

THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY (1956)

Editor's Introduction

When the 1956 *Strategic Basis* was written, the Korean and First Indochina war had ended. SEATO had been established and was described as the 'most effective and economic method of ensuring Australia's security' (para 15). As thermo-nuclear weapons began to dominate the central balance, global war would be brief and devastating for the major combatants but unlikely due to mutual deterrence (paras 9; SR paras 3, 4, 28; App. 1 paras 2, 3). The risk of escalation also reduced the likelihood of the USSR or China engaging in limited war, although they could do so by proxy (SR paras 5, 7, 18). Western powers would have used nuclear weapons as required, including in South East Asia, seeking to end war within a year (paras 5, 8, 10, 22; SR paras 29, 33).

A reduction in Western influence in the Middle East was noted, but South East Asia was identified as '[t]he first line of Australia's defence', and the country's 'primary effort should be directed to that area in cold, limited and global war' (para 12; App. 1 para 6). Indonesia was unstable but its forces 'remain badly equipped and ineffective' (App. 1 para 12) and it would take several years to pose a threat even if it became communist, although Australia might not have the support of its allies in a conflict over Dutch New Guinea (para 24, App. 2 para 4). The importance of Malaya in the development of a direct threat to Australia was highlighted, as a communist peninsula could provide a base for sporadic Chinese air attacks on North Australia, and precipitate a communist Indonesia (para 12; SR para 46; App. 2 paras 1, 3, 4). Thailand supported the defence of Malaya, and the protocol states assisted in the defence of Thailand (SR para 47). The need for communist consolidation, their limited naval strength and the vulnerable lines of land communication would lead to a 'considerable period' between a loss of Malaya and a threat of invasion developing (App. 2 para 2). However, 'the possible availability to the Communists of base facilities in Indonesia would need to be kept under examination' (para 26). 'Subversion and quasi-overt military action' were the main threats 'at present', and Australia should prepare for cold, limited, and global war, in that order (paras 12, 18). In cold war, it was willing to deploy and operate forces in support of governments in South East Asia, and '[a]ll steps should ... be taken to ensure that Thailand and the protocol states do not fall to Communism through subversion or quasi-overt action' (SR para 47(a)). In limited and global war, it would contribute to the collective defence of Indochina through SEATO or, if that organisation failed, to the ANZAM defence of Malaya (paras 24, 25; SR paras 35, 40, 47, 54).

There were no detailed force structure requirements included in the document, as those for limited war were to be developed from SEATO plans (SR para 51). However, in cold, limited and global war, Australia required regular forces for initial deployment to South East Asia, and additional forces generated by an expansion base for follow up, or the defence of the North West approaches (paras 24, 35, 36). In war, UK or US forces would support Australian forces with nuclear weapons, or might make them available to Australian forces 'in the field' (para 22).

THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY

OCTOBER 1956

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This paper was endorsed by the Defence Committee on 11 October 1956

DEFINITIONS

- GLOBAL WAR – Unrestricted conflict between the USSR and her allies on the one side and the United States and her allies on the other.
- LIMITED WAR – Any international armed conflict short of global war.
- COLD WAR – Continuing world-wide struggle between Communism and the Free World waged by all Means short of international armed conflict.
- QUASI-OVERT MILITARY ACTION – Armed action, under conditions which do not permit it to be identified as overt aggression, by organized bands or groups responsive in varying degrees to foreign control or direction.
- FAR EAST – East Asia and South East Asia.
- EAST ASIA – China (Singkiang and Tibet should not be considered parts of China in this context); Formosa; Hong Kong; Macao; Japan, Korea; Ryukyu Archipelago.
- SOUTH EAST ASIA – Burma; Thailand; Malaya; Singapore, North Vietnam; South Vietnam; Laos; Cambodia; Philippines; Indonesia; Borneo.
- THERMO-NUCLEAR AND NUCLEAR WEAPONS – Although “nuclear weapons” is the generic term for all types of fusion/fission weapons, for the purposes of this paper the term is used to refer to low-yield weapons. The term “thermo-nuclear weapons” is used to denote only weapons of a high-yield character, e.g. hydrogen bombs.
- WAR MATERIEL – The term “War Materiel” as used in this paper means items such as ships, guns, aircraft, weapons, ammunition, equipment, stores and supplies of all kinds which are in the form in which they would be used by the armed forces.

THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY

REPORT BY THE DEFENCE COMMITTEE, OCTOBER, 1956

AIM OF REPORT

1. To determine the strategic basis on which the development of Australian defence planning and preparations should proceed. The report is based on an assessment of the position up to 1960; it will be kept under regular review.

STRATEGIC REVIEW

2. A Strategic Review is attached at ANNEX to this report comprising the following parts :-

Part I — The Likelihood of War and Probable Communist Strategy.

Part II — Strategy of the Western Powers.

Part III — Australia's Strategic Role.

MAIN STRATEGIC FACTORS AFFECTING BASIS OF AUSTRALIAN DEFENCE PLANNING AND PREPARATIONS

3. The main strategic factors affecting the basis of Australian defence planning and preparations which emerge from the above Strategic Review are set out in the following paragraphs.

Use of Nuclear Weapons

4. The Military Advisers reported to the SEATO Council at Karachi in March that "if nuclear weapons are not used the forces required for successful defence (of the treaty area in South East Asia) are unlikely to be available for the time being in the numbers needed and within the time by which they must be deployed". The agreed definition of global war is "unrestricted conflict between the U.S.S.R. and her allies on the one side and the United States of America and her allies on the other".

5. The following assumptions have therefore been made in the preparation of this report :-

a. That in global war, the Western Powers and the U.S.S.R. would use thermo-nuclear and nuclear weapons;

- b. That the SEATO Powers would use nuclear weapons where necessary in limited war in South East Asia as provided for in existing SEATO strategic concepts.

Likelihood of War

6. Global war is unlikely but could occur as a result of miscalculation; such a miscalculation is more likely to occur during the course of a limited war. Limited war is generally more likely than global war and could break out with little or no warning as a result of:-

- a. a conflict of national interests in various unstable areas from the Middle East to the Far East;
- b. a decision by USSR and/or Communist China to encourage a minor power to achieve its national aims by limited war;
- c. a decision by the Communists to take a calculated risk.

7. In the end, the Communists might achieve more by limited war than they could hope to achieve by initiating a global war. Before initiating a limited war, the Communists will continue to exploit every opportunity to achieve their aims by cold war techniques.

The Likely Duration of War

8. On the outbreak of either limited or global war, both contestants will endeavour to achieve a decision in the shortest possible time.

9. The phase of thermo-nuclear bombardment in global war will be of brief duration, and the eventual outcome will probably be decided during this phase. Subsequently, there may be a prolonged indecisive period of localized operations.

10. It is possible for limited war to be of longer duration than twelve months, but a decision is militarily feasible within that period.

11. Although it is impossible to predict the duration of either limited or global war with any certainty, it is probable that future wars will be of shorter duration than past wars.

Area of Primary Strategic Interest

12. The first line of Australia's defence lies in South East Asia, and no major threat to her security can develop, nor is she likely to be a primary objective of a major Communist power, whilst Malaya is held. South East Asia is therefore of great strategic importance to Australia, whose primary effort should be directed to that area in cold, limited and global war. Subversion and quasi-overt military action constitute the main threat to South East Asia at present.

13. It is possible that under certain circumstances, e.g. support for United Nations action, it may be decided to deploy Australian forces outside South East Asia and adjacent areas. This can only be done at the expense of military effort which could be made available for South East Asia.

Reliance on Western Powers

14. Australia is a geographically isolated small power with limited manpower and resources. She is not able to defend herself unaided against a major power, and is dependent on the Western Powers, in particular the United States, for her ultimate security. She must therefore relate her defence policy and planning to the global strategy of the Western Powers, and must be prepared to contribute to the implementation of this strategy.

Co-Operation in Collective Security

15. Participation in regional arrangements for collective defence is the most effective and economic method of ensuring Australia's security, and provides the best means of relating her defence policy and planning to the global strategy of the major Western Powers, particularly the United States. At present SEATO is the most important of the regional arrangements for the defence of South East Asia and is the most practicable organisation in which Australian strategic plans can be co-ordinated with those of the United States. Participation by the United States is essential to the success of SEATO plans. ANZAM and ANZUS continue to fulfil essential and valuable functions from the Commonwealth and Australian points of view.

16. Australia must be prepared to play an effective part in the implementation of Western strategy in cold, limited and global war, in accordance with the plans developed under the regional arrangements of which she is a member. This will not only contribute directly to her own defence in depth, but will strengthen her case for the support of her allies should the future course of events result in the development of a direct threat to the security of Australia.

IMPLICATIONS FOR AUSTRALIAN DEFENCE PLANNING AND PREPARATIONS

Priorities for Preparations

17. Defence planning and preparations should be based on a blending of requirements to meet cold, limited and global war situations and enable Australia to fulfil her strategic role in each. However certain priorities of effort are dictated by the assessment of the relative likelihood of the various situations which could threaten our security, and the need to ensure that the limited resources available for defence are used in the most effective and economic way.

18. In view of the present assessment of the international outlook, preparations to enable Australia to participate effectively in cold war activities, and to increase her preparedness to participate in limited wars, should take priority, in that order, over measures directed solely to preparedness for global war.

19. At the same time, however, it is essential that a sound basic defence structure be maintained, including the necessary administrative and training organisation, to provide the basis for expansion in the event of global war, or to meet the requirements of Home Defence in all cases.

20. The probability that a future war will be of short duration is a major factor in determining peace-time preparations and allocation of resources.

Role of Australian Forces

Conventional Nature of Australia's Contribution

21. Unlike her major allies (the United States and the United Kingdom), Australia does not have any nuclear weapons. In view of her limited resources, the costs involved in their production in Australia would make this completely prohibitive. Present legislative provisions prevent the United States from making supplies of such weapons available to Australia. It is doubtful if the United Kingdom has sufficient stocks of her own at present to make any available.

22. Australia's operational contribution to the global strategy of the Western Powers must therefore be confined at present to forces armed with the most modern conventional weapons available. It is considered, however, that provided it is timely and significant, this will be an essential and worthwhile contribution, for the following reasons –

- a. Conventional forces will continue to be required for cold war activities and for limited wars which are more likely than global war.
- b. Conventional forces will continue to play an important role in global war, particularly in the Far East.
- c. Planning can reasonably proceed on the basis that Australian forces engaged in operations in conjunction with United Kingdom and United States forces, in accordance with common treaty obligations, will be supported by nuclear action by the United Kingdom and United States, when circumstances require such support. This is inherent in the SEATO strategic concepts developed to date for the defence of South East Asia in limited war, and can be expected similarly to apply in other cases as plans are developed to meet other situations (e.g. global war and contingency plans for the defence of Malaya). The form of support might well be by making available for service with our forces elements armed with and capable of using nuclear weapons or by making such weapons available to our forces in the field under certain operational circumstances.

In Cold War

23. Australia requires trained regular forces available to perform cold war tasks in South East Asia and to provide other types of military assistance. Success in cold war action will be dependent upon close co-ordination in the military and political fields. The complex politico-military situation in South East Asia increases the importance of maintaining an effective intelligence organisation in cold war as well as during the course of war.

In Limited War

24. [The following would apply:]

a. SEATO Defence Plans

Support for SEATO concepts will involve Australia in the struggle for the defence of the mainland of South East Asia. SEATO strategic concepts envisage the use of all types of air, naval, and ground forces, and it is important that Australia should make a prompt and significant contribution to these forces. The time factor in these SEATO concepts is such that Australia's contribution to the force requirements for the opening defensive phases can only be met by regular forces. The initial force contributions should include the forces allocated to the Commonwealth Strategic Reserve. The time factor in relation to the deployment of additional forces required for subsequent phases has not yet been determined; however, it will continue to be a critical factor in deciding the contributions which Australia may make to these subsequent phases.

b. Contingency Planning for the Defence of Malaya/Singapore

In the event of the political or military failure of SEATO to defend Thailand, contingency plans would be implemented to defend a position on the border of Malaya or to the north in the Kra Isthmus which provides the best natural defensive positions. The Australian force contribution to such contingency plans in the event of the political failure of SEATO should be similar to the force contribution to the existing SEATO concepts, but the time factor for the deployment of forces should be more favourable. In the event of a military failure of SEATO, it could be expected that SEATO forces would withdraw to the best natural defensive position in the Kra Isthmus.

c. Defence of the North West Approaches to Australia

Should Malaya be lost, preparations for the defence of the North West approaches to Australia will depend on the probable form and scale of attack at any given time. Australian forces would be required to undertake operations as follows:-

- (i) To prevent key areas, particularly in New Guinea, coming under Communist control or the control of Indonesia either by means short of war or through a limited war;

- (ii) To combat a Communist attack on Australia.
- (iii) In the event of a Communist-controlled Indonesia actively threatening the north-west approaches to Australia, to conduct military operations against that country to provide depth to the defence of the north-west approaches and to prevent the development of a substantial air threat to Australia.

For all the above cases, Australia must have adequate forces immediately available to deter or defeat any hostile action which might prejudice vital Australian interests in the area. In the situations described in (ii) and (iii) above it is considered that Australia will have the support of her allies, the United States, the United Kingdom and New Zealand. It will take the Communists a long period to build-up their forces in South East Asia before they could undertake an invasion. Australia would therefore have time to build up to meet this threat, provided her basic defence structure is sound. In the event of Indonesia becoming Communist, an air threat could develop more quickly than an invasion threat.

In Global War

25. The form and scale of Australia's participation in global war would be decided in the light of circumstances at the time, the main factors being :-

- a. the political and military situation in South East Asia, e.g. the extent of the Allies' foothold on the mainland;
- b. the nature of regional defence plans then existing and the form and scope of United States participation in operations to implement such plans;
- c. the extent to which Allied nuclear attacks would limit the capacity of China to wage war.

Although global war plans have not yet been developed on a regional basis, for planning purposes the employment of Australian forces in global war is likely to be generally similar to the employment of Australian forces in limited war, as set out in paragraph 24 above.

Home Defence

26. To ensure the security of Australia and the performance of her role as a support area, appropriate forces to meet the assessed probable form and scale of attack are required to provide for defence of communications, air defence of vital areas, defence of designated Defended Ports, and defence against sabotage of Key Points within Australia. The threat needs to be closely watched and reviewed in the light of developments. In this respect the possible availability to the Communists of base facilities in Indonesia would need to be kept under examination.

The Effects of War on Overseas Supplies to Australia

27. *In Limited War*

There will be no serious threat to Australia's sea communications in limited war while South East Asia is successfully defended. In limited war, the major supplier nations would give priority to building up their own forces, and Australia's requirements might not be met at short notice. However, continued overseas supply of war materiel could be expected after this initial delay. Nevertheless, there could be situations of limited war in which supplies of certain commodities essential for the production of war materiel may be prejudiced e.g. oil from the Middle East. To meet such circumstances, it is necessary to plan alternative sources of supply or substitutes.

28. *In Global War*

In global war planning should be on the assumption that the sea communications from Australia would be kept open. It is not possible to give an estimate as to how any particular shipping route would suffer from enemy action or of the state of the terminal ports in the countries liable to attack e.g. United Kingdom and United States. In the event of global war, the allout bombardment with thermo-nuclear weapons is likely to result in widespread devastation in the territories of the major contestants. Therefore it should be assumed that supplies from the main production centres of Western Europe and the United Kingdom would not be available and those from the North American continent would be doubtful.

Provision of War Materiel for the Services

29. The long term aim in war production planning in Australia should be the maximum achievable self-sufficiency in the production of defence requirements in selected fields. The criteria for these should be strategic necessity, a logical and natural development of existing capacities and a creation of assets in plant and technique for war production which will also contribute to the welfare and development of the nation in peace.

30. It is essential, however, that the resources devoted to defence production in Australia should at all times be kept in balance with the other requirements of defence preparedness, and that defence production planning should be in accordance with stated defence priorities and requirements.

31. To meet the Services' requirements of war materiel, it is also necessary that planning should proceed for the procurement from overseas sources of those items of equipment which are beyond existing Australian production capacity, or potential capacity on the basis of the criteria stated above.

Research and Development

32. If the Australian Defence Forces are to be equipped to play their proper part in implementing Australia's strategic role, it is necessary that they undertake research and development projects both jointly with other countries and on their own initiative. Resources devoted to this effort should be kept in balance with the other requirements of the Defence Forces and our effort should not duplicate those of our Allies. Australian research and development projects should be primarily related to tropical warfare in South East Asia.

Australia's Role as a Support Area in War

33. Australia must be the main support area for her own forces. Despite her limited industrial resources and small population, Australia can play a valuable role as a support area for Allied forces operating in South East Asia. The further development of Australia as a support area should result from the natural growth of the economy of the country.

In addition to the above, Australia's potential as a support area in global war could be of particular importance in view of the extensive damage likely to be sustained in the main support areas in the United Kingdom and North America as a result of thermo-nuclear bombardment.

Civil Defence

34. Although Civil defence planning should take into account all possible contingencies, preparations on this basis would be beyond Australia's resources and are unnecessary in view of the assessment that global war is unlikely. Therefore the scale of direct Civil Defence preparations should be based on the assessment of the probable form and scale of attack, and the reasonable resources that can be devoted to Civil Defence as part of overall national Defence preparedness. Long term measures, for example, those concerned with dispersal, should be encouraged in civil development.

NATURE OF AUSTRALIAN DEFENCE FORCES.

35. The nature of the Australian defence forces required for cold, limited or global war will be conditioned by the following factors:-

- a. The requirement to commit forces to meet Australia's regional obligations overseas;
- b. The capacity to expand the defence forces as necessary;
- c. The needs of Home Defence;
- d. The civil and defence production needs of Australia and her allies.

A careful balance must be preserved between the demands of the factors listed above in order to make the best use of the limited resources available to Australia. The effort required of the Services in cold or limited war to meet regional commitments overseas cannot be met by having to rely on large numbers of partially-trained men; moreover many of these men cannot be sent to overseas theatres unless existing legislation is changed.

36. Australia's defence requirements can best be met with hard-hitting, flexible, mobile and readily available forces. These forces must be of sufficient size and available in sufficient time to fulfil Australia's role in all situations envisaged. This requirement has both an immediate and a subsequent aspect:-

- a. Immediately available there should be highly trained and mobile regular forces both for cold war tasks and for rapid deployment in the initial stages of limited war (or global war should it occur) in South East Asia.
- b. Subsequently additional forces may be required either to follow up those forces initially deployed or for the defence of the North West Approaches to Australia in the event that South East Asia is lost.

37. Should a situation in South East Asia develop which indicates that war with China is imminent, a danger of war threatening Australia's security would exist. This would necessitate special measures to increase the preparedness of the Services, e.g. the selective calling up of reserves and citizen forces by the issue of a proclamation under Section 46 of the Defence Act that a danger of war exists.

THE STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY

REPORT BY DEFENCE COMMITTEE, OCTOBER, 1956

ANNEX - STRATEGIC REVIEW

ANNEX – STRATEGIC REVIEW

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STRATEGIC REVIEW

PART I — THE LIKELIHOOD OF WAR AND PROBABLE COMMUNIST STRATEGY

Changes in the World Situation Affecting Australia Since 1952

1. Since the Strategic Basis for Australian Defence Policy dated December 1952 was written there have been far-reaching changes in the world situation as a result of rapid developments in the political, military and scientific fields. A summary of these changes is contained in Appendix 1 to this Annex.

The Ultimate Communist Aim

2. The ultimate aim of the Communists is a Communist dominated world. It is likely that the USSR envisages this world as being controlled by Moscow. Although it is doubtful whether Communist China would acquiesce in this, in the short term her aims are likely to run parallel to those of the USSR. It is uncertain whether they would automatically go to war to support one another, although it is unlikely that either would embark on a military adventure which involved the risk of a full scale war, except with the agreement of the other, and after the consultations stipulated in the October 1954 bi-lateral agreements.

The Likelihood of Global War

3. Because of the mutual deterrent force which possession of thermo-nuclear weapons by the United States and the USSR provides, and the realisation by each that a third world war would inevitably involve the use of these weapons of mass destruction, neither side is likely to embark deliberately on global war, and indeed each will seek to prevent situations developing which could lead to such a conflict.

4. This situation is unlikely to alter so long as the Western Powers maintain the validity of the deterrent and continue to demonstrate their ability to retaliate effectively. However, the danger always exists that global war could be precipitated as the result of a miscalculation by either side, and in no event can the Western Powers rely on a period of warning which would enable them to complete preparations for war.

The Likelihood of Limited War

5. The possibility of the use of nuclear weapons in a limited war and the risk of such a war spreading into global conflict because of this or other reasons, reduces the likelihood of limited war directly involving a major Communist Power with Western Powers.

6. This consideration applies particularly to areas of special sensitivity where, because of treaty commitments or paramount economic interests, the danger of limited war turning into global war would be recognised by both sides as grave.

7. Amongst the principal areas of dangerous friction, most – including Germany, Korea, Formosa Straits, Vietnam and Laos – are now covered by treaty arrangements involving armed assistance by the United States (to the Republic of South Korea and Nationalist China) or Western or Western sponsored coalitions (NATO for West Germany, SEATO for Vietnam and Laos); thus overt aggression by the major Communist powers in these areas is unlikely. However, they may conduct limited war by proxy as in Korea.

8. The possibility exists that limited war could come about in Korea or Vietnam, through the unilateral action of either of the opposing sides of these divided states. In the case of the Formosa Straits, the same possibility exists, but to a lesser degree.

9. There remains the further possibility of limited war involving a member of either camp with a so-called neutralist state, or between two neutralist states. In either of such circumstances, limited war could possibly occur in areas where there is no major clash of interests between the major Western and Communist Powers or where for political reasons or due to the counterweight of the thermo-nuclear deterrent the major powers, i.e. the United States and the USSR, would be unlikely to intervene.

10. There is the added danger, however, that due to actions of a neutralist state critically threatening the economic or strategic interests of either camp, the measures taken by that camp to protect these interests, e.g. by armed intervention, could lead to limited war.

Possible Situations of Limited War of Concern to Australia

11. Possible situations of limited war of particular concern to Australia could be :-

- a. Conflict in the Middle East arising from, for example, the Arab-Israeli dispute, or threats to Western interests.
- b. War between Pakistan and Afghanistan.
- c. Indo-Pakistan conflict.
- d. Conflict as a result of quasi-overt or overt Communist aggression in South East Asia.

- e. War in the Formosa Straits area.
- f. Resumption of hostilities in Korea.
- g. War between Indonesia and the Netherlands over New Guinea.

Probable Communist Strategy in Global War

12. U.S.S.R.

In the event of global war, it is likely that –

- a. the Soviet aim will be to defeat decisively and quickly the United States and the Western European Powers, and at the same time to maintain the security of her homeland;
- b. the Soviet general strategy would be based on the element of strategic surprise in the employment of weapons of mass destruction which would probably be used against target systems in the following order of importance –
 - (i) Allied thermo-nuclear striking forces at source.
 - (ii) War potential of North America.
 - (iii) The United Kingdom Base
- c. concurrently with or subsequent to the major air offensive, the USSR could launch a full scale ground offensive with the object of over-running Western Europe, and of gaining exits from the Baltic and Black Seas; subsidiary campaigns would aim at securing control of the Middle East land bridge and Middle Eastern oilfields. The main tasks of the Communist navies will be the security of the homeland from Allied attacks, including those by carrier task forces, and the disruption of the Allied lines of sea communications, particularly between North America and Europe.

13. Communist China

Communist China, if in a position to do so, would be likely to take advantage of the pre-occupation of the Western Powers to pursue her own expansionist aims in the Far East. Should Communist China undertake armed aggression to achieve her ambitions, she would plan to :-

- a. neutralize as far as possible Allied air bases and carrier task forces which threaten her security;
- b. occupy initially Korea, Hong Kong, Macao and South East Asia.

It should be borne in mind, when assessing Communist China's capabilities, that it is unlikely she could avoid becoming involved in a global war. There would be serious consequences for the defence of Australia as well as that of other Allied Powers if China were to emerge from a global war as the one unscathed major military power.

Probable Communist Strategy in Limited War in South East Asia

14. Of the possible operations which the Chinese Communists could undertake in the event of their resorting to overt aggression in South East Asia, operations against Thailand in conjunction with operations against Laos and South Vietnam are likely to come first. It is possible, however, that the Vietminh might invade the protocol states of Indo-China without there also being overt Chinese Communist aggression. The Communist Air Forces would be employed in the air defence of the homeland, air attacks against SEATO military bases, and support for their advancing ground forces. The task of protecting Chinese ports and coastal shipping would reduce the naval support on the flanks of the advancing armies to striking forces of MTBs and possibly destroyers. Submarine attacks and minelaying would probably be used against Allied shipping in the South East Asia area.

Probable Communist Strategy in Cold War

15. Short of war and against the background of the threat of war, the Communists will do all in their power to further the cause of world Communism by :-

- a. exploiting every opportunity to divide the Western Powers, particularly the United Kingdom and the United States;
- b. eliminating Western economic and other interests from Afro-Asian countries, and American economic and other interests from European countries (for example, by nationalization, or by withdrawal of concessions, or by restriction of foreigners);
- c. the encouragement of neutralism in pro-Western countries;
- d. greater "legal" political activity;
- e. an intensification of international economic and cultural activities for political purposes;
- f. penetration and subversion of non-Communist organisations;
- g. exploitation of dissident elements and Overseas Chinese;
- h. propaganda aimed at discrediting the West and inducing tolerance of Communism;
- i. propaganda aimed at preventing the West from developing or using thermonuclear or nuclear weapons;

- j. increased use of international “front” organisations;
- k. quasi-overt military action aimed at gradually taking over control of the countries concerned without being faced with the charge of overt aggression.

16. By the maintenance of relatively large armed forces, and in the case of the USSR, the development of her capacity to attack with thermo-nuclear weapons, the Communists will retain the ability to revert to the “threat of war” technique when required, in an attempt to cause strains on the economies of the Western Powers. An alternative to this technique is the use of propaganda proposals for disarmament with a view to lulling the peoples of the free world into a false sense of security, and this could have prejudicial effects on the defence preparedness of the Western Powers. Advantages will accrue to the Communists either way, unless the democracies maintain a proper balance between the requirements of preparedness and a stable economy.

17. The above activities are likely to be stepped up from time to time in widely separate areas in accordance with the communist assessment of where the greatest results are likely to be achieved at a particular time. Thus any existing or potential trouble centre is regarded by the Communists as a target of opportunity for the application of whatever form of cold war activity seems most appropriate. Under-developed, newly independent countries provide fertile fields for Communist cold war activities.

18. It is probable that China will encourage war by proxy. She is more likely to endeavour to achieve her aims, by means short of overt aggression. In this respect South Vietnam, Laos and Cambodia are likely to be first priorities for subversion, although the detachment of Pakistan, Thailand, Malaya and Singapore from their present ties with the West will also be a major target.

19. Whilst implementing the courses outlined in paragraph 18 above, Communist China will continue to:-

- a. take steps to build up a stronger bomber force with the aim of attacking the air bases of the Western Powers in the Far East whilst at the same time she will further develop her already extensive air defence system;
- b. take steps to build up a submarine force with the aim of restricting the operation of Allied carrier task forces and disrupting Allied lines of supply;
- c. improve and modernize her ground forces especially in the fields of organization, standardization of equipment, supporting arms, and communications.

Summary of Likelihood of War

20. Global war is unlikely but could occur as a result of miscalculation; such a miscalculation is more likely to occur during the course of a limited war. Limited war is generally more likely than global war and could break out with little or no warning as a result of:-

- a. a conflict of national interests in various unstable areas from the Middle East to the Far East;
- b. a decision by USSR and/or Communist China to encourage a minor power to achieve its national aims by limited war;
- c. a decision by the Communists to take a calculated risk.

21. In the end, the Communists might achieve more by limited war, than they could hope to achieve by initiating a global war. Before initiating a limited war, the Communists will continue to exploit every opportunity to achieve their aims by cold war techniques.

PART II — STRATEGY OF THE WESTERN POWERS

United Kingdom and United States policy reviews

22. It is known that the United Kingdom and the United States are currently reviewing their defence policies. In the absence of the results of these reviews, it has been assessed that their basic strategic aims are likely to remain as set out in the following paragraphs. Such changes as are made as a result of these reviews are likely to be in method rather than in basic aims and policy. Although in due course the full results of the current United Kingdom review are expected to be made known to Australia, this is not likely to be the case with the United States. However, sufficient information is likely to be made available by the United States on a “need-to-know” basis, through ANZUS, and possibly SEATO, and also through informal contacts.

The Balance Between Nuclear and Conventional Forces

23. The United Kingdom, and to a lesser degree the United States, are finding it increasingly difficult to ensure sound national economies and at the same time maintain large conventional forces while continuing to develop their capacity to wage war with thermo-nuclear and nuclear weapons. Apart from the expense of these latter types of weapons, the cost of maintaining and developing their means of delivery is becoming increasingly high. The trend in both the United Kingdom and the United States is for the balance to be weighted more in favour of building up the capacity to wage war with thermo-nuclear and nuclear weapons. If, however, adequate conventional forces are not maintained by the Western Powers to meet the requirements of cold and limited war, it may be possible for the Communist powers to achieve their aims despite the maintenance by the Western Powers of the thermo-nuclear deterrent. In determining this balance, the military requirement that, in certain circumstances, nuclear weapons will be used in conjunction with conventional forces in the field, is an important factor.

Global strategy

Prior to the Outbreak of War

24. Whilst continuing to wage the cold war with maximum possible effort it is considered that the primary military aims of the Western Powers are likely to be :-

- a. To maintain their capacity to wage thermo-nuclear war as a deterrent to the outbreak of war.
- b. To secure the necessary main base and peripheral areas required for (a) above.

- c. To prevent the Communists from making territorial gains at little cost by :-
 - (i) building up the effectiveness of various regional defence organizations and arrangements; and
 - (ii) maintaining adequate conventional forces which are flexible, mobile, well trained, well equipped and ready for immediate action.

In Global War

25. Security of Base Areas and Communications

To prosecute the war successfully, the Western Powers must secure their main base area in the United Kingdