labor Government] has


\textsuperscript{15} Tange, \textit{Defense Policy-making}, 84; Meaney, “The United States,” in Hudson, 192-193.

lost its coal and there is no water, only the hot air that is left as a result of its former
activities.”  

Snedden’s comment in Parliament occurred against the backdrop of dissent, as non-Labor members of the Senate began to question how they might interrupt Whitlam’s initiatives. Leader of the Opposition in Senate, Reg Withers, argued that “[everyone] was startled at the speed with which Whitlam and Barnard had run the two man government. Labor behaved like kids let loose in the lolly shop.” He called for the non-Labor Party Senators to use the Senate as more than a ‘house of review’ because the Senate provided the only opportunity to halt the advance of Whitlam’s rapid-fire initiatives. With the numbers against the non-Labor Party Senators, Withers focused on cooperation with the Country Party Senators to create a deadlock and force an election.

By 1974, the deadlock allowed the Senate to reject ten bills twice, which created the constitutional grounds for a double dissolution of government, forcing the election of both the House of Representatives and the Senate. Through a carefully devised scheme, Whitlam chose to call a half-Senate election in the hope that he could gain a clear majority in Senate and override the current deadlock. He continued with this election even after his plan backfired. When Opposition parties blocked two Appropriation Bills for the first time in Australian history, Whitlam rejected a half-Senate election in

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19 Whitlam’s main goal was to offer a place in the House to controversial Senator Vince Gair in order to open a sixth position for election in Senate. Through careful calculations, Whitlam projected that Labor needed one more seat in order to win a majority in Senate and advance the bills that the current Senate rejected. Gair failed to tender his resignation before the writs for a half-election were issued, which legally eliminated the sixth Senate vacancy and upended Whitlam’s scheme. Kelly, November 1975, 47-55.
favor of a double dissolution of government. With Governor-General Paul Hasluck’s approval, Whitlam called for an election on 18 May 1974 in which he hoped to secure a majority for Labor in both the House and the Senate. Whitlam won the election and retained a majority in the House by only five seats, but the Senate essentially remained even with 29 Senators each for the Coalition and Labor and two other Senators who split the remaining votes equally.\footnote{Kelly, \textit{November 1975}, 55-60.} Snedden refused to accept the Labor Party’s victory due to the thin margin of victory. He argued that the results warned Labor to “proceed but with extreme caution.”\footnote{Kelly, \textit{November 1975}, 61.} The ongoing division between Parliament and Whitlam deepened over the next year.

Snedden supported the Senate’s continued rejection of government bills in an attempt to force another election, but the Liberal Party members chose to take another path on 21 March 1974 under a new leader, former Defense Minister Malcolm Fraser. Initially, Fraser requested the end of early election talk and supported the Supply bill that Snedden threatened to block. He worked within the government to build the party’s position and set it up for a future election victory.\footnote{Kelly, \textit{November 1975}, 63-65; Malcolm Fraser and Margaret Simons, \textit{Malcolm Fraser: The Political Memoirs} (Carlton, VIC: The Miegunyah Press, 2010), 266-267.} In this way Fraser led by carefully calculating risks rather than through emotional outbursts, which had begun to characterize Snedden’s leadership. According to Hasluck’s observations at the time, Fraser “is a man who believes in something and who works at his beliefs. Although very ambitious, his ambition includes objectives other than his own advancement. He is an
honorable man who sets himself certain standards of proper conduct.” Fraser made his objective as Leader of the Opposition clear when he informed the House that he had recently been elected as party leader. After Whitlam congratulated him on his success, Fraser quipped, “I thank the Prime Minister for the generosity of his remarks. They will not deter us in our resolve to remove him from his office at the earliest opportunity.”

Whitlam and Fraser disagreed on many subjects, but Fraser paid particular attention to the economic situation under Whitlam’s government. Fraser noted that the first year of the Labor Government “established record unemployment, record inflation, record interest rates and record industrial unrest. In its second year it broke each of its own records.” At the time of Fraser’s comments in June 1975, Australia faced the highest inflation rate in its history at 17% with the prediction that it could reach 30% if Whitlam’s policies continued.

The Long Boom of the 1950s ended as a result of a recession in 1974-1975 and led to the phenomenon known as “stagflation” in Australia, in which the economy experienced stagnation and inflation simultaneously. Even though international circumstances impacted the Australian economy, the accusation hurled against Whitlam was that his government failed to take the changes into consideration as he pushed for reform. An increase in welfare expenditure, social reforms, higher wages, and other similar changes led to a sudden increase in expenditure from a steady 23% to 28% of the GDP while the Commonwealth budget deficit increased from .5% in 1973-1974 to 3.8%

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23 Hasluck, *Chance of Politics*, 216.
by 1974-1975. This inflation, paired with an international recession among industrial
nations, led the Whitlam government to attempt to curb the impending balance of
payments crisis. The imposed credit squeeze and the devaluation of the Australian dollar
only created stagnation of the economy and contributed to the doubling of
unemployment.\textsuperscript{25} When Whitlam failed to address the state of the Australian economy in
his ministerial statement, Fraser accused him of using his speech as “a smokescreen” and
accused him of “[seeking] to avoid responsibility” by placing the blame on others.\textsuperscript{26}

Mounting discontent led Fraser along a similar path to Snedden’s. The Senate
still had the ability to reject bills passed by the House, thus creating the grounds for
another election, as long as the party acted in unity. Although Fraser initially supported
the concept of a full three-year term for government, his opinion changed with the
ongoing tension in Canberra. From his perspective in October 1975, it became
Opposition’s duty to end “the incompetence, the damage, the failures of the worst
government in our history.”\textsuperscript{27} Whitlam and Fraser continued to work against one
another. With Opposition holding a slim majority in the Senate, they continued to have
the ability to block Budget bills passed by the House. From Fraser’s perspective,
Whitlam needed to call an election. From Whitlam’s perspective, the Labor government
would not surrender its position without a fight. This impasse created the potential for
“constitutional warfare” in Canberra.\textsuperscript{28}

\textsuperscript{25} Meredith and Dyster, \textit{Australia in the Global Economy}, 225-247.
\textsuperscript{26} Malcolm Fraser, “Leadership of the Opposition Speech,” 8 April 1975 in Commonwealth of Australia,
\textsuperscript{27} Kelly, \textit{November 1975}, 109-113.
\textsuperscript{28} “Confrontation Canberra Style,” no date, NAA: A1838, 67/1/3 Part 13.
In addition to the ongoing deadlock between the House of Representatives and the Senate, one particular incident resulted in an embarrassment for Whitlam’s government from which it could not recover. The so-called ‘loans affair’ centered on the Minister for Minerals and Energy, Rex Connor. Connor sought investment from the Middle East as a way to implement a resources and infrastructure program in Australia instead of using the traditional New York route that the Treasury preferred. Connor received authorization on 14 December 1974 from Governor-General John Kerr for a $4 billion loan, and he planned to commission Tirath Khemlani, a Pakistani money dealer, to raise the loan from the Middle East. Although the Treasury remained suspicious of Connor’s approach, an Executive Council vote gave Conner the authority to act as an ‘agent of the Commonwealth’ and to borrow no more than $4 billion. The Executive Council revoked that authority on 20 May 1975.²⁹

When Khemlani flew to Australia in October 1975, the documents he brought with him revealed that Connor remained in contact with him to secure loans after the Executive Council had rescinded his authority to do so. The Melbourne Herald published Khemlani’s incriminating documents, and Connor was forced to resign. This situation was a prime example of what Hasluck described as Whitlam’s questionable leadership abilities. If Connor failed to honor a request from the Prime Minister, it suggested that Whitlam lacked control of his Ministry. If he was fully unaware of the loans affair, it looked even worse. Fraser seized on the decline of Labor’s popularity and called for a block of the government’s budget to force an election, but some questioned Fraser’s tactics, so he could not proceed and expect a victory. When leaked documents

²⁹ Kelly, November 1975, 86-94.
from the Treasury reached the shadow Cabinet on 22 October 1975, Fraser gained enough support to move ahead with his contest against Whitlam. The documents revealed that the government lacked money, with some suggesting that it would run out within six months, but Whitlam planned to govern after the money ran out by appealing to banks to provide paychecks in return for a “certificate of indebtedness.” Fraser likened Whitlam’s decision to “the first grave step to dictatorship” and a breach of democracy.\(^{30}\)

As the impasse between Whitlam and Fraser continued into November, Fraser began conversations with Governor-General Kerr to inform him that Opposition would not pass the government’s Supply bill unless Whitlam agreed to a House election at the same time as the next Senate election. Whitlam dismissed the compromise as “blackmail.” Fraser and Whitlam met with Kerr on 6 November to discuss the situation separately, and both confirmed that they would not compromise. Although the two men recalled the conversation differently, a phone call between Fraser and Kerr on the morning of 11 November 1975 set up the historic event set to take place later that day. Fraser recalled that he agreed to certain terms laid out by Kerr during their phone call. Fraser agreed that if he became the caretaker Prime Minister, he would guarantee the immediate passage of the Supply bill and call for a double dissolution the same day so an election could be held to elect the next government.\(^{31}\)

Whitlam also contacted Governor-General John Kerr to set a meeting with the intention of requesting another half-Senate election. Upon arriving at Yarralumla, the Governor-General’s residence, Whitlam received a much different reception from John

\(^{30}\) Fraser and Simons, *Malcolm Fraser*, 290-301.

