

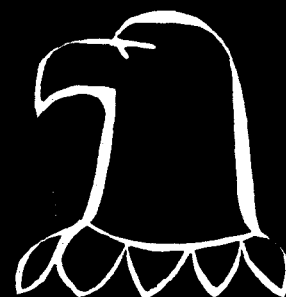
UNCLASSIFIED

65

711

FOREIGN
SERVICE
INSTITUTE

DEPARTMENT
OF STATE



8/21/91
CLASSIFIED BY [signature]
EXEMPTED BY [signature]
FOI, EO OF PA EXEMPTED BY [signature]
CLASSIFIED AS [signature]
DOWNGRADED TO () S or () C, OADR
DEPARTMENT OF STATE
DECLASSIFY
DECLASSIFY IN PART
NOT RECLASSIFIED
8/21/91
**SENIOR SEMINAR
IN
FOREIGN POLICY**

AUSTRALIA IN MID-PASSAGE: A STUDY OF HER
ROLE IN THE INDIAN OCEAN-SOUTHEAST ASIA AREA

CASE STUDY

8/21/91 JRS
by
Captain Tracy H. Wilder, USN
&
Robert F. Packard

April 11, 1966

This case study does not constitute
a statement of department policy.

UNCLASSIFIED

W673

03712201030

0007021100

DECLASSIFIED

EIGHTH SENIOR SEMINAR IN FOREIGN POLICY

AUSTRALIA IN MID-PASSAGE: A Study of Her
Role in the Indian Ocean-Southeast Asia Area

by

Tracy H. Wilder, Jr. & Robert F. Packard
"

April 11, 1966

THIS STUDY DOES NOT CONSTITUTE A STATEMENT
OF DEPARTMENTAL POLICY

Foreign Service Institute
Department of State
CLASSIFIED

03712241030

W673

0007821110

TABLE OF CONTENTS

Introduction - -	DECLASSIFIED	<u>Page</u> IV
The Base -- Growth and Change		
1. Geography - - - - -		1
2. Human Resources - - - - -		1
3. Cultural and Political Resources - - - - -		2
4. Economic Evaluation - - - - -		3
The Challenge from Abroad - - - - -		4
The Response in External Affairs - - - - -		6
The Response in Defense		
1. Assessment - - - - -		10
2. Nuclear Policy - - - - -		13
3. Patterns of Military Strategic Thought - - -		13
4. Evaluation - - - - -		15
Assets and Liabilities - - - - -		15
Lessons for the United States		
1. Assessment - - - - -		16
2. Conclusions - - - - -		18

* * * * *

Appendix A (The Economy -- Agriculture , Minerals,
Manufacturing & Trade)

Appendix B (Footnotes)

Appendix C (Selected Bibliography)

DECLASSIFIED

037124J030

0000000000

DECLASSIFIED

A consideration of Australia's emerging role in the Indian Ocean-Southeast Asia area as examined from the viewpoint of U.S. interests and objectives. Particular attention is given to Australia's economic growth, as the base for her role, and to her response in external affairs and defense to the threats which arise from her position on the periphery of Asia.

This study involved consultation in Washington during December, 1965 - February, 1966 and travel by the authors to Honolulu (CINCPAC), Manila, Singapore and Australia during February-March, 1966.

03115587030

0371228J030

0007821100

Introduction

DECLASSIFIED

Donald Horne, a prominent Australian author refers to his land as "The Lucky Country" in a book recently published. This "Lucky Country", though small in terms of real power, is in the midst of a sustained and impressive period of economic growth. Her influence in the Indian Ocean and into the Pacific is apparently increasing. Her representation in diplomatic affairs in the "Near North" (Far East) is increasing. In 1963, the Prime Minister of Australia announced programs which have resulted in a 50% increase in military active duty strength, a full scale modernization of her armed services, and an increase in defense spending nearly doubling the 1963 level. In March 1966 she tripled her commitment of troops to South Viet-Nam.

In contrast, the long awaited British Defence Review reports the British intention to reduce forces East of Suez, to perhaps eventually withdraw from Aden and Singapore and to build no replacements for her aircraft carriers now approaching obsolescence. Thus, she is critically reducing the mobility and striking power of the Royal Navy for contingencies in the remote areas of the Indian Ocean.

The power vacuum created by the likely British reduction will most clearly require compensation if stability in Southeast Asia is to be maintained. The strategic role of a growing Australia; an Asian nation by location, a Western nation by heritage; is becoming increasingly important. What her capability is, what her potential is regarded to be, and what her role might become in the Indian Ocean/Southeast Asian areas in politico-military affairs is the subject of this study and of

DECLASSIFIED

0371224J030

000782211100

interest, it is presumed, to the United States. From this might derive some suggestions as to interim and eventual U.S. positions relating to the development of Australia and her role in Asia.

This study was undertaken in connection with the proceedings of the Eighth Senior Seminar in Foreign Policy at the Foreign Service Institute.

03115587030

037102A1030

00000211100

The Base -- Growth and Change

Geography

Australia is a vast continent, only some 52,000 square miles smaller in area than continental United States but with only one twentieth of the U.S. population. It is abundant in known mineral resources and in agricultural - livestock potential. Much of the country remains geologically unexplored beyond preliminary aerial surveys. The currently limiting shortages are in known water and petroleum reserves.

The continent is extremely dry - one third of the land is desert, one third marginal and one third fertile. 40% of the country receives less than 10 inches of rainfall annually. Several ambitious projects are underway to develop and to more effectively harness existing water supplies.

98% of Australia's needs for oil must be met by imports which are currently supplied from Malaysian, Indonesian and Middle East sources. Oil exploration teams have recently classified 1.75 million acres of Australian soil as "possible oil producing". It appears that oil in commercial quantities will almost certainly be discovered in the near future.

It therefore may be concluded that Australia geographically:

1. will be a net exporter of resources for the foreseeable future; and
2. because of its insular position in an unstable region of conflicting national, ethnic and ideological interests will tend to develop geopolitically in the traditional maritime power sense. That is to say, its geography will tend to foster international sea-borne trade; international diplomacy; a strong sense of, and determination to preserve its independence; a forward strategy; and eventually, a strong military reliance on sea and air power.

Human Resources

At the end of World War II, the Australian government recognized that the principal bottleneck in Australian development was its population insufficiencies. In 1947 it therefore inaugurated a massive program to attract "New Australians". To avoid the problems of the American immigration experience which resulted in ethnic communities, impoverished areas and racial turbulence, the Australian quotas were to be carefully controlled.

An annual goal of 150,000 carefully screened white Europeans was set, passages were subsidized as necessary to attract technical skills, and only a minimum of highly qualified Asians were to be admitted.

03:45:10:30

To date, 2 1/2 million immigrants, principally from the U.K. and Eastern Europe, have taken up residence. Currently the program continues with 1600 people administering immigration on a \$40 million annual budget. The goals continue at 150,000 per year; however, the Government estimates that an average of 100,000 per year will actually be achieved.

The principal limit of Australian efforts to develop remains the shortage of people. Even so, the Government is unwilling to significantly relax restrictions in order to maintain control of assimilation problems, inflationary trends, and unemployment. Likewise, they resist pressures to correct an unfavorable image in Asia created by the restrictive, white Australian immigration policy by significantly increasing Asian quotas.

The current population of 11.5 million persons is expected to grow to 19 million by 1986 if present birth/mortality rates continue and if 100,000 New Australians are admitted annually.

Cultural and Political Resources

90% of the Australians are of Anglo-Saxon extraction but, due perhaps in part to their frontier heritage and keen interest in team sports, they have developed an individuality not unlike Americans. They are mechanically adept, have a great interest in and desire to master technology, a flair for business, are almost puritanically candid and honest, have a soundly based attitude of fair play, doing "our part", and of loyalty to one's "mate". They are extremely pro-American, mildly anti-British and there seems to be an absence of truly sharp ethnic or political hostilities. They demonstrate a "power of positive thinking" outlook in personal and professional matters. One would be hard pressed to find an Australian who would be satisfied for long with an unsolved problem. The quality of Australian agriculture, manufacturing and traditional military performance indicates a true motivation for and success with progress, as such, "across the boards". An additional quality not generally recognized is that the Australian society is highly urban rather than rural. 80% of the population lives in town; 40% in the cities of Melbourne and Sydney alone. Life is not unlike that one would find in Southern California. All indications are that the Australians are a stable, accomplished and highly productive society.

The current government is a coalition of the Liberal and Country parties. It favors free enterprise and conducts its foreign affairs along the U.S./U.K. lines. The opposition comes from a split labor party. The Australian Labor Party is mildly socialistic and, to a degree, oriented more toward internal development than to external affairs. The Democratic Labor Party, which is also the Catholic party, holds the Australian Labor Party, among other things to be too far left for its tastes. Although the present government has been in power for

DECLASSIFIED

16 years, it holds by a slim margin and, in many instances, the split in the labor parties has been instrumental in keeping the coalition in power.

Owing to Australia's dependence on foreign capital, on external trade and upon the U.S. and U.K. for its security, it appears doubtful that a Labor victory in the foreseeable future would lead Australia into a period of isolationism or, for that matter, very far from its present foreign and military postures. The consistent view expressed is that to survive and to grow, Australia must remain aligned with the U.S. and U.K. and, "Of course, do her share."

Pro-Americanism is often stated, reiterated and is quite apparent in and outside government circles. Australia's traditional alignment with the U.S. vote in the United Nations, its continuing non-recognition of Communist China, and its willing participation in the Korean and South Viet Nam conflicts are several indications of this parallelism. The Australians are convinced that American power saved them from a Japanese invasion in World War II and is now the only power that can be counted upon to effectively counter Communist Chinese imperialism. Refreshingly, they do not resent American power and their dependence upon it, but recognize and appreciate that fact. Significantly, a single memorial in a commanding location has been erected outside their newly built Department of Defence building in Canberra. It is the Australian-American Memorial "to commemorate the friendship formed by the two nations in World War II."

A small communist party, which is legal in Australia, does exist but has little significant influence as a political party. There are between 10,000 and 12,000 known communists and sympathizers and they are chiefly active through the labor unions. It has been estimated that the communists exercise some degree of control in 40% of the unions, and have arranged strikes to protest or to influence political decisions. Thus they exercise a degree of political influence disproportionate to their total numbers. They are opposed by the Catholic elements in the labor movement and have recently lost three long held and important leadership positions in the Waterfront Workers Union. Although their influence may possibly be declining it is still significant.

Economic Evaluation

The Australian economy has a record of steady and sustained growth. The annual increase in GNP has averaged 4.5% for the past 100 years, it averaged 7% in the 1950's and is currently between 8 and 9% in the 1960's. It is entirely reasonable to assume a 5% sustained growth rate for the future with 2.3% resulting from increased productivity and

03:15:07:00

2.7% from increases in the labor force. Australian agriculture is highly developed and expanding. Recent mineral discoveries and resultant sales agreements point toward greatly increased export earnings in the near future. Even though quantity of production in manufacturing is quite limited by the small population base, industry is expanding and diversifying in nearly all of today's technological fields. It currently accounts for one half of national income.

The Australian economy is heavily dependent upon trade and moderately dependent on foreign investment which currently accounts for 25% of her capital accrual. With the forthcoming boom in mineral production and the resultant earnings, the Australian economy should have no difficulty in reestablishing and maintaining a favorable balance of payments and acquiring the capital required for further development. The skill and sophistication of manufacturing which has produced, inter-alia, the IKARA anti-submarine missile which the Royal Navy is purchasing, should be expected to compete favorably with the Western technology in quality, if not eventually, in quantity.

The brakes on her economic growth seem to be set principally by the population growth rate.

It would appear that, given a reasonable annual increase in the work force, and a supply of fairly good economists over the years, Australia is destined to become a vastly wealthy country. The potential exists, and the Australians attitude favors its exploitation. No change in this attitude is foreseen or predicted. Australia should, therefore, become increasingly important as a supplier of food products, raw materials and perhaps manufactured goods to the world at large.

A more detailed analysis of the Australian economy is contained in Appendix A.

The Challenge from Abroad

What are the challenges from abroad that may threaten the security and continued development of Australia? They arise not only from the possibilities of a near-term confrontation with Indonesia and longer-term pressure from mainland China, but essentially from Australia's isolation -- both geographic and ethnic -- and from her need for uninterrupted trade routes to the north and west. Along with New Zealand she stands virtually alone, a western country on the periphery of Asia, increasingly bound to an Asian environment.

For example, it is further from Australia to the nearest British military and naval bases in Singapore (2100 miles) than to Indonesian

DECLASSIFIED

Timor (500 miles). It is further to the nearest U.S. naval base in Guam (3000 miles) than to Southern China (2500 miles). There are 1.5 billion Asians who live closer than any Western ally other than New Zealand, and their annual population growth rate exceeds the total population of Australia.

By contrast, there are only 11.5 million Australians, increasing at a little over 2% per year (half from indigenous increase and half from immigration). No manageable increase in the number of immigrants (now set at 1% of the population per year) or reasonable change in immigration policy (generally viewed from outside Australia as a "white Australian" policy) could alter appreciably the sparse and alien nature of Australia's population as viewed by her Asian neighbors.

Australia must trade, if she is to continue her economic growth at the present rate. In recent years about three-quarters of her exports and over two-thirds of her imports have moved directly between Australia and East Asia or Southeast Asia to the north or through the Indian Ocean to the west, all of this within range of interdiction by Indonesia or other Asian countries. 1)

There does not appear to be any immediate military threat to mainland Australia or to her territories. In the near-term, Indonesia presents the only serious threat to her security. Australia is already involved in an indirect confrontation with Indonesia through her commitment of combat troops to assist the Malaysians and British in Borneo. The 500-mile common frontier between West Irian and Australian territories in New Guinea stands as an ever-present invitation to infiltration or attack by Indonesia.

In the long-term, Australians are becoming increasingly conscious of the threat of mainland China. This threat could arise either directly from the mainland, when China has developed and can deliver nuclear weapons, or indirectly, if China were to occupy Southeast Asia or acquire bases in Indonesia. The central long-range threat to Australia has been stated by the Minister of External Affairs, Paul Hasluck, as follows:

"The reality that has to be faced is that at present no balance to the power of China can be found in Southeast Asia. The balance has to be provided from outside Asia, and unless it is provided, the region will fall under the domination of the Communist regime of Peking." 2)

03115581030

We find that most Australians would prefer to be left alone to prosper and enjoy life, an objective for which their resources would offer adequate prospects, if it were not for their location in Asia and the risks which this involves. They must, however, come to terms with Asia, and on terms that are acceptable to Australia. They cannot stand alone against the long-term threats to their security. They realize that they "must produce security, if (they) are to consume it"³) This need -- to produce security -- describes precisely the motivation for Australia's response to the challenges which have confronted her from abroad since the threat of Japanese invasion a quarter of a century ago.

Prior to World War II the Australians were oriented almost exclusively toward the U.K. and the British Commonwealth. They were little concerned about the Far East, save as matters affecting this area were dealt with among the metropolises in Europe. They had little experience in the determination of their own foreign policy, and felt little need to be concerned about it as a matter separate from British policy. For example, they responded as a matter of course to Britain's needs in the Sudan and South Africa before the turn of the century, and in the Middle East and Europe during the two World Wars. It was not until 1935 that the Department of External Affairs was established as a permanent department within the Australian Government, and five years later -- only 26 years ago -- that Australia established her first diplomatic representation outside the British Commonwealth, a legation in Washington.

This orientation was changed by the Battle of the Coral Sea. Australia was forced to a fundamental redefinition of her national interests. Thereafter, she turned her attention from Commonwealth interests to regional matters of direct concern to her own interests. She shifted her primary reliance upon the U.K. to the U.S., and sought a more active role in the Far East. **International** affairs became a matter of continuing concern.

These changes, and many others, did not take place quickly, nor were they achieved without abrasive and lingering doubts as to Australia's increasing involvement abroad and the diversion of resources which could usefully be applied to internal development. The pace of these changes was deliberate and pragmatic, not dynamic. The changes were not as timely as public estimates of the threat might have warranted; and, as a result, Australia's diplomacy and military capability fell out of balance on important occasions (as, for example, when her diplomatic efforts to prevent Indonesian acquisition of West Irian outreached her power to back them up). Nonetheless, Australia's response in external affairs, coupled with her steady economic growth, has been impressive. Although Australians may still be regarded by some "as a happy, blessed and sun-loving people, living in fortunate

DECLASSIFIED

isolation and doing little to earn their economic privileges"4) they have indeed begun to "produce security" as well as to "consume" it.

It is clear that Australia views the world in much the same terms as does the U.S. She seeks the same general objectives and would fashion her role in Asia as a microcosm of the American role around the world. This is not to say that in all respects, or in all circumstances, her interests would coincide with those of the U.S. Nor would Australians wish to be merely the tail on the American dog, despite their admiration and affection for the "Yanks". Rather, they wish to establish a role in Asia which is specifically Australian, using certain advantages to this end which may be open to them as a smaller country, permanently located on the Asian scene, and not a direct party to the major East-West confrontation. Their policy is conceived to meet their particular needs while, at the same time, reinforcing American policy and operating within the limits of an Australian-U.S. security alliance. The Government views this policy as requiring (a) an active and sophisticated diplomacy, (b) an expanding trade, (c) a wise use of economic assistance abroad, (d) a military capability sufficient to give meaning to Australia's international commitments and to withstand an initial attack until help could be obtained from her allies, and, above all, (e) continued economic growth at home and a forward strategy abroad. As put by Professor T. B. Millar, who has been in the vanguard of Australia's redefinition of her defense needs:

"We cannot avoid involvement in today's ferment, and do not wish to do so. We can no longer shelter under the wings of a mother country. We can no longer get out of range of potentially hostile nuclear weapons. We cannot shift away from Asia. Our position is perhaps dangerous, but it is not hopeless, small though our country may seem in comparison with the giants of Asia. The traditions of superb fighting men, an increasingly sizeable and sophisticated industrial economy, the assurance of support from powerful allies -- all these can make us a formidable adversary to any attacker. . . . We must act now with prudence and resolution." 5)

Australia cannot apply significant leverage in the strategic confrontation between East and West. She feels, however, that she should do whatever she can to encourage detente and achieve a balance

03:15:38:10:30

which might deter major conflict. She has, therefor, been active in the United Nations since its inception ⁶⁾ and has contributed directly to the Western strategic deterrent by accomodating the U.S. Naval Communications Station being built at Northwest Cape in Australia.

She seeks to achieve a balance of power in the Far East and to assure her own security through alliances which engage the U.S. and U.K. in the containment of Communist expansion in Asia and commit them to her defense. To these ends she entered into the ANZAM arrangements with the U.K., New Zealand and Malaya in 1949, the ANZUS Treaty with New Zealand and the U.S. in 1952, and the Southeast Asia Collective Defense Treaty (SEATO) in 1955. ⁷⁾ Except in the case of ANZUS, Australia has avoided unilateral commitments, preferring, for example, to ascribe her contribution of combat forces in Vietnam to her obligations under SEATO. In each of these arrangements it appears clear that Australia attaches more importance to their political content than to their military efficacy. This is true even in the case of ANZUS, since there is little evidence of the strategic planning and detailed military arrangements which would be required to implement the Treaty. By participating in these arrangements now, Australia is paying a premium on an insurance policy whose pay-off will be in the future. Meanwhile, in the cases of SEATO and ANZAM, the U.S. stands committed to the defense of mainland Southeast Asia and the northern approaches to the Malay Peninsula are guaranteed.

Within this broad scheme, which seeks first an East-West detente and second an offset to Chinese power in the Far East, Australia seeks finally to achieve security within non-Communist Asia through regional groupings and, eventually, collective defense arrangements. She has encouraged a variety of proposals to this end, e.g.: a Pacific Triangle (to be based on India, Australia and Japan), MAPHILINDO (which would have included Malaysia, the Philippines and Indonesia), and an Association of Southeast Asia -- ASA -- (including Thailand, Malaysia, the Philippines and possibly Cambodia). In any arrangements such as these, Australia feels that her role at the outset must be that of a catalyst, since regional groupings will be politically meaningful in Asia only if they are indigenous in origin and essentially Asian in composition. (The prospects for SEATO, for example, are considered limited in the long run, because it does not meet these criteria.)

Australia's ability to influence the formation of regional groupings and to associate herself with them will depend heavily on the extent to which she can develop the special role which she conceives for herself -- that of "building bridges" between herself and her western allies on one hand and her Asian neighbors on the other. We find that Australians place particular emphasis on this role. Sir Garfield Barwick, former Minister of External Affairs, has stated the case as follows:

DECLASSIFIED

"We stand in mid-stream between the 'haves' and the 'have-nots' as a developing country. Our national income and our gross national product, our standard of literacy and educational facilities put us vis-a-vis less developed countries in the 'haves'. But in European and American terms, and particularly in relation to our untapped resources, we are an underdeveloped country, still needing constant infusions of foreign capital for our development. Quite apart from our ethnic differences with our neighbors, we are in a different stage of development from them, somewhere midway between the 'haves' and the 'have-nots'.

"This ambivalence is at once an aid and a handicap in our relations with our neighbors. Because we are a developing country, the amount of capital aid we can provide is almost minimal in its effect We have learned to use the capital and techniques of the developed countries without forfeiting our independence or suffering domination, and we have a real place in enabling our neighbors to do likewise." 8)

Prime Minister Holt appears convinced that Australia has a unique opportunity to respond to the aspirations of Asia and that, because she does not have a colonial record, she has a special status in Asia. Thus he feels that Australia commands particular attention and respect among her Asian neighbors, that her help is needed and wanted, and that she has a useful role to play. 9)

These expectations proceed from an assumption that Australia's diplomacy, her foreign economic assistance, and her trade can be mustered successfully to this task. We find that Australia has an excellent diplomatic service which is heavily oriented in its training and experience toward Asia. She has an active, albeit modest, foreign economic assistance program. For example, she has been a participant in the Colombo Plan from the outset and has pledged the fourth largest contribution to the new Asian Development Bank. We agree that Australia is probably more acceptable as a partner in Asia (as distinct from military ally) than the U.S. or the U.K., and that, as a practical matter, the adverse effects of being a member of the "White Man's Club" may be

0311557030

overestimated. Nevertheless, we are inclined to feel that Australia is more sanguine of her success in this special role than her situation warrants.

It seems doubtful that Australia can achieve acceptance by Asians as a member of the Asian community. She is too different. Her high standard of living, sparsity of population, heavy industrialization, and cultural heritage set her apart from her neighbors. She is white. Her immigration policy, which is officially described as selective on economic grounds, not exclusive on racial grounds, can be modified to be less abrasive to Asians. However, it cannot be changed enough to recast its image in Asia without severe damage to the economic growth in Australia which it is intended to promote. Further, Australia has only recently begun to give serious attention to her territories in New Guinea. These territories will be a source of continuing friction with Asia, if not of direct confrontation with Indonesia. This friction may become acute when the territories have been brought to the point of a choice between independence or statehood within Australia (the New Guineans will probably prefer statehood) and statehood is denied, as now seems likely in view of the economic requirements of the mainland.

Australia's aid and trade will not necessarily bring her special influence in Asia. She has been devoting less than .5% of her gross national product to foreign economic assistance, including New Guinea, and cannot be expected to increase this appreciably in the face of defense and development requirements. 10) Her trade with Asia has been increasing, but most of this increase has been with Japan and China. Her trade with other Asian countries is levelling off, if not decreasing, and she has at best a precarious foothold on the markets in Southeast Asia. Her balance of trade with Asian countries is unfavorable to them.

This is not to say that Australia will not have some success in this special role. Her position in Asia is, in fact, different from that of other western countries. It is to say, however, that the terms which she seeks with Asia are not assured and may, indeed, be unattainable in the absence of further growth and greater power.

The Response in Defense

Assessment

In 1963, in response to the mounting pressures of militant communism, Indonesian aggression and public opinion, the Australian government embarked upon an ambitious program to modernize and expand its armed forces over a 5 year period ending in 1968. Defense spending levels were increased from 261 million pounds in 1963 to an expected 420 million pounds in 1968. Active duty manning levels were increased from 50,000 to 76,000 men during the same period. Conscription for overseas service in peacetime, a major departure from traditional policy, was instituted

to provide the military manpower required to meet her commitments.

Currently it appears that the 1963 goals will be met as planned by 1968. The armed services are modernizing in a sweeping and comprehensive fashion. An overview of the nature of the modernization programs together with an evaluation by service is contained in the following paragraphs.

The Army (RAA):

The RAA is expanding from its 1963 level of 23,000 regulars to 40,000 by 1968, and has reorganized its infantry division. The new division is now a light, air-portable formation exclusively equipped and trained for the tropics and South Asian terrain. It consists of 3 task force headquarters, 9 infantry battalions of 800 men each, an aviation regiment with fixed and rotary wing aircraft, and an armored cavalry regiment.

Although the Army is seen to be short in heavy armor and close air support, observers agree that the Army is realistically oriented to today's situation and is, in fact, well trained and equipped.

The Air Force (RAAF)

The RAAF is expanding from its 1963 level of 16,000 regulars to 21,500 by 1968 and is now in the process of reequipping itself with modern aircraft. Its principal fighter, the Sabre (F86), is being replaced by 110 French Mirage III's. Its bomber, the Canberra, is being replaced in part by 24 U.S. F4's (TFX). 75 Italian Macchi MB326H's have been purchased as jet trainers and can be fitted for attack missions as well. 10 Lockheed P-3 Orions have been ordered to replace P2E Neptunes for maritime patrol missions. 12 C130E's (Hercules) have been purchased to augment the 12 earlier versions previously purchased for air transport missions. Thus the RAAF will be equipped for all its major tasks with late model aircraft.

The F111 purchase, political considerations aside, is viewed with mixed emotion in Australian military and academic circles. Its high cost, the fact that it is designed to carry the nuclear weapon which Australia does not have, and the question as to whether it can carry effective quantities of conventional weaponry at supersonic speeds casts doubts as to whether it can perform the missions anticipated for Australia's principal strike aircraft for the near future, at least.

The purchase of aircraft and parts from the U.S., Italy and France will obviously create a vast and perhaps too complicated a logistical problem for the Australians. The Minister of Supply; whose department is responsible for the research, development, production, procurement and manufacture of weapons and munitions for the Department of Defense; is concerned that in the event of a crisis, suppliers would be compelled

01150700

to freeze or delay the delivery of essential parts for the Australian purchases: as was the case during both World Wars. The logisticians feel that they are in an extremely precarious situation and make a strong case for truly cooperative logistics. Although not said, but implied, is their view that if some of the suppliers were dependent on Australia for essential defense materials, they would then feel more compelled to uphold their end of the bargain. It is curious, but not untypical, that the problems of maintenance and resupply were not examined in depth prior to the acquisition of the international stable of aircraft. It is expected that a mounting offensive to sell defense materials to the West and a strong move toward more "truly" cooperative logistics will result from these military purchases.

The Navy (RAN):

The RAN is expanding from its 1963 level of 12,000 regulars to 15,000 in 1968 and is also modernizing. 23 new ships of various types have been ordered including 3 U.S. guided missile destroyers, 2 Australian built frigates (destroyer escorts), and 4 British Oberon class conventionally powered submarines. The RAN is principally oriented to anti-submarine warfare roles. Its carrier, MELBOURNE, is being modernized with new U.S. Trackers (S2E's), and will also carry 8 U.S. Skyhawks (A4C) for attack and air-defense purposes, in addition to its ASW helicopters.

Because the RAN lacks an attack aircraft carrier, it cannot effectively engage in air strike operations against potential sea and air forces that could attack the shipping it plans to protect from submarines. It does not have the capability to assault land Australian troops on hostile beaches outside the range of a friendly air umbrella nor to protect them with close air support once ashore. In view of the fact that 75% of the current Australian exports and 70% of her imports go via the Strait of Malacca of within range of the Indonesian Islands, the ASW role of the RAN is rather meaningless without equal efforts to deal with the air and surface threats.

Some Australians, military and civilian as well, have recognized this gap in capability and are advocating the acquisition of an attack aircraft carrier. If the RAN were to acquire one, the two carrier groups which would result would be mutually supporting; the expensive and sophisticated guided missile destroyers could be employed to their full potential and the RAN could take on a significantly broader range of tasks and missions.

To some observers, the manning of the second carrier from a labor short economy will be more of a limiting factor in the final decision than the raising of the funds. Opinion is divided as to what impact the recent British decision to build no more carriers will have on the Australian decision when it is taken. Some sources indicated that British decision makes the acquisition of an Australian carrier doubly

DEFERRED

imperative, but other sources feel the Australian government will follow suit. In any event, the matter of the second carrier remains unresolved and is the subject of continuing concern, study and discussion.

In response to Australian commitments under ANZAM and SEATO, her Army currently has 3200 men deployed to Malaysia, Singapore and to South Viet Nam, and 1800 deployed for the defense of New Guinea. Her Air Force has squadrons in Malaysia, Thailand and South Viet Nam and her Navy has forces committed to the Commonwealth Strategic Reserve in defense of Malaysia and available to respond to a SEATO crisis. Although her forces are too small to adequately defend Australia, there is no question as to her readiness to honor her international commitments within the resources available.

Nuclear Policy

Paradoxically, the chief long term global threat to Australia stems from Communist China who holds the nuclear weapon but lacks a delivery system. Australia is acquiring a delivery system, the F111A, but has no weapon. Mr. Paltridge, former Minister of Defense, has stated, "Australia is not a nuclear power in the military sense and has no intention of becoming one". 12)

It is held by key Australian officials that the technology and materials exist and sufficient scientific talent is available within Australia to produce a nuclear explosion within "a year or year and a half" after the decision to produce one is taken. Because the Chinese delivery system is "probably 10 years away" the Australians see no incentives for the time being to develop a weapon domestically or to acquire it from the U.S. or the U.K.. Should Indonesia acquire the weapon, Communist China obtain a credible delivery system, or Australian public opinion radically shift, the Australians would undoubtedly press for nuclear guarantees from the U.S.. Failing in that, they most surely would go for their own weapon.

Until such time as the nuclear threat appears more urgent than it now does to Australians, they will be content to support non-proliferation policies and to rely on the U.S. umbrella of nuclear power.

Patterns of Military Strategic Thought

Consistent in the literature and the interviews were certain strategic principles which underly Australian military planning and values. The quality and consistency of typical strategic thinking in Australia is impressive. Generally the approach to solutions is practical as apposed to the ideological. Commonly, domestic issues take precedence over issues relating to image, public opinion abroad and even relations with Asian neighbors. It can be anticipated that plans and actions regarded by Australians as essential to the security and internal development of Australia will override other considerations

0315587030

in foreign and military relations. Her Army fights in South Viet Nam not so much to save South Viet Nam from communism as to prevent the threat against Australia from growing.

The strategic principles which are widely and generally held by the academic, political, military and business leadership are:

1. the security of Australia depends, in the final analysis, upon U.S. power. No other Australian ally is adequately equipped to deal with communist sea and air power in the areas of vital interest to Australia.
2. this essential American help must be assured by the full scale Australian cooperation with, and support of, American policies. They feel quite obligated to support, participate and to do their part to "keep the faith" with any U.S. ventures in Southeast Asia.
3. the stability of Asia can best be achieved through regional defense agreements between Asian nations backed, more or less silently, by American power.
4. the most sensible strategy for Australia is the "forward defense". It is considered by most, but not all, Australians, past and present, that it is clearly in Australian interests to engage the enemy as far as practicable from Australian shores to permit a defense in depth. A determination to take a decisive stand against expanding communism in Thailand or Malaysia, should they be seriously threatened, was clearly expressed and frequently reiterated.
5. Australia must look to the U.S. and U.K. for the lead in military policy and long range weapons development. It is held that Australia has no alternative but to dovetail its defenses with America and Great Britain - she is dependent upon them and is determined to support them.
6. Great Britain must be encouraged to maintain its presence East of Suez for as long as possible. If she does not, then the U.S. must certainly maintain a presence.
7. for the foreseeable future, there is no alternative to the "white man's club" in the maintenance of stability and a favorable balance of power in Southeast Asia. There simply are no non-communist Asian powers with sufficient strength and stability to oppose full scale communist imperialism either individually or in concert with each other. Thus, it is argued, the stability of Southeast Asia and the security of Australia are unavoidably dependent upon the "white man's club".

Australian planning is necessarily limited to the short term; that is up to 5 years. This fact is freely admitted to and is evident as one discusses strategy and military plans with principal planners. A

DECLASSIFIED

real need for, and interest in, longer range planning was expressed by top officials in External Affairs and in "Defence". But, they specify, it could and should be done in connection and consultation with the U.S. and the U.K. if it is to be effective and meaningful and if Australia is to effectively participate in support of U.S. and U.K. military operations.

Evaluation

The force structure of the Australian military of 1968 will result in a small but sophisticated power package fully modernized. The RAAF may have need for a more suitable principal strike aircraft and the RAN may need an attack aircraft carrier. The security of Australia will remain for the foreseeable future vitally dependent upon external power.

In view of the labor short economy, the pressures to internally develop and its demands for capital and manpower, it appears doubtful that Australia will feel itself able, or regard it prudent, to expand its defenses significantly beyond the 1968 goals for some years to come. Defense spending is approaching 5% of GNP and the economists feel that it would be counter-productive to exceed that limit under present domestic and international conditions. The "threat" does not appear to be so immediate that greater economic risks would be warranted.

Given the Australian dependence on the U.S., its unquestioned inclination to survive (militarily if necessary) and its demonstrated willingness to participate, Australia should remain a firm, if small, military ally with tremendous potential. It will feel compelled to appeal for more American participation East of Suez if the British do reduce commitments. It will favor and in all probability actively seek consultative military arrangements at least between itself, New Zealand, the U.S. and the U.K. for the defense of Southeast Asia and the Indian Ocean. The Australian government may feel compelled to push for a larger share as a supplier of cooperative logistics. Australia will look increasingly to the U.S. for the lead in long range defense planning and weapons development and can be expected to go for the nuclear weapon if the present nuclear balance should shift in favor of Communist China.

Assets and Liabilities

In the light of these responses to the challenge from abroad, where does Australia stand today? What are her assets and liabilities?

Australia's most obvious asset is her prosperity and steady economic growth. Her gross national product (GNP) is about equal to the combined GNP of all the countries of mainland Southeast Asia, and several times that of Indonesia. She can be expected to double her national income over the next 20 years, thus achieving by 1986 a GNP

03145087030

of \$65-\$70 billion (about equal to that of the U.K. today). She has good human resources, a people who are well educated, urban, and technically competent. 40% of them are under 21 years of age. With the exception of sources of energy, which are inadequate, but are far short of being fully explored and developed, she has abundant resources in minerals and foodstuffs. Her industry is strong and growing.

In 20 years she will have a population of about 19 million. 11) This increase can be absorbed without destroying the essential character of Australian society -- a common outlook, a democratic tradition, and minimum social or class conflict.

Her defense capability is growing, and she has strong allies.

Although internal political differences are often obscured by a lack of public dialogue on matters of external affairs and defense, and there is surprising irresponsibility on the part of the political opposition, Australia's internal politics are, in fact, quite stable. (To an American they seem bland.) Although there is still some difference of view between those who favor an active, forward strategy in international affairs and those who would prefer an armed neutrality, this difference is not along political or generational lines. Active involvement in international affairs seems clearly to be a permanent feature of Australian policy. This may, in the long run, prove to be Australia's most important asset.

Thus, Australia's assets are impressive. So, too, are her liabilities. She lacks the population, capital and military capability to be an effective power in the Far East for some time to come -- effective in the sense of being able to exert the influence needed to achieve her objectives and to muster the force which would be needed to deal with the long-term threats to her security. She could not alone cover her present commitments abroad (in New Guinea, Borneo, the mainland of Southeast Asia, and along her trade routes to the north and west). In New Guinea she is increasingly encumbered by colonial responsibilities. Elsewhere in Asia the prospects of her being able to employ diplomacy, trade and economic assistance so as to become an acceptable partner in the Asian community are uncertain at best. She has strong allies whose commitment to the defense of Australia in extremis is not in doubt. However, in actions which will help to avoid this extreme, they are not likely to be as attentive to Australia's needs as her situation might warrant. The U.K. must be counted a wasting asset over the long run. British obligations elsewhere dictate a decreasing commitment in the Far East. The U.S. is also heavily preoccupied elsewhere and is reluctant to assume British commitments.

Lessons for the United States

Assessment

Australia in the 1960s is a nation in mid-passage -- only now emerging from a period of significant transition and growth as she steps, increasingly committed, into a permanent role in the Far East.

The American visitor to Australia is struck at once by Australia's many similarities to the U.S., both current and historical. He is impressed by Australia's sophistication and modernization, her vitality and independence. He cannot escape the many reminders that both Australia and the U.S. were British colonies with an Anglo-Saxon heritage, that they were confronted by the rigors and opportunities of a vast frontier, that they were sheltered during their early development by British sea power, that they were capitalized by foreign investment, and that they were isolationist until recent years. In the light of these similarities he is tempted to measure Australia by U.S. standards and scale. Yet he would do so at serious risk of miscalculation, for there are important differences. These differences are to be found, not only in the obvious disparity in wealth, population and international involvement, but also in the differing circumstances under which each experienced these parallel steps in her development. Most important, the U.S. established herself early as the dominant power in the Western Hemisphere whereas Australia cannot do so in Asia.

In attempting to assess Australia's role from the American point of view, we have found that she is a more valuable ally than we had expected. In the balance of American assets and liabilities abroad, Australia is clearly an asset. We believe this is true today despite Australia's own liabilities on one hand and, on the other, the American obligation under ANZUS to come to her defense. There is no immediate threat to her security. She should be able to develop the capability to deal with the likely near-term threat from Indonesia by the time that threat becomes a reality.

Twenty years hence Australia will have become a credible power in her own right as a result of growth, increased defense capability and a record of demonstrable involvement in the affairs of her region.

The U.S. should not expect Australia to be a surrogate in Asia for American interests. Nor can we expect her to be an early substitute for the British presence in Asia. We can, however, expect Australia to be a useful catalyst among the Asian countries. She will have some success in "building bridges" to Asia, and can eventually be an alternative to the British. Meanwhile, she is an active advocate of objectives in Asia similar to our own. She stands available as a supplement (or alternative, if necessary) to U.S. bases in the Philippines. She could again be the anchor of U.S. strategy in Southeast Asia and the Pacific as she was twenty-five years ago. If it should become necessary to extend American power into the Indian Ocean, Australia would be a primary base and partner. The basic identity of U.S. and Australian objectives is firmly enough established in both countries to withstand the occasional differences which will arise from divergent U.S. actions elsewhere and special Australian interests in the Far East.

03:15:07:00

Conclusions

In its own interests the U.S. should do what it can to assure that Australia's assets are brought to their optimum potential. This will require even closer cooperation in the development of Australia's international role. This is not a matter of assistance or concessions to Australia. Nor is it a matter of sacrificing the freedom of action of either country to an arbitrary requirement for common action. The primacy of the U.S. role in this relationship is clear and is accepted in Australia. It cannot be diluted, if both countries are to be well served. Rather, this is a matter of sensible contingency planning on a corporate basis. By this we mean a more deliberate, mutual appraisal of the assets and liabilities of both countries so as to enable Australia to develop and use her assets in a manner which will serve her own interests and the common interest most effectively. We have in mind:

1. Informal quadripartite planning with Australia, New Zealand and the British, looking first to the retention of the British presence in Southeast Asia and the Indian Ocean (and her bases in Singapore) as long as possible, and second to the development of orderly contingency arrangement against changes in, or reduction of, British commitments in the Far East. The emphasis here should be an "informal and "contingency" planning.
2. A more precise definition of the roles and tasks for Australia and the U.S. within the meaning of ANZUS.
3. Development of complementary force structures and of sufficient coordination at the operating level to enable Australia to make the most relevant use of her limited defense budget. This might well include participation by Australian forces in exercises or operations of the U.S. Pacific Command. This step should be taken without prejudice to the special needs of both countries and without invoking Parkinson's Law.
4. Systematic and continuing arrangements with Australia for off-shore procurement of military supplies so as to make it possible for Australia to respond to U.S. needs on an organized and competitive

DE: 00000000

basis. This would be a hedge against the possibility of greater dependence upon Australian logistic support in the future.. It would seem to be a .. prudent investment in the development of Australia's economy and technology. (The Australians refer to this as "cooperative logistics".)

5. An effort to bring Australia to deal more effectively with her problems in New Guinea and to mitigate the abrasive features of her immigration policy, within the limits necessary to sustain her economic growth at the present rate.

It has been argued that a more specific defense arrangement between the U.S. and Australia would encourage the British to withdraw prematurely from their commitments in the Far East. We do not feel that this need be the case. Rather, we suspect that this is more likely to occur in the absence of a serious effort to consider the roles of each party as a matter of corporate planning.

It has also been argued that a more visible U.S. - Australian alliance would be self-defeating, because it would strengthen the image of a "White Man's Club" and thereby have an adverse effect on the relations of both countries with Asian countries. We cannot gainsay this effect, but we are satisfied that the prospects that either the U.S. or Australia can become an acceptable partner within the Asian community are too slim to merit deferring the advantages to be gained by a more meaningful alliance. Both American and Australian influence in Asia will derive more from strength, wisely used, than from fraternal association with Asia. For both countries, there is more to gain than to lose by taking full advantage of Australia's growing assets.

03:45:07:30

03:17:28.1030

APPENDIX A

The Economy -- Agriculture, Minerals, Manufacturing & Trade

DEC 82 11:00

Agriculture

In the past, agriculture, or primary product production, was the cornerstone of the Australian economy. Currently, wool, beef, wheat, and sugar production are the large earners in the export market. The agricultural techniques are highly developed and inventories of first rate live stock are massive. There are nearly 6 head of cattle and 15 sheep per capita. Less than 10% of the work force is engaged in primary product production which is an indication of the sophistication of the Australian agriculture.

Even though current production is impressively high, it continues to rise. Amazingly, less than 3% of Australian land has been put to the plow. Marginal land is being reclaimed at rates in excess of 1 million acres annually for crops and for grazing. It has been estimated that, if water resource and land reclamation projects continue at their present rates and levels of success, cattle and sheep inventories can foreseeably be quadrupled.

Australia, therefore, can be expected to become an increasingly important source of primary products for the world market.

Minerals

Australia has some of the world's largest deposits of lead, zinc, rutile, copper, bauxite and iron ore. Discoveries of bauxite and iron ore in commercial quantities were made so recently that mining operations are not yet fully developed. A 2.5 billion dollar contract for the sale of iron ore to Japan has recently been concluded with the first shipment to be made in 1966.

Mineral production has risen 60% during the past 10 years and is expected to triple its present rate by 1975. Income from iron ore alone is expected to exceed \$225 million annually in the 1970's. Total mineral earnings are expected to exceed those from wool and wheat in the 1970's, earning over \$1 billion annually.

Manufacturing

Thirty years ago, manufacturing netted 30% of national income; it now provides 50%. Twenty-seven percent of the work force is engaged in manufacturing as opposed to 24% in the highly industrialized US. In the past four years, 2,718 new factories have been registered employing 78,000 additional people. Thus her industry is steadily expanding and she, too, is classified as a highly industrialized society.

Development and production are in all major fields - food production and processing, heavy and light industry, automotive, aircraft, electronics, chemicals, textiles, etc. In spite of this development, Australia cannot meet its needs domestically in manufacturing, thus technology and goods must be imported from the West and from Japan. Because the domestic market absorbs nearly all of her present industrial production, the Australian businessman has little incentive from within his firm to expand into overseas operations and marketing. The Government and some banking firms are actively encouraging overseas trade, and thus provide the principal, if not the only, incentive in this direction. Until such time as the population base can provide a sufficient working force to produce the quantity of goods Australia requires, she will be dependent upon the import of manufactures and technology.

Manufacturing has a long way to go in Australia; but in capacity rather than capability.

Trade

Although Australia ranks 40'th in world population, she is within the top 13 in world trade. By comparison, her annual per capita value of trade is more than double that of the United States. Roughly 75% of her export value is in agricultural products, 15% in minerals, and 10% in manufactures. She imports large quantities of petroleum from Asian and Middle East sources and manufactured goods from the West and from Japan.

Prior to World War II, 75% of her exports were to the U.K. and 11% to Asia. Subsequent to World War II her trade has been reorienting from the U.K. to Asia. Currently, 17% of her exports are destined for the U.K. and 40% to Asian markets. Japan is now her principal customer for wool and Communist China her largest market for wheat.

Little is currently produced in Asia outside of Japan that Australia can use. With the almost certain forthcoming discovery of oil in commercial quantities in Australia, her dependence upon oil from Malaysia and Indonesia will substantially decline. Thus it would appear that while Asia might become increasingly dependent upon Australian imports in the future, Australia may well be able to find alternatives to trade with Asia as a critical factor in her economy and so preserve a degree of economic independence from Asia, if conditions so warranted.

For the foreseeable future, however, one might expect to see a growing and flourishing trade, principally in primary products with China and Japan, and a favorable balance of payments from the Asian market.

DECLASSIFIED

DECLASSIFIED

APPENDIX B

Footnotes

DECLASSIFIED

Footnotes

(Appendix B)

- 1) In 1962, 30% of Australia's exports went northward to Southeast Asia and East Asia. An additional 45% moved westward through the Indian Ocean.

In that same year 13% of her imports came from Southeast Asia and East Asia. An additional 57% came through the Indian Ocean.

Millar, T.B. Australia's Defense, Melbourne University Press, 1965
Page 58

- 2) Hasluck, Paul "Australia and Southeast Asia", Foreign Affairs, Vol. 43, No. 1, October 1964 Page 61
- 3) Professor T. B. Millar of the Australian National University in a paper entitled "Australia's Defense Needs" read at the 30th Summer School of the Australian Institute of Political Science (AIPS) in January, 1964.

Australia's Defense and Foreign Policy - 1964, edited for the AIPS by John Wilkes, pub by Angus and Robertson Ltd. Page 71

- 4) Professor R.I. Downing of the University of Melbourne in a paper entitled "The Cost of Defense" read at the 30th Summer School of the Australian Institute of Political Science in January, 1964.

Ibid Page 109

- 5) Millar, T.B. Australia's Defense, Melbourne University Press, 1965 Page 7
- 6) Australia was a signatory of the Declaration of Washington in 1942 and a participant in the San Francisco Conference in 1945. She provided the first President of the U.N. Security Council (Makin), the President of the 3rd U.N. General Assembly (Evatt) and a justice of the International Court of Justice (Spender). She has been a member of the U.N. Trusteeship Council and ECOSOC. She has been active in many of the U.N. specialized agencies and other related organizations, serving on the governing bodies or executive councils of several, e.g.: ILO, FAO, ICAO, IBRD, IMF. She has been a member of ECAFE since 1947 and of GATT since 1948.
- 7) ANZAM is the name given to a series of British Commonwealth defense consultations and agreements for the protection of Malaysia (which is not a member of SEATO) and of the dependancies of the participating countries in the Southwest Pacific and adjacent Indian Ocean area.

DECLASSIFIED

The joint planning within ANZAM is done apart from, and in addition to, treaty arrangements. It involves only Australia, New Zealand, Malaysia and the U.K. It is not itself a treaty.

A military component was established in 1955 in the form of a Commonwealth Strategic Reserve. This Reserve is controlled by the ANZAM Defense Committee which is located in Canberra and chaired by the Permanent Secretary of the Australian Department of Defense. Australia has forces deployed to the Malay Peninsula and Borneo under these arrangements.

The ANZUS Treaty (Security Treaty between Australia, New Zealand and the United States) of 1952 commits the member countries to "consult together whenever in the opinion of any of them the territorial integrity, political independence or security of any of the Parties is threatened in the Pacific. Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional procedures".

The Treaty applies to "an armed attack upon the metropolitan territory of any of the parties, or on the island territories under its jurisdiction in the Pacific, or on its armed forces, public vessels or aircraft in the Pacific". The Treaty remains in force indefinitely, but any Party may withdraw after a year's notice.

Organizations established under the Treaty include a Council (of Foreign Ministers) and a committee of Military Representatives (the Chiefs of Staff and area commanders).

The U.S. commitment under the Treaty is understood by the Parties to apply in the event of a serious attack, but not a minor attack or incursion, against Australia or New Zealand by any country (Communist or non-Communist) in the Pacific area. A joint communique issued after the ANZUS Council meeting in 1963 stated that, "The ANZUS Treaty declares in simple terms that in matters of defense Australia, New Zealand and the U.S. stand as one".

The SEATO Treaty (Southeast Asia Collective Defense Treaty and Protocol) of 1955 includes the U.S., the U.K., France, Australia, New Zealand, Pakistan, the Philippines and Thailand. Other countries which are in a position to contribute to the security of the area may be invited to join the Treaty by unanimous agreement of the Parties. Three countries in the area which are not Parties to the Treaty -- Cambodia, Laos and "the free territory under the jurisdiction of the State of Vietnam" -- have been designated by the Parties as protocol states to whom the provisions of the Treaty may be applied in the event of an armed attack against them which endangers the "peace and safety" of a member country.

03:15:08:10:30

Each party is committed to "act to meet the common danger in accordance with its constitutional procedures" in the event of "aggression by means of armed attack in the treaty area against any of the Parties or against . . . (protocol states, which) . . . would endanger its own peace and safety". A special understanding placed in the Treaty by the U.S. stipulates that the U.S. commitment in these circumstances applies only in the case of "Communist aggression".

The Parties are also bound to "consult immediately in order to agree on measures which should be taken for the common defense . . . if, in the opinion of any of the Parties, the inviolability or the integrity of the territory or the sovereignty or political independence of any Party in the treaty area or of any . . . (protocol state) . . . is threatened in any way other than by armed attack or is affected or threatened by any fact or situation which might endanger the peace of the area". This provision is not limited to threats arising from Communist actions.

The treaty area is specified as "the general area of Southeast Asia, including also the entire territories of the Asian Parties, and the general area of the Southwest Pacific not including the Pacific area north of 21 degrees, 30 minutes north latitude" (south of Taiwan). The Treaty remains in force indefinitely, but any Party may withdraw after a year's notice.

Organizations established under the Treaty include a Council (of Foreign Ministers), a Secretary-General and Secretariat located at Bangkok, and various advisory committees and staff groups concerned with political, military and economic matters.

The commitments under the Treaty are individual as well as collective. They apply only to external threats. In the event of armed aggression. The French, although still a Party to the Treaty and represented in the Secretariat, are inactive in the activities of the organization.

- 8) Sir Garfield Barwick, former Minister of External Affairs, in a paper entitled "Australia's Foreign Relations" read at the 30th Summer School of the Australian Institute of Political Science (AIPS) in January, 1964.

Australia's Defense and Foreign Policy - 1964, edited for the AIPS by John Wilkes, pub by Angus and Robertson Ltd. Page 23

- 9) From an interview with Prime Minister Holt by Martin Page, contributing Editor of The Illustrated London News.

Page, Martin "The New Australia", The Illustrated London News, February 26, 1966 Pages 18-19

DECLASSIFIED

- 10) In early 1964 Australia was devoting less than .33% of her GNP to foreign aid. Professor R. I. Downing of the University of Melbourne in a paper entitled "The Cost of Defense" read at the 30th Summer School of the Australian Institute of Political Science (AIPS) in January, 1964.

Australia's Defense and Foreign Policy, edited for the AIPS by John Wilkes, pub by Angus and Robertson Ltd. Page 106

- 11) It is estimated that the population of Australia in 1986, including domestic increase and net immigration, will be 17.8 million, if net immigration averages 70,000 per year. It will be 18.8 million, if net immigration averages 100,000 per year, as seems more likely.

Projection of the Population of Australia 1966-1986, a report of the Commonwealth Bureau of Census and Statistics, February 22, 1965.

- 12) Paltridge, Shane "Australia and the Defense of Southeast Asia", Foreign Affairs, Vol. 44, No. 1, October 1965. Page 53

03:15:58:1030

0371228.1030

APPENDIX C

Selected Bibliography

0007821160

Selected Bibliography

APPENDIX C

Treaties

Security Treaty between the United States of America, Australia and New Zealand (ANZUS) Effective April 29, 1952 TIAS No. 2493, Publication 4608, Department of State

Southeast Asia Collective Defense Treaty and Protocol (SEATO) Effective February 19, 1955 TIAS No. 3170, Publication 6144, Department of State

Books

Clark, Manning A Short History of Australia, (a Mentor Book), The New American Library of World Literature, New York, 1963 244p

Millar, T.B. Australia's Defense, Melbourne University Press, 1965 198p

Condliffe, J.B. The Development of Australia, The Free Press of Glencoe, New York, 1964 294p

Australia's Defense and Foreign Policy - 1964, edited by John Wilkes for the Australian Institute of Political Science, pub by Angus and Robertson Ltd, 1964

Casey, Richard G. Friends and Neighbors -- Australia and the World, Michigan State University Press, 1958 190p

Horne, Donald The Lucky Country -- Australia in the Sixties, (a Penguin Book), Penguin Books Pty Ltd, Ringwood, Australia, 1964 253p

MacInness and the Editors of Life, Australia and New Zealand, Life World Library, Time Inc., New York, 1964

Articles

Hasluck, Paul "Australia and Southeast Asia", Foreign Affairs, Vol. 43, No. 1, October 1964 pp 51-63

Paltridge, Shane "Australia and the Defense of Southeast Asia", Foreign Affairs, Vol. 44, No. 1, October 1965, pp49-61

Reddaway, W.B. "The Australian Economy 1937-1965", The Australian Journal of Science, Vol. 28, No. 8, February 1966

"This is a Marvelous Time to be Here", Newsweek, February 21, 1966, p42

Page, Martin "The New Australia", The Illustrated London News, February 26, 1966, ppl6-36

Reports and Papers

Defense Report - 1965, presented to the Australian Parliament on behalf of the Minister of Defense, 1965

Briefing Paper for U.S. Visitors, American Embassy, Canberra, March, 1966

Mineral Development in Australia, a pamphlet published by the Bank of New South Wales, Sydney, 1966

Petroleum Exploration in Australia, a pamphlet published by the Bank of New South Wales, Sydney, 1966

Pocket Compendium of Australian Statistics, No. 50, Commonwealth Bureau of Census and Statistics, 1965

DECLASSIFIED