Kerr than he received from Paul Hasluck under similar circumstances in 1974. Instead of gaining support for an election on 11 November 1975, Whitlam received his dismissal from government, and Malcolm Fraser became the caretaker Prime Minister. Fraser left Kerr’s office as Prime Minister and returned to Parliament House to follow through on his Supply promise. According to Fraser’s account, only the Coalition Senators were quietly informed about the change of government, which meant that Labor’s Senators could not contest the passage of the bills in retaliation. Therefore, when Labor requested the urgent passage of the Budget bills with the impression that another blockage could lead to another election, the Coalition Senators obliged.  

Whitlam’s government faced controversy from the beginning because of the speed with which he chose to pursue reform. Prime Minister Whitlam encountered internal resistance from the Left about maintaining some forces in Asia and over American installations in Australia. Although some conceded that Whitlam could not reveal the inner workings of the defense installations at Pine Gap and Nurrungar, others supported public protests of the US Communications Station at the North West Cape in May 1974. The repeated deadlocks between the House of Representatives and the Senate only increased the tension in Canberra and led to additional questions about the Whitlam government. After his dismissal on 11 November, Whitlam urged Australians to “maintain your rage.” The strong victory of the Liberal-Country Coalition government at

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the 13 December 1975 election suggested that the rage was directed at his party, not Fraser’s. Just as the public gave the Labor government a ‘mandate’ to carry out reforms as a result of the 1972 election, they gave Fraser and the Coalition government the mandate to pursue their vision for Australia in the last half of the 1970s.

**Fraser and Coalition Defense**

Although controversy swirled around Kerr’s dismissal of Whitlam, Prime Minister Fraser worked to move beyond the controversy in an effort to set Australia on a clear path forward. He did not, however, reverse all of the changes that occurred under Whitlam, such as Tange’s defense reorganization. Instead, he chose to build on those reforms to address Australian national interests in the last half of the decade, which allowed for a bipartisan approach to Australia’s strategic outlook.\(^{33}\) Liberal Party policy intentions began to form while still in Opposition. Before becoming Fraser’s Minister for Foreign Affairs, Andrew Peacock spoke about foreign relations issues while in Opposition and outlined the Liberal-Country party foreign policy objectives on 23 April 1974. Peacock identified regional peace and stability as the main goals for the party, but he understood that several situations created the potential for disruption. His view of international order followed closely that of his predecessors in the Coalition government because he recognized the need to maintain a balance within the existing multipolar system. While Japan’s role in the Asia-Pacific remained uncertain and the United States withdrew from Asia, he anticipated a potential conflict between China and the Soviet Union over influence in the region. The Soviet Union also presented a source of concern

with its increasing presence in the Indian Ocean. Peacock listed instability in Southeast Asia, particularly due to conflict in Indochina, as potential sources of disruption.\(^{34}\)

As a short term goal, the Coalition focused on “the restoration of the special relationship with America that existed until the end of 1972 [Labor’s election victory]” along with maintaining and expanding Australia’s “other special relationships…through the Commonwealth and with Britain, New Zealand and Canada.”\(^{35}\) Shadow Minister for Defense, Dr. Jim Forbes, noted in his Opposition defense policy statement that Australia should pay particular attention to US installations in Australia. Unlike the discussion taking place under Whitlam, the Opposition’s defense policy fully supported their presence. Forbes explained, “[it] is in Australia’s interests to offer the United States access to bases, installations and other facilities when these will assist in our mutual defense.” Still, his explanation was not a complete departure from the Whitlam government’s policy. The Opposition supported US installations as an extension of Australian security, but much like the Whitlam government, Forbes preferred Australian control of the facilities and only agreed to US operation of those facilities if Australians received access to the information.\(^{36}\)

In addition to Australia’s relationship with the United States, the Opposition also noted the importance of Japanese involvement in the Asia-Pacific region and the nation’s need for resources. As such, Peacock indicated that Australia would continue to provide access to Australian raw materials while exploring the expansion of ties between Canberra and Tokyo. The statements by Forbes and Peacock outlined three areas of

interest for the Opposition within the region. First, Opposition defense and foreign policy plans involved the continuation of Australian assistance programs to Southeast Asia by reaffirming bilateral programs and by supporting multilateral organizations such as ASEAN. Second, the Opposition intended to reverse Whitlam’s decision to withdraw ANZUK forces from Singapore and discuss Australia’s future role in Malaysia and Singapore with the other Five Power nations. Finally, Peacock reiterated the importance of Canberra’s support for an independent Papua New Guinea while strengthening ties with the nations of the Southwest Pacific. Forbes explained that Australia should plan to commit “finance, material, personnel, and training” to Papua New Guinea in an effort to help the government preserve independence.\(^{37}\)

Upon Whitlam’s dismissal in November 1975 and the election of the Liberal-Country coalition in December, Fraser’s government began to reassess Australian defense policy and strategy to make sure that it aligned with the national interests expressed while in Opposition. One of the first steps, much like the previous governments, involved a formal review. Prior to dismissal, the Defense Committee under Whitlam reviewed the 1973 Strategic Basis paper and proposed an updated version. Although the document was submitted in October 1975, Whitlam’s dismissal occurred before Cabinet could vote on the document, and the Fraser government rejected the draft when it was presented. The 1975 document might not have become an official version of the White Paper, but it provided a model for the Fraser government’s 1976 version.

Fraser requested that the Defense Committee review the document to determine whether

or not it was consistent with the government’s view. As a result, key observations from
the 1975 paper under Whitlam carried over to the 1976 paper approved by the Cabinet in
November 1976. First, Australia’s primary concern must be its own security and ability
to act independently in low-level contingencies. Second, Canberra must pursue policies
that encouraged stability in Australia’s region of interest, making Australia a
“neighborhood power.” Finally, as a neighborhood power, Australia contributed to the
broader alliance relationship that it had with the United States and the Western Alliance.
Together, these observations and others allowed the Defense Committee to continue the
push for independence that began after the British announcement of withdrawal.38

Along with a new name, the “Australian Strategic Analysis and Defense Policy
Objectives,” the accepted 1976 Strategic Basis paper also included an attempt to analyze
the global environment in order to understand its impact on Australian interests and to
develop an understanding of “the scope and requirements for Australian defense policy,
including practical military measures.” The 1976 Strategic Basis paper drew from the
1975 paper and an extensive National Intelligence Committee (NIC) report on Australia’s
International Security Outlook.39 The Defense Committee’s 1976 Strategic Basis paper
changed in some respects from the 1973 version. Instead of five centers of power, the
Committee accepted that the global strategic situation involved two superpowers and a
series of regional powers. The United States and the USSR held their superpower status
with Europe, Japan, and China acting as the main regional powers in the late 1970s.

39 The 1976 paper actually cites both documents in the final version. The complete 1975 Strategic Basis
paper can be found in Frühling, A History of Australian Strategic Policy since 1945, 497-552. The NIC’s
complete report can be found in NAA: A10756, LC183 Attachment 4.
Based on that understanding, the Defense Committee divided Australian strategic interests into global, regional, and neighborhood categories that sometimes overlapped when connected to Australia’s response to potential situations.40

Global concerns related to the strategic situation between the United States and the USSR. The Committee identified Northeast Asia and Central Europe as the key areas of potential confrontation between the superpowers. With US support, the Committee surmised that Central Europe could resist any Soviet incursion, but situations in Northeast Asia had the potential to shift the equilibrium between the US, USSR, and China. Sino-Soviet competition, along with any potential shift in relations with the Koreas, Taiwan, and Japan, could destabilize the balance among the superpowers.41 The Defense Committee recognized that China had the nuclear capability to attack Northwest Australia, but admitted that the Sino-Soviet conflict meant that the focus in China would be on the USSR, not Australia. As a result, the Committee viewed China as having little defense significance to Australia but recognized that China could assist in the limitation of Soviet influence.42

Still, long-term uncertainty about the political and economic spheres continued. Although Peking encouraged overseas Chinese to identify themselves as citizens of the nation in which they lived, China still provided training for subversion and insurgency while increasing its influence in Southeast Asia. Canberra’s goal should be to limit China’s influence. Although situations in Central Europe and Northeast Asia could affect the global equilibrium, Australian security should continue because the conflict

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developed beyond Australia’s area of primary strategic interest.\textsuperscript{43} Despite potential areas of conflict, the Defense Committee expected the continuation of stable relations between the US and the USSR but noted the growth of Soviet power. With the potential for events to fluctuate and create tension in the superpower relationship, ongoing reviews would determine a direct threat to Australia by the USSR.\textsuperscript{44}

The Defense Committee’s note about Soviet expansion created greater consideration for Australian interests, and the conclusions departed in some important ways from the policies under the Whitlam government. The Strategic Basis paper acknowledged that Soviet expansion did not require bases or facilities overseas but added that the USSR would not deny an opportunity to take such facilities to extend its military or political reach. Soviet involvement in the civil war in Angola supported the thought in Canberra that Soviet expansion would likely occur in ‘soft spots’ where independence also created vulnerability. Newly independent states in the Southwest Pacific could provide such a situation. Yet the greater concern became the growing Soviet maritime capability, which pushed Soviet influence beyond its area of primary area of strategic concern toward Australia’s. In addition to lines of communication and the approaches to Australia from the Indian Ocean, Australia imported one-third of its oil along with other goods across the Indian Ocean, which meant that the nation had a vested interest in safe passage along those routes.\textsuperscript{45} With the United States as the primary country capable of

\textsuperscript{43} “Australian Strategic Analysis,” in Frühling, 579-580.
responding to Soviet maritime expansion, Canberra needed to support US efforts to strengthen its position in order to counterbalance Soviet maritime expansion.\textsuperscript{46}

Under the Fraser Government, one step that Canberra adopted to support US activities in the Indian Ocean and restore Australia’s ‘special relationship’ with the United States included support for US presence at Diego Garcia. With Soviet expansion in the Indian Ocean as an ongoing strategic concern for the Coalition government, American presence at Diego Garcia, part of the British Indian Ocean Territory, provided additional support to combat Soviet expansion.\textsuperscript{47} The United States expressed interest in expanding shore facilities, deepening the lagoon, and lengthening the runway to accommodate US equipment. Labor’s argument about Diego Garcia was that an expansion of facilities could provoke Soviet action and lead to an Indian Ocean conflict between the US and the USSR. Although the Australian Defense Department supported upgrades at Diego Garcia to counter Soviet activity, Prime Minister Whitlam rejected the Defense perspective and discouraged US plans due to their implications.\textsuperscript{48} The 1976 Strategic Basis paper under Fraser suggested that Australia could support the expansion of US facilities at Diego Garcia without encouraging escalation in the region. The Defense Committee proposed that Australia should lend minimal support in the form of maritime surveillance, along with occasional RAN and RAAF visits, to display support for Western influence in the Indian Ocean.\textsuperscript{49} Although certain circumstances had the potential to increase tension between the US and the USSR, the Defense Committee

\textsuperscript{46} "Australian Strategic Analysis," in Frühling, 567-572.
\textsuperscript{47} "Australian Strategic Analysis," in Frühling," 571.
\textsuperscript{49} "Australian Strategic Analysis," in Frühling, 570-572.
reiterated the likelihood for stability between the superpowers, which contributed to Australian security. Still, regional powers had the potential to influence Australian interests closer to home.

Canberra’s regional perspective reached similar conclusions as its global perspective. Even though low-level conflicts could occur, Australia faced no apparent conventional threat from a major regional power. Unlike the 1973 paper, the Defense Committee considered China, Japan, Western Europe, India, and Iran as the regional powers, not part of the global centers of power. The Defense Committee credited Australia’s “remoteness from the strategic interests and military strength” of these major regional powers as an advantage and a disadvantage. Although isolation provided security from centers of potential conflict between these regional powers in the future, it also meant that Australia was isolated from its Western allies. Australia had the capability to “deter or rebuff low-level pressures” in the region, but this isolation from Western allies could prove to be an even greater disadvantage if regional conflicts escalated to a major attack. Based on the NIC assessment, the Defense Committee concluded that China’s preoccupation with Soviet activities, the limited reach of India and Iran, and French nuclear presence in the South Pacific reduced the potential for a major threat to develop. Japan’s disinterest in building its military also worked in Canberra’s favor. Instead of potentially upsetting the global equilibrium or regional balance, Japan’s interest in its trade relationship with Australia led to a greater interest in fostering that relationship. The Committee’s conclusions about the relative stability of
Southeast Asia not only reinforced Australian security but also meant that Australian defense did not have to be developed beyond its current capabilities.\textsuperscript{50}

Fraser’s government adopted the same ‘core force’ concept suggested by the Department of Defense under the Whitlam government.\textsuperscript{51} In the rejected 1975 Strategic Basis paper, the Defense Committee defined the core force as “a force able to undertake peacetime tasks, a force sufficiently versatile to deter or cope with a range of low-level contingencies which have sufficient credibility, and a force with relevant skills and equipment capable of timely expansion to deter or meet a development situation.”\textsuperscript{52} This concept called for a force-in-being that could address low-level conflicts and expand in the event of a major conflict. It also reinforced the conclusions reached in previous Strategic Basis papers that Australia needed to act with greater independence and flexibility with the ability to expand should the need arise.\textsuperscript{53} With Australian forces stationed primarily in Australia and the expectation of building Australia into a “neighborhood power,” Canberra’s primary area of strategic interest included Southeast Asia, the Southwest Pacific, Papua New Guinea, and the maritime approaches to Australia. The Defense Committee divided these further into Southeast Asia and the ‘neighborhood’ to distinguish the interests and resources within the region.\textsuperscript{54}

In the 1976 paper, the Defense Committee recognized the post-colonial stability that Southeast Asian nations achieved but identified the region as having many “imponderables and uncertainties.” The ASEAN governments continued to grow in their

\textsuperscript{50} “Australian Strategic Analysis,” in Frühling, 573-580.
\textsuperscript{52} “Strategic Basis of Australian Defense Policy (1975), in Frühling, 547.
ability to combat domestic challenges, and they built local forces as a way to contain insurgency. Canberra supported the effort of ASEAN to continue along a similar path. Still, political, economic, and social problems had the potential to disrupt the progress underway. Due to the ongoing attempts to build Australian influence and visibility in Southeast Asia, Australia held an important place within the region. Regional governments viewed Australia as a non-threatening power, and they wanted to continue their defense relationships with Canberra. From Australia’s perspective, this position worked to Canberra’s advantage because the country could stay involved in defense matters without facing resistance. Much like the previous papers, the 1976 version reiterated the importance of preserving Australian relations with Malaysia, Singapore, and Indonesia. The countries controlled “air space, waters and straits” that Australia used for communications, and the routes allowed for passage between the Indian and Pacific Oceans. Australia had a particular interest in helping the USN gain access to Singapore’s bases as a way to minimize Soviet expansion into the area.\footnote{\textit{“Australian Strategic Analysis and Defense Policy Objectives,”} 1976, NAA: A12389, D67.} With the loss of US facilities in Thailand, Washington requested Canberra’s assistance in securing the use of Singapore for air transit to Diego Garcia and for surveillance into the Indian Ocean.\footnote{\textit{“Prime Minister’s visit to the United States,”} 28 July 1976, NAA: M1356, 59.}

In addition to using its influence in Southeast Asia to benefit the United States, Australia had its own plan for ongoing involvement in Southeast Asia. The Defense Committee still planned to continue defense aid, joint exercises, and defense cooperation with its allies but questioned the value of Australia’s contributions to the Five Power arrangements. If problems arose that called for Five Power intervention, the Committee...
suspected that the British response would be diplomatic in nature, New Zealand’s limited capabilities left the nation’s response dependent on Australian forces, and Australia would be expected to provide the bulk of logistic support for its own forces and New Zealand’s. In addition to this concern, the paper also reconsidered the placement of its two Mirage squadrons in Malaysia. In the event of a conflict, Canberra should provide a supportive role through political means rather than military involvement. With the squadrons located in Malaysia, the Defense Committee worried that the expectation for Australian military involvement would increase, and the unwillingness to meet that expectation would result in assumptions that Australia reneged on its treaty commitments. As a result, Australia had to find a way to balance its commitment to stability in Southeast Asia with the goal of avoiding additional military involvement outside of Australia.

The final area of strategic consideration, after the global and regional areas, involved the area whose activities had the greatest immediate impact on Australian defense planning. The Defense Committee identified Australia’s ‘neighborhood’ as Indonesia, Papua New Guinea, the Southwest Pacific, and Antarctica. The Committee’s assessment of Indonesia in 1976 identified the country as having the “attributes of both an ally and an adversary.” The Defense Committee concluded that Indonesia would be capable of low-level harassment due to its location and capabilities, which meant that Indonesia had the capability of disrupting Australia’s “maritime resources zone, off-shore territories including Cocos and Christmas Islands, and lines of communication.” Still, the

paper recognized that it would take approximately ten years for Indonesia to build up its defense capabilities sufficiently to launch a significant attack on Australia.\textsuperscript{58}

Since the government in Jakarta showed no interest in such an attack, the Committee considered other possible changes to the strategic situation with Indonesia. Domestic problems might lead to instability in Indonesia, but if this devolved into an attack on Australia, Indonesia would have to take Australia’s relationship with the United States into account. Due to the ANZUS treaty, any attack on Australia or its territories called for consultations about the type of response needed. Although Australia aimed for self-reliance and independent action as a neighborhood power, an Indonesian attack on Australia had the potential to jeopardize US facilities in Australia. Indonesia also received a significant amount of aid from the United States, so Jakarta would have to consider how an attack might impact that support. With the projection of Australian security from an Indonesian attack, Canberra chose to continue bilateral defense cooperation through aid, training, technical advices, and combined exercises. Still, the defense relationship did not continue without some political concerns.\textsuperscript{59}

Australia’s relationship with Indonesia involved a more complex set of factors in 1976 than it had in the first half of the decade. The end of Portugal’s dictatorship in 1974 brought calls for decolonization, which contributed to instability in Portugal’s former colonies. Soviet involvement in Angola’s civil war marked one instance of this vulnerability, but Canberra grew even more concerned about the impact of decolonization in Portuguese Timor, later known as East Timor or Timor-Leste, because it was located

\textsuperscript{58} “Australian Strategic Analysis,” in Frühling, 595-596.
\textsuperscript{59} “Australian Strategic Analysis,” in Frühling, 595-596.
in Australia’s neighborhood. During colonial rule, the Netherlands and Portugal shared
control of the island of Timor. As a result of the 1974 political situation in Portugal,
Indonesia intended to absorb Portuguese Timor into Indonesia rather than recognize self-
determination. Jakarta appealed to Canberra for political support of its intervention and
justified actions as a preventative measure to avoid the collapse of a “small non-viable
State” that shared its border with Indonesia. The NIC recognized that this attempt
allowed Canberra to gain “considerable insight into Indonesia’s political thinking,
military organization and operations, international diplomatic methods, and politico-
administrative methods.” Indonesia’s unwillingness to seek a solution outside of military
engagement in East Timor indicated a degree of assertive action without regard to
“hostile, international opinion.”

The 1976 Strategic Basis paper recognized that the ongoing situation in East
Timor “strained Australia’s political relationship with Indonesia,” but Canberra had to
strike a delicate balance when handling its response to the events. Publicly, Canberra
denounced Indonesia’s use of force to “settle a territorial dispute.” In Defense circles, the
reality of the situation created a different response. The Defense Committee concluded
that Australia should discourage self-determination in East Timor because Australian
interests would be best served if East Timor became incorporated into Indonesia instead
of existing as a weak state open to external interference or influence. Instead, Canberra

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should closely monitor the situation between East Timor and Indonesia in the event that it escalated and required further attention from Canberra.61

Indonesia’s aggressive response in East Timor might have created political tension between Jakarta and Canberra, but additional concerns related to another country in Australia’s ‘neighborhood’ – Papua New Guinea. Successive Strategic Basis papers identified the shared border between Papua New Guinea and Indonesia as a potential source for conflict. With PNG gaining independence in September 1975, border conflict fell into the hands of PNG’s government in Port Moresby. Indonesia’s actions toward East Timor suggested that it could take similar actions against PNG if the border were considered “soft” like the one in East Timor. However, the NIC interpreted Indonesia’s “Timorese problem” as a lesson. Attempts at pacification proved more difficult than Indonesia expected, which could lead Jakarta to reconsider similar attempts at intervention elsewhere.62 The Defense Committee considered small-scale pressure as a possibility between Indonesia and Papua New Guinea but recognized that the international impact of such actions would act as a deterrent against the use of military force.63 Friction between Indonesia and Papua New Guinea posed problems for Canberra. Australia wanted to preserve stability in its neighborhood and had defense relationships with Indonesia and Papua New Guinea. Canberra wanted to avoid being in a position where it was required to choose sides. If the Papua New Guinea Defense

61 “Australian Strategic Analysis,” in Frühling, 596.
63 “Australian Strategic Analysis,” in Frühling, 596.
Force required assistance with border problems, the Defense Committee recommended support rather than intervention.\footnote{64}{"Australian Strategic Analysis and Defense Policy Objectives," 1976, NAA: A12389, D67.}

Outside of border concerns, Australia had other interests in Papua New Guinea. Canberra fully recognized PNG as a sovereign, independent country after September 1975, but Australian defense interests remained. Common interests and the lack of a developed military meant that PNG would not pose a significant threat to Australian territory, although low-level harassment could occur along the Torres Strait border. Still, any conflict between the two nations could jeopardize Australian communication and transport lines to the north. Any internal disruption that escalated or involved external intervention could pose a threat to the 30,000 Australian citizens remaining in Papua New Guinea. As a result, Canberra had an interest in monitoring the security situation.

Outside of monitoring, the Defense Committee recommended avoiding direct action against the local population. Instead, the Committee encouraged limited intervention, with reconnaissance, transport, and sea patrol as options, should the need arise.\footnote{65}{"Australian Strategic Analysis," in Frühling, 599-602.}

The greatest concern related to Papua New Guinea reflected a topic expressed in Labor’s 1973 Strategic Basis paper about possible separatism that might arise after independence. The Defense Committee made it clear that Canberra preferred a unified PNG because it provided a better chance of stability without external involvement. Yet the potential for fragmentation remained, especially in Bougainville. With a study underway to assess the likelihood of Bougainville’s secession and Australia’s response to it, Canberra encouraged rapid action by the Papua New Guinea Defense Force to prevent
or stop secession attempts. Australia had to walk a careful line in the event of prolonged disruption from fragmentation, much as it had to do with Indonesia. The Defense Committee concluded that it might be in Australia’s best interest to support the secessionist power if any situation extended beyond PNG’s political or defense capabilities and required a significant military commitment from Australia. At the same time, it would be in Canberra’s best interest if Australia could avoid a military role in PNG in order to preserve the existing relationship.⁶⁶

Canberra’s final area of concern in the ‘neighborhood’ centered upon the islands of the Southwest Pacific. Like the preceding papers, the 1976 version adopted the stance that these islands remained important to the approaches of Australia, New Zealand, and Papua New Guinea. By 1976, the Defense Committee had to consider the impact of external involvement on the security of the Southwest Pacific. Australian and American interests aligned in this region, and New Zealand would continue as an ally and regional power. Outside of the ANZUS countries, France also held an interest in the region due to the nickel deposits available in New Caledonia and the use of Mururoa in French Polynesia for nuclear testing. However, the most significant political change facing the Southwest Pacific involved British intentions to “shed its residual responsibilities in the region in the next few years.”⁶⁷

The remote location, general lack of resources, and small population placed the Southwest Pacific islands on the periphery of strategic interests of external powers.

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⁶⁶ “Australian Strategic Analysis,” in Frühling, 600-603.
However, the Defense Committee suspected that the USSR, China, and Japan might seek to influence the region because the withdrawal of colonial powers left the small states “little capacity to resist any pressures from external powers.” By 1976, the USSR already approached New Zealand, Tonga, and Western Samoa for access to fishery support facilities, offered aid to Papua New Guinea, and expressed a general interest in maritime research in the area. The Southwest Pacific’s general lack of strategic value for external powers might prevent the Soviets from building up a prolonged presence in the area, but Australia should work to prevent Soviet presence, which could jeopardize Australian lines of communication to the United States.

looks to Australia to carry this responsibility.” The Committee suspected that the visibility of Western support to the area would limit Soviet presence in the long term.  

Based on the assessment of global, regional, and neighborhood situations, the Defense Committee reiterated the ongoing importance of Australia’s relationship with the United States. Canberra received access to intelligence, equipment, defense science and technology developments, and US operational procedures and doctrine through the profitable relationship. The relationship provided benefits to the United States, as well. The United States could carry out its operations in the Asia-Pacific region with the help of its facilities in Australia. The VLF station at the North West Cape supported US ballistic missile submarines engaged in deterrent activity, while Pine Gap and Nurrungar allowed for more covert defense operations. As an ally, Australia not only provided resources, technology, and a strategic location, but also adopted a primary role in Southeast Asia, Papua New Guinea, and the Southwest Pacific, which coincided with Western interests.  

Any harm to Australia created adverse effects to US interests in the Pacific and Indian Oceans, but the lack of support from the United States in the event of strategic changes could undermine Australia’s defense effort. As a result, the Defense Committee suggested that Australia pursue a flexibly defined relationship with the United States while continuing to develop its own forces to act in an independent capacity for low-level

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70 It is also worth noting that Soviet presence already existed south of Australia in Antarctica. The Antarctic Treaty signed in 1959 provided a level of security to ensure no military activity in the southern approaches to Australia. The Defense Committee noted that the United States and the USSR refused to recognize Australian claims in Antarctica, which led to three Soviet stations located on Australian territory. However, Canberra expressed little interest in challenging this presence. “Australian Strategic Analysis and Defense Policy Objectives,” 1976, NAA: A12389, D67.
conflicts. Ultimately, the US-Australian relationship mattered most in the event of a global conflict or an attack on Australia, but Canberra had to remember to keep its own interests and national requirements at the center of Australian commitments. As a result, the Defense Committee recommended that Australia maintain relations with Europe, especially Britain, to avoid total dependence on its relationship with the United States. After all, Europe provided sources of intelligence, weapons, equipment, and defense science and technology, too. Australia also gained the advantages of being linked into a broad Western community by cooperating with European powers.\textsuperscript{72}

The final section of the Strategic Basis paper confirmed Australian objectives of acting as a neighborhood power with a force-in-being and outlined the factors contributing to Australian defense capabilities. The Defense Committee concluded that Australian security depended on a strategic balance between the USSR and the US, the prevention of Soviet expansion, a strong relationship with the United States, the limitation of regional conflicts, and the preservation of security in Australia’s neighborhood. Despite a series of events and contingencies that could develop in the future, Australia remained secure, due in large part to its isolation from areas of strategic concern and its status as a non-threatening middle power. Instead, Australia possessed the wealth and resources to play an international role that brought with it an interest from Western Europe, Japan, and North America in preserving Australian security.\textsuperscript{73}

While building its international economic relationships, Australia could also develop and maintain a stronger military than other local powers in its area of primary


strategic interest. Due to the uncertainties ahead, the Defense Committee concluded that Australia must minimize the risk of an escalation through ongoing reviews of the strategic situation and by maintaining “a substantial and versatile force-in-being, a core-force so composed and equipped as to be capable of timely expansion.” A continuous review of the strategic situation, with complementary studies based on contingencies, provided the warning time necessary to expand the existing forces and equipment to meet any impending changes before they threaten Australian security. The Defense Committee concluded that the “US perception of Australian military professionalism and inherent capacity to act as a small but reliable ally is important.” As a result, Australia must display its military capabilities through joint exercises, patrols, and defense aid to give the impression that Australia could protect smaller states from external influence while showing Western powers that Australia was a strong, capable ally.74

Is Australia’s Strategy ‘Grand’?

The 1976 Strategic Basis paper alone did not constitute a significant shift in Australian strategic thinking, but documents prepared in conjunction with the paper provided the foundation for an Australian grand strategy. The term ‘grand strategy,’ used in its broadest sense, relates to a power’s ability “to integrate their overall political, economic, and military aims…to preserve their long-term interests” during times of peace and war. More specifically, grand strategy centers on policy. It becomes the leader’s responsibility, along with support from advisers, to integrate the various aims that support national interests based on a “constant and intelligent reassessment of the polity’s ends

and means’” within a fluctuating international environment. Leadership played an important role in the development of grand strategy, and Malcolm Fraser’s tenure as Prime Minister, from 1975-1983, provided the longevity needed to oversee this development. Fraser’s government experienced more stability and consistency at home than the previous Holt, Gorton, McMahon, and Whitlam governments. Fraser also brought his experience on both sides of the political spectrum to Canberra, which contributed to a bipartisan understanding of Australian policy that was not achieved due to the political divisions under the previous Prime Ministers. Through a coordinated effort in Canberra, the foundation for the development of a grand strategy emerged in the last half of the 1970s.

The Defense Committee expressed uncertainties and potential areas of conflict that might develop and affect Australia’s strategic outlook in the Strategic Basis papers from 1967 through 1975. Since these emerged in the context of the Cold War, they all considered the potential for the end of détente between the United States and the USSR. Beyond the superpower relationship, the 1967 paper questioned the future role of Indonesia while the 1968 paper considered the impact of British withdrawal and the future role of the United States. The 1971 paper addressed the balance between the centers of power, and the 1973 paper questioned the impact of internal division on regional stability. All of these considerations, as well as others expressed throughout the Strategic Basis papers, included a basic expression of uncertainty but did not provide specific ways in which Australian forces should respond. The 1976 Strategic Basis paper

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75 Paul Kennedy, “Grand Strategy in War and Peace: Toward a Broader Definition,” in Kennedy, Grand Strategies, ix-x, 1-6.
under the Fraser government differed from the previous papers in that sense. It emerged from a request by Fraser for a “comprehensive examination of global and regional situations with a view to establishing their significance for Australia’s security, and the scope and requirements for Australian defense policy, including practical military measures.” Fraser paired this review, which was based on the NIC’s International Security Outlook study, with the Five Year Defense Program (FYDP) and a contingencies study. Together, these studies, reports, and conclusions allowed Australia to develop the start of a grand strategy under Fraser.

Because the factors that shape grand strategy are not static, nations must constantly review contingencies in order to determine the balance between means and ends at any given time. In November 1976, Defense Minister James Killen presented a defense paper, which outline the FYDP and defended the expansion of defense costs over the course of those five years. According to Killen, the withdrawal of imperial powers and the increase in independent states led to a transformation in Australia’s external political environment. An assessment of Australian capabilities led to the conclusion that practical defense considerations should be limited to Australia’s region and neighborhood. ASEAN allowed for interaction between Southeast Asian countries on a variety of levels, and the countries actively worked to avoid destabilization. Because defense policy considered contingencies as well as “demonstrable threats,” Australia had to approach planning with flexibility in mind. Killen suggested regional defense

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cooperation through joint military exercises, consultations, and visits as a way to encourage a multilateral approach to stability in the region and the neighborhood.\textsuperscript{78}

Australia had the rare benefit of security thanks to its location, which made planning for contingencies especially difficult. Still, any major military threats would take time to develop, and Killen expected the Defense Department to be able to identify any changes in time for Australian forces to meet the challenge. In the meantime, while enjoying a period of relative peace, Australian defense could focus on “increased self-reliance,” since a nation must make “adequate provision for its own security” rather than become dependent on other nations for security. Killen argued that as a self-reliant nation, Australia made an appealing and strong ally to the United States because self-reliance reduced the Australian demand for operational and logistic support from the United States or other allies.\textsuperscript{79}

In addition to working toward self-reliance, Killen proposed that an expandable force-in-being provided Australia’s best insurance against future uncertainty. Through skilled intelligence and constant review, the Australian Defense Force would be expected to detect any significant changes in enough time to train forces, organize defense infrastructure, access supply lines, and appeal for external support if necessary. Contingency studies helped to determine what type of forces and equipment might be required to respond to low-level conflicts in the short and long term. Although the specific situations might be uncertain, Canberra understood that any potential threats to Australia would involve “a transit of the open ocean, by sea or air.” Any initial maritime


confrontation or conflict required a force structure with external intelligence capability, surveillance and patrol of the maritime resource zone, naval and air strike abilities, and mobile air defense. Once fighting moved to land, Australian ground forces must be mobile with the ability to sustain operations in remote areas.  

Killen understood that defense capability included manpower, logistic support, and infrastructure, as well as “scientific, technological, industrial and other forms of civilian support.” He outlined the type of equipment Australia needed to meet the conditions imposed by the nation’s physical environment. Long Range Maritime Patrol aircraft allowed for better speed, range, endurance, and sensor capability, which contributed to surveillance of Australia’s maritime resource zone. In the event Australia had to deter an attack on maritime targets, the F-111C provided land-based strategic strike capability while the aircraft carrier HMAS Melbourne contributed to a sea-based strike capability. In the event of land warfare, the Australian Defense Force (ADF) required highly mobile forces supplied with the necessary equipment and logistic support to sustain their operations at home or abroad.

In addition to the equipment, the FYDP detailed the defense facilities required to support self-reliance. With the ADF based in Australia rather than abroad, Australian defense facilities had to accommodate the forces and protect Australia’s maritime approaches. The acceleration of projects at Cockburn Sound, Western Australia, provided facilities and support to the RAN and Australian allies, and it also allowed for the deployment of four destroyers and three submarines from the completed base. On the

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east coast, Killen proposed the modernization and development of Garden Island near Sydney. In addition to east and west coast deployments, Australia’s northern approaches also called for consideration. Killen concluded that Darwin “will remain a place of substantial significance for defense activity in our northern maritime area” because it served as the forward deployment base in Australia. However, the facilities in Darwin required repairs due to the destruction caused by Cyclone Tracy in December 1974. Although Darwin’s strategic location between the Pacific and Indian Oceans provided flexibility to Australian forces stationed there, patrol boat bases and facilities were required to cover the distance from Darwin to Cairns in the east and Darwin to Cockburn Sound in the west. The equipment, manpower, and facilities proposed by Killen for the FYDP cost $12 billion over the course of five years to “strengthen defense and correct existing shortcomings and imbalances.”

Defense budgets during the Whitlam government continued to increase but such a costly five year program under the Fraser Government certainly required consideration of economic and industrial factors before the program’s implementation. Defense force planning created demands, though not dependence, on industrial, technological, and scientific developments. In addition to supporting defense through selective stockholding, local industrial capabilities focused on “repair, overhaul, and modification of equipment and the production of high volume consumable and minor equipment items.” In this way, Australian industry would become responsible for the production of items related to logistic support for low-level contingencies. In Vietnam, Australian

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forces had to rely on US logistic support for basic needs, but the production of goods in Australia moved the ADF closer toward self-reliance.\textsuperscript{84} Despite the generally poor economic situation which Fraser inherited, Canberra expected “considerable growth” in the last half of the decade, which would help with the implementation of the FYDP.\textsuperscript{85}

The end of the Long Boom in Australia created an uncertain economic environment in which to introduce an increase in defense expenditure. From 1975-1978, unemployment hit over 6\% of the labor force, inflation increased to 14\%, and economic growth stagnated. The increasing demand for primary products in the world economy provided some potential for the growth needed to fund Australian defense.\textsuperscript{86} A survey of Australian industries in 1977 led to a report, titled “Capability of Australian Industry to Meet Defense Needs,” which found that Australian industry was not keeping pace with the advanced technology and equipment involved in modern militaries, especially in the fields of manufacturing and military equipment. The existing equipment fulfilled defense needs for equipment repairs, modification, and adaptation over a five year period, but Australia developed an “increasing reliance on overseas sources for replacement equipment, technical information, components and materials.”\textsuperscript{87}

The conclusions reached in the report indicated the ability of local industry to fulfill some important defense needs related to low-level situations, but the lack of sophisticated equipment could have a long-term impact on Australia’s ability to respond to operational tasks beyond these low-level situations. The Defense Industrial

\textsuperscript{86} Meredith and Dyster, \textit{Australia in the Global Economy}, 247.
Committee’s report on the relationship between industry and defense needs listed domestic problems, such as “high wage costs and high capital costs as a result of inflation,” as contributing factors to the current situation. The Committee recommended that Canberra consider offering preferential treatment to the industries of major defense importance, increasing industry in defense research and development projects, and promoting Australian defense supply exports. Australia simply could not be entirely self-sufficient in terms of defense production, so Canberra had to review what programs should be conducted domestically and which should be facilitated through overseas trade.  

The economy presented one obstacle in rolling out the Five Year Defense Program, but other components of the program had deep roots which allowed for support. With the adoption of the defense of Australia through the core force concept and minimal deployments overseas, it became essential to have complete and accurate intelligence so the ADF had the warning time to prepare forces, equipment, and supplies. Intelligence allowed Canberra to recognize any fundamental changes to the strategic environment that would alter Australian security. As such, the intelligence network with Western allies remained critical for national security considerations under Fraser. Australia, Canada, New Zealand, the United States, and Great Britain shared – and continue to share – an intelligence network that provides access to intelligence information from around the globe. When British and American forces began to

withdraw from Asia in the late 1960s and into the 1970s, their presence continued in a more covert capacity through this network.\(^8^9\)

Intelligence became increasingly important in the second half of the 1970s as the Cold War began to heat up again, and the English-speaking alliance provided the best source of intelligence for Australia. In his 1976 defense statement, Killen reiterated the importance of maintaining a “highly effective intelligence system” to identify and respond to any changes in the strategic situation. He added that Australia sustained a good position for meeting such requirements through their own capabilities from the “arrangements developed over many years with cooperating countries.”\(^9^0\) The latter point related to Australia’s involvement in UKUSA. The agreement originated as the Britain-United States Agreement (BRUSA) during World War II with intelligence cooperation between the United States and Great Britain, primarily in the fields of signals intelligence and ocean surveillance. Over the course of the war, Canada, Australia, and New Zealand became increasingly involved in intelligence communities. In the case of Australia, intelligence cooperation increased exponentially with Japanese involvement in the war. Intercept stations were particularly prevalent after World War II with sixteen stations operating in Australia throughout the war.\(^9^1\) After the war, the countries formalized their cooperation in 1947 by accepting the secret UKUSA Agreement. According to the agreement, each nation adopted responsibility for a specific area of signals intelligence collection, and the nations agreed on the standardization of data access and a

\(^8^9\) Richelson and Ball, *The Ties that Bind*, 1.


\(^9^1\) These stations included nine Australian, four American, two British, and one Canadian. New Zealand conducted ocean surveillance and intercepted messages that tipped off Canberra to the presence of Japanese submarines near Sydney in 1942. Richelson and Ball, *The Ties that Bind*, 1-4.
classification system. Whether the primary party (the United States) or a secondary one, UKUSA provided intelligence that the English-speaking alliance could use to identify global security concerns.\textsuperscript{92}

Throughout the Cold War, UKUSA remained of fundamental importance to the US-Australian relationship, but Australia had its own intelligence organizations. Australian intelligence included more than a dozen major organizations, many of which operated in conjunction with UKUSA counterparts, and had a larger intelligence community than Canada or New Zealand. The various organizations provided information related to Australian national and international interests. The Office of National Assessments, established under Fraser in May 1977, coordinated the total intelligence effort in Australia. The DSD, the organization whose presence in Singapore led Whitlam to retain some forces overseas, collected regional intelligence, such as French nuclear tests in the Pacific, Indonesia’s invasion of Timor in 1975, and Japanese economic interests in Australia. The most clandestine intelligence organization was the Australian Secret Intelligence Service (ASIS or M09), whose existence Fraser officially acknowledged in October 1977. ASIS, the Australian equivalent of the CIA and MI-6, gathered intelligence overseas, which produced materials such as code books, a manual for a Soviet MIG-21 fighter aircraft, and information about the internal security of Malaysia and Singapore.\textsuperscript{93}

Although the Australian intelligence organizations worked to assess Australian security in the context of international events and in conjunction with other UKUSA

\textsuperscript{92} Richelson and Ball, \textit{The Ties that Bind}, 4-6.

\textsuperscript{93} Richelson and Ball, \textit{The Ties that Bind}, 30-47.
countries, the US facilities in Australia signified the importance of the intelligence relationship for both parties. According to the UKUSA agreement, Australia’s area of responsibility for intelligence collection included Southeast Asia, the South Pacific, and parts of the Indian Ocean while New Zealand collected information in the Southwest Pacific – all areas identified in the 1976 Strategic Basis paper as Australia’s area of primary strategic interest. In addition to Australian intelligence operations, the United States gained access to facilities in a part of the world that became essential for US defense. Desmond Ball explained that “Australia provides an ideal physical location for facilitating an enormous range of the most advanced and most critical American defense, scientific, and technical intelligence operations.”

The US facilities in Australia, including Pine Gap, the North West Cape, and Nurrungar, served a variety of purposes but did not operate without controversy. Under the Whitlam government, the North West Cape, Pine Gap, and Nurrungar had become wrapped in controversy due to the secrecy surrounding their activities and questions related to joint access. Together with other US installations in Australia, some argued that Australia faced the threat of attack due to the existence of these facilities. The 1973 Strategic Basis paper denied this possibility. External powers did not call into question the presence of US defense facilities or request their removal. As partners in a security alliance, it would be natural for the partners to collaborate through joint facilities. Within

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94 Richelson and Ball, The Ties that Bind, 174; Ball, A Suitable Piece of Real Estate, 15-16.
95 Ball, A Suitable Piece of Real Estate, 15-17. Although Ball’s book has a political aim in calling for the removal of US installations in Australia, it provides valuable information about the location, function, and value of these installations. He continued his investigation of signals intelligence after the Cold War in Signals Intelligence in the Post-Cold War Era: Developments in the Asia-Pacific Region (Singapore: Institute of Southeast Asian Studies, 1993).
the context of détente, the USSR would not likely press Australia for the removal of the installations because such a request had the potential to upset the global balance of power. The Defense Committee concluded that the Soviets would be more inclined to request the removal of US facilities in Europe before targeting Australia.  

Still, suspicion fell on US installations after Whitlam’s dismissal in 1975 when many speculated that the CIA, which controlled the installation at Pine Gap, helped to orchestrate the event. Concerns about breaches in security under Whitlam led the United States to threaten to cut off Australia from the flow of intelligence on three separate occasions. The final threat occurred soon before Whitlam’s dismissal, which added fuel to the argument that external intelligence organizations were involved in Kerr’s decision. A significant amount of speculation still surrounds the events of Whitlam’s dismissal, including the question of allied involvement. In an environment in which intelligence played such a critical role in understanding the strategic situation, it made sense to have a leader who supported the continuation of this relationship and proved willing to work in tandem with allies.

When Fraser became Prime Minister, it certainly did not hurt that he fully supported the presence of US installations in Australia and accepted them as an extension of Australian security. As Defense Minister in 1969, Fraser explained his perspective on US-Australian mutual obligations in an interview:

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98 Coral Bell argued that Whitlam appeared to have been “pushed” out of office with the guiding hands of Australian allies, particularly the United States. She addressed the subject of “Whitlam and His Fall, 1972-1975” in chapter 6. See Bell, Dependent Ally, 114-142.
If we can do something either directly or indirectly which makes the defensive capacity of the United States greater than it might otherwise be, I believe that that adds to the defensive capacity of Australia and of the free world. And, of course, we have mutual obligations in these areas. We don’t go into any of these things blind; we know what we are doing and we make decisions which we believe are very much in the long term interests of Australia and of every person in it.99

After questioning the security of information shared under the Whitlam Government, the Fraser Government returned a degree of confidence to the US-Australian relationship. The US facilities located in Australia brought controversy and questions but ultimately reinforced the importance of maintaining the intelligence relationship and enhanced the security of both nations, especially as the United States began to withdraw its forces from the region. As a neighborhood power, exhibiting independence through the use of a flexible and expandable force operating in Australia, Canberra relied on gathering information through surveillance and intelligence in order to prepare Australian defense forces in the event of any contingencies being realized.100

The UKUSA intelligence network and the bilateral relations between its members was not the only evidence of continued support through the English-speaking alliance. In addition to joint US-Australian facilities operating in Australia, Australia had other joint projects with Great Britain. Even as Britain announced the withdrawal of its forces from east of Suez, they were still interested in cooperating with Australia under different terms. In the immediate postwar period, Britain and Australia engaged in a joint weapons

100 The Department of Defense’s complete study on specific contingencies during times of peace and war can be found in the Chiefs of Staff Committee paper titled “Employment and Capabilities of the Australian Defense Force in Hypothetical Contingencies,” NAA: A10756, LC183 Attachment 4.
project that used Australia to test atomic bombs. In May 1968, London and Canberra agreed to renew the agreements for their joint weapons project to continue its operations in Woomera and Salisbury beyond the June 1968 termination date. Although the weapons under test had been reduced, both governments recognized the value of the existing infrastructure for use as activities related to technology development diversified. According to the new arrangement, Australia and Britain would share the net cost of the Joint Project, and Australia assumed financial responsibility for the support facilities at Salisbury. The arrangement not only allowed for the continuation of the Joint Project, but also allowed for third party access to facilities under specific arrangements. The relationship continued when both governments chose to extend the arrangements in September 1972 to last through 30 June 1974, which allowed for the completion of existing projects while Australia determined the future of the facilities beyond 1974. By the 1970s, Woomera and Salisbury increased in value as the Australian Army, Navy, and Air Force considered weapons testing at the facilities. Overall, the renewal of these arrangements suggested the ongoing importance and closeness of the Anglo-Australian relationship despite Britain’s withdrawal of forces.

Although the English-speaking alliance played an important role in Australian strategic planning, the early stages of an Australian grand strategy in the 1970s indicated

101 Details about the relationship and the British tests in Australia, see Reynolds, Australia’s Bid for the Atomic Bomb and Lorna Arnold, A Very Special Relationship: British Atomic Weapon Trials in Australia (London: Her Majesty’s Stationary Office, 1987).
102 The existing setup would be divided into a Trials Organization and a Salisbury Laboratories Organization. Both governments would use the TO facilities as a way to facilitate the use and development of weapons technology. Australia would become the landlord over the SLO and administer it but make room for UK contractors at Salisbury while leasing other space as they saw fit.
the changing role of those involved in the alliance and marked a realization of a distinct Australian identity. Historically, Australia’s involvement within the Commonwealth and the English-speaking alliance changed due to internal and external factors. At different points, this included adopting an increased role in imperial defense, adjusting the parameters of cooperation in the Commonwealth, and revising defense relationships in response to postwar realities. Australia’s relationship with the English-speaking allies and role within the English-speaking alliance continued to change during the later period of the Cold War. By the late 1960s and into the 1970s, economic pressure in Great Britain that led to withdrawal from east of Suez and political pressure in the United States that contributed to the Guam Doctrine initially left Canberra in a reactive position. Decisions had to be made or adjusted quickly without much time to plan. By the early 1970s, the changing international situation offered Canberra an opportunity to become more proactive than reactive in determining Australia’s strategic outlook and exerting Australia’s disproportionate influence.

The changes in attitude by the US and UK in the 1960s prompted Canberra to develop a more independent approach to its own strategic interests throughout the 1970s. Desmond Ball argued that any “future Australian involvement with American defense, scientific and intelligence operations will be as a mature partner rather than merely as a suitable piece of real estate.” Although he wrote this in response to US installations in

105 For changes in the imperial defense relationship, see Gordon, The Dominion Partnership. A number of books address the changing relationship within the Commonwealth during the period of the World Wars and the Depression. In particular, see Holland, Britain and the Commonwealth Alliance, and McKenzie, Redefining the Bonds of Commonwealth. For the period after World War II, see Ovendale, The English Speaking Alliance and McIntyre, Background to the Anzus Pact.

106 Ball, A Suitable Piece of Real Estate, 17.
Australia, a similar sentiment could be applied to Australia’s other relationships. By strengthening its own position in the Asia-Pacific, Australia showed a degree of maturity that it had not yet exhibited. As Canberra moved away from the postwar strategy of forward defense toward one of continued involvement, it became increasingly important to build Australian influence in the region. This influence centered on economic aid, technical assistance, and military support to those in Australia’s neighborhood. From Canberra’s perspective, the combination of these efforts allowed Australia to help maintain a stable region.

Canberra’s preference for the use of trade and aid, rather than military intervention, to extend Australia’s influence in the neighborhood not only reflected an expression of national interests, but also strengthened Australia’s position within the English-speaking alliance by pursuing those interests. On two specific occasions, Washington appealed to Canberra for diplomatic support in gaining access to facilities in Singapore. In this sense, Australia provided a “psychological bridge” between the United States and Asian nations.\(^{107}\) Australia’s greatest asset was its location. The United States needed access to facilities that would help monitor the global situation, especially Soviet activities, during the Cold War. Australia provided a “Southern Hemisphere field of operations” for US defense that “is available on comparable terms, has indigenous support and logistics facilities of comparable quality, [and] possesses her kind of internal political stability and her security from outside interference.”\(^{108}\)


The English-speaking alliance, specifically the US-Australian component of that relationship, provided advantages to both parties, but Canberra did not blindly follow the lead of its allies. Instead, the strategy of self-reliance within an alliance framework carved out a role for Australia as a neighborhood power, while still contributing to the global strategic situation through its alliances. The Strategic Basis papers of the 1970s displayed a clear understanding that Australia’s isolation from areas of strategic conflict preserved Australian security, so the primary focus turned to Australia’s regional relations. By 1976, Canberra emphasized a preference for diplomacy and support over military intervention in regional conflicts but began to develop peacetime forces that could meet any low-level harassment in the neighborhood. Events in the last half of the decade tested this approach.

Past Strategic Basis papers expressed concern about the shared border between Indonesia and Papua New Guinea. PNG’s independence in 1975 did not, in fact, spark a conflict with Indonesia. The border that fell into dispute during the 1970s was not in PNG, but in East Timor. In 1974, Whitlam rejected the political stance proposed by the Department of Foreign Affairs, which encouraged self-determination in East Timor, in favor of East Timor’s integration into Indonesia. From Whitlam’s perspective, the independence of a small state like East Timor compromised the stability of the region. His decision contributed to the events that led to Indonesia’s invasion of Dili, East Timor’s capital, in December 1975. Australia would have been the only regional power capable of challenging Indonesian actions against the former Portuguese colony.109

109 Burke, Fear of Security, 140-145.
Whitlam gave his approval for Indonesian actions, and Fraser’s ‘caretaker’ government also followed the idea of non-involvement on the issue of East Timor. Indonesia’s invasion of Dili on 7 December 1975 occurred less than one month after Whitlam’s dismissal, which could explain why little changed during that immediate transition. Canberra received constant updates through its intelligence sources about the invasion and the violent attacks on the population. Although Fraser publicly denounced Indonesian actions, Australia still avoided a military response. After Fraser’s election victory, he called for a Foreign Affairs and Defense Committee report on Australia’s “essential policy options” for the Timor situation. Public criticism increased in February 1976 after Indonesian troops captured the region of Aileu and slaughtered the entire population, with the exception of children under four. Fraser denounced Indonesian actions, but Canberra chose to avoid upsetting its relationship with Jakarta.

By July 1979, Canberra formally recognized Indonesia’s annexation of East Timor. Yet, Fraser’s criticism of similar actions in 1979 by Vietnam in Kampuchea (Cambodia) and the USSR in Afghanistan exposed cracks in Fraser’s logic. Canberra’s rejection of East Timor’s self-determination and lack of military action upon Indonesia’s invasion could be construed as an example of the importance Australia placed on preserving its relationship with Indonesia. It also reflected Canberra’s concern about stability in the neighborhood and the prevention of Soviet expansion into the Asia-Pacific region. The civil war in Angola provided an example of what could happen in a weak

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post-colonial state, and Canberra could avoid a similar outcome by allowing Indonesia to absorb East Timor. Vietnam’s invasion of Kampuchea and the Soviet invasion of Afghanistan occurred beyond Australia’s neighborhood and primary area of concern; therefore, Australia could respond in conjunction with its allies because Canberra did not view Australia’s national security as being in jeopardy. Although the logic applied in the East Timor situation contradicted Australia’s general support for self-determination, Fraser’s inconsistent response aligned with Australian national interests.\textsuperscript{113}

**Conclusion**

Domestic and international events created the perfect storm in Australia to oust Prime Minister Whitlam and the Labor Party in 1975. Whitlam faced opposition from his own party on subjects related to US defense installations in Australia, the lack of access to information from those installations, and the ongoing presence of Australian forces overseas. He also faced resistance from the Opposition party. Whitlam’s rush for reform, questionable policy decisions, failure to acknowledge economic problems, and the loans affair encouraged the Opposition in Senate to block bills passed by the House of Representatives. The first series of deadlocks led Whitlam to call for an election in 1974, and his party only won by a small margin. The second series of deadlocks, encouraged by Opposition leader Malcolm Fraser, culminated in the Governor-General’s dismissal of Whitlam from office. The election of a Coalition government in December 1975 under

Fraser brought a degree of political stability to Canberra. Unlike Whitlam and the Labor Government, the Coalition government worked to restore the US-Australian relationship that had been damaged under Whitlam and attempted to build upon some of the changes implemented under Whitlam.

The defense policy review conducted under Fraser used Labor’s Strategic Basis paper as its foundation but incorporated additional reports and studies to clarify the global and regional situations facing Australia through the end of the decade. Based on this review, the Defense Committee concluded that Australia should focus on its security and independent defense capability, pursue the goal of acting as a neighborhood power, and continue alliances in support of these objectives. The core force concept allowed Australia to maintain its focus on its area of primary concern and on the defense of Australia with the potential for expansion should situations beyond low-level harassment arise. When paired with a contingencies study, the Five Year Defense Plan, and Fraser’s strong leadership, the 1976 Strategic Basis paper offered the initial steps toward building an Australian grand strategy.

Australia did not face a threat to its national security during the period under review, which made it difficult to determine how the nation should proceed in the absence of great power support during the 1970s. From the time of British withdrawal and the expression of the Guam Doctrine to the 1976 defense-related studies conducted under Fraser, Australia saw the gradual development of a consistent strategy. As a middle power, Australia did not need the capacity to respond independently to a global crisis because Australian involvement in the Western alliance provided for that
contingency. Yet, it did need the ability to independently respond to low-level threats in the region. Not all of the components for grand strategy came together for Australia in the 1970s, especially in terms of economic support for defense efforts, but the core force concept, contingency studies, and Five Year Defense Plan established the foundation for Australia to be able to accomplish those objectives. Prime Minister Fraser’s uninterrupted leadership, Australia’s secure location, an extensive intelligence network, and a group of alliances contributed to the ongoing development of a nascent grand strategy. Canberra was not forced to choose between the Western Alliance and Asian involvement during the 1970s. Instead, Australia’s location on the ‘edge of Asia’ provided the opportunity to foster both sets of relationships throughout the 1970s.
EPILOGUE

The joint problems of British withdrawal from east of Suez and US policy changes toward Asia created a significant problem for Australia during the late 1960s and into the 1970s. As a middle power, isolated from its Western allies and close to Asia, Canberra began to consider how to plan for a future without its traditional sources of defense support. By 1968, the Defense Committee recognized that the key to security in the 1970s and beyond would be an increasing emphasis on Australian independence and self-reliance. Australia lacked the manpower, resources, and supplies to act alone on global scale and did not aim for self-sufficiency. Instead, the focus turned toward developing a strategy that allowed Australia to act independently within its neighborhood without the presence of great power allies.

Discussions about Australian strategy returned to the traditional choices of the Western Alliance or the defense of Australia, but Australian isolation provided a degree of security that allowed for more emphasis on the defense of Australia in the 1970s. These discussions in Canberra culminated in 1976 with the “Australian Strategic Analysis and Defense Policy Objectives” paper. This paper, part of the Strategic Basis series, presented the case for Australia to act as a neighborhood power by adopting a ‘core force’ concept that was based in Australia but could be expanded to respond to any low-level threats created by instability in the Asia-Pacific region or by encroachment into Australian territory. This Strategic Basis paper and the studies that supplemented the paper established the foundation for an Australian grand strategy. Prime Minister Malcom Fraser’s Government had a clear vision about Australia’s role in relation to its
capabilities, the equipment and manpower needed to support the core force concept, and the industrial support required to aid in Australia’s goal of self-reliance. Canberra also recognized that it would be more beneficial for Australia to build influence within the Asia-Pacific through more peaceful means, including trade, aid, and military support, rather than military intervention. All of these factors combined to constitute the beginnings of a grand strategy in Australia, but not all of the components were in place to make the strategy functional in the 1970s.

The 1976 paper served as a pivotal document in shaping Australia’s approach to defense and grand strategy in the decades ahead, but critics argued that the 1976 Strategic Basis paper resulted from too much compromise and consisted of too much “vague bureaucratic language.” The stagnant economic environment of the late 1970s also challenged the implementation of the Five Year Defense Program. Additionally, the lack of a clear threat added a level of uncertainty about the practicality of the strategy. The conclusions reached in Labor’s Strategic Basis paper of 1975 and the Coalition paper of 1976 anticipated that Australia would remain free from attack and that détente would continue, although the 1976 version noted challenges posed by Soviet expansion. This position, along with international economic problems, contributed to the reduction in defense expenditure to support the defense program envisioned by the Department of Defense. The anticipated growth of 5% per year for 5 years only reached 2.6% by 1979/1980. However, the Soviet invasion of Afghanistan in December 1979 provided a reason to increase the expenditure to 5% and triggered a ‘spending spree’ for equipment that might be required to meet a major conflict. With apparent changes in Australia’s
strategic situation and ongoing internal conflicts over defense responsibilities, Sir Arthur Tange’s defense reorganization and the grand strategy introduced under Fraser required fine-tuning.¹

The international environment in the 1980s differed greatly from the global balance experienced during the 1970s. Concerns expressed in the 1976 papers under the Fraser Government noted the Soviet Union’s military buildup and its parity with the United States as a reason to encourage the expansion of US facilities at Diego Garcia. The Soviet invasion of Afghanistan in 1979 confirmed Canberra’s concerns and heightened the existing tension between the United States and the USSR. In response to the expression of Soviet power, other global and regional powers, including the United States, Western Europe, Japan, and China, worked in conjunction with one another to counteract Soviet expansion.² When Fraser’s Coalition government lost the election in March 1983, Australia welcomed another Labor Government, under Prime Minister Bob Hawke, to office. Due to the 1976 paper’s broad support by both parties, the Hawke government did not call for an immediate review of the 1976 paper. As defense squabbles continued within the Department of Defense, Hawke and his Defense Minister Kim Beazley focused on developing Australia’s grand strategy and ameliorating concerns between Australia’s strategic outlook and its capabilities as the Cold War heated up.³

Beazley asked Paul Dibb, who contributed to the 1976 Strategic Basis paper as part of the Joint Intelligence Organization, to review the force capabilities of the

Australian Defense Force in an effort to solve the existing conflict within the Department of Defense. As a Ministerial Consultant to the Minister for Defense, Dibb and a team of advisers created the Review of Australia’s Defense Capabilities in 1986. The Dibb Report, as it became known, focused on force capabilities rather than strategy and confirmed that Australia still faced no direct military threat.\(^4\) In this report, Dibb proposed something similar to the 1976 documents. Australia’s more immediate risk came as a result of low-level contingencies, but Australia must have an expandable force base if a high-level threat surfaced. The Dibb Report also noted that Australia’s best approach to the defense of Australia required an air and sea force that could repel any attacks from the north – an approach he dubbed “the strategy of denial.” Unlike the 1976 paper, Dibb proposed a “layered defense,” which clarified the force capabilities necessary to deny entry into Australia. According to his report, Australia would rely on intelligence and surveillance, maintain capabilities closer to shore, implement ground forces to protect population centers, and use long-range maritime forces to secure Australia.\(^5\)

The Dibb Report informed the subsequent Defense of Australia 1987 paper, and as Director of the Joint Intelligence Organization after 1986, Dibb held an influential position in guiding the direction of the paper.\(^6\) It built upon the foundation established under Fraser for self-reliance within an alliance framework, but it has been credited with providing more clarity about the defense of Australia and the deployment of forces overseas while enhancing Australia’s global impact. Essentially, the 1987 document

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combined all of the supplemental information not included in the 1976 paper and adjusted it to meet the current strategic environment in an effort to create a “coherent” defense strategy. Rather than using Dibb’s phrase of ‘the strategy of denial,’ the Defense of Australia paper called for a strategy of “defense-in-depth,” which argued that Australia faced three levels of threat to which its forces must be prepared to respond. The most likely would be low-level and escalated low-level conflicts, which could be addressed through a force-in-being, but a major conflict must also be considered. To meet these contingencies, Canberra considered the possible expansion of the Royal Australian Navy and the placement of an Army Brigade in Darwin. Even though the 1987 paper expressed a more developed defense approach than the 1976 paper, economic limitations delayed many of the equipment purchases intended to fulfill the strategy. The strength of the Defense of Australia 1987 paper was in its flexible interpretation. As the title suggested, the paper advocated for use of forces at home to defend Australia, but the language of the document provided a caveat for the deployment of Australian forces overseas. In this way, the 1987 paper successfully combined both strands of thought to accommodate the popular support for the defense of Australia while also maintaining Australia’s relationship within the Western Alliance.⁷

The strategy advanced in the Defense of Australia 1987 paper, unlike its 1976 predecessor, faced practical tests within its ‘neighborhood’ soon after its implementation. In 1987, Australia deployed forces to evacuate Australian citizens from Fiji after a coup. Additionally, conflicts in Vanuatu and civil war on the island of Bougainville in Papua

New Guinea opened the potential for Australian military involvement. When disruptions extended beyond the neighborhood, Canberra considered Australian force contributions outside of its area of primary concern. During all but one of Australia’s commitments overseas during the twentieth century, Australia functioned as the junior partner. As a result, Australian governments determined overseas commitments by balancing how its contributions provided the greatest benefit with the least possible risk. One example of this balance occurred in 1987 when Australia agreed to deploy a naval clearance diving team to the Persian Gulf during the Iran/Iraq War to ensure safe passage for neutral tankers. In doing so, Canberra provided support for its allies without the appearance of direct military intervention.\(^8\)

The first and only time Australia acted as a senior partner and displayed its capacity to act as a self-reliant neighborhood power occurred in East Timor in 1999. The situation in East Timor, and Australia’s response to it, emerged from the self-determination versus integration argument that took place under the Whitlam and Fraser governments in the 1970s. Prime Minister Hawke had continued in the tradition of Whitlam and Fraser by denying support for self-determination in East Timor. Inaction against Indonesia remained preferable to action that could spark a conflict with an important regional ally. As the situation in East Timor deteriorated in the 1990s, the

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\(^8\) Horner, *Australia and the ‘New World Order’*, 42, 47. According to Horner, this event sparked Australia’s military involvement in the Middle East for decades to come. He noted the use of Australian teams, acting under the direction of the United Nations, for monitoring the ceasefire between Iran and Iraq in 1988 and the deployment of Australian ships as part of a coalition fleet in 1991 during the Gulf War.
Department of Defense received intelligence that led to the readying of an Army brigade and the HMAS Jervis Bay in Darwin during March and April 1999.9

After the East Timorese voted for independence on 30 August 1999, chaos ensued. The scale of violence prompted public outcry in Australia, just as the violence had in 1975. This time, instead of avoiding military involvement, the government chose to intervene in support of East Timor’s independence from Indonesia. On 20 September 1999, Australia led a multinational UN force, the International Force for East Timor (INTERFET), into East Timor to restore security, and Indonesian troops left East Timor by the end of October. Australia contributed three Australian battalions along with one New Zealand battalion and Skyhawk fighters from the Royal New Zealand Air Force to provide air defense support for the RAN. ANZ defense cooperation during the 1970s allowed for seamless interoperability between New Zealand and Australia in East Timor, and Australia’s expandable force base reached a level in which Australia could act as the neighborhood power that it set out to be in 1976.10

Australia continues along the path of balancing its Western heritage and its proximity to Asia. Australia’s location ‘on the edge of Asia’ still provides benefits for Australia and its allies in the post-9/11 world, especially as China continues to grow and its military activities become more aggressive. President Barack Obama’s visit to Australia in 2011 to announce the use of Darwin in the implementation of the US ‘pivot

9 Andrews, The Department of Defense, 291-292
10 Andrews, The Department of Defense, 291-292; David Horner (Official Historian and Professor of Australian Defense History at the Australian National University) in discussion with the author, 11 July 2012; For New Zealand’s contributions in East Timor, see Anthony L. Smith, ed., Southeast Asia and New Zealand: a History of Regional and Bilateral Relations (Singapore: Institute of Southeast Asian Studies, 2005).
to Asia’ not only reflected the growing importance of Asia in international events, but also highlighted the ongoing value that Washington placed on the special relationship between the United States and Australia. From Canberra’s perspective, the visit also reiterated the importance of retaining the US as a central component in Australian defense policy. Although the ‘defense of Australia’ still dominates defense discussions, Australian defense contributions in Iraq and Afghanistan suggest the value of maintaining a role in the Western Alliance. The questions raised from 1967-1980 about Australia’s defense policy and strategic outlook in the wake of British and American policy changes remain unanswered in the twenty-first century as Canberra still considers how to balance the means and ends of Australia’s location ‘on the edge of Asia’.
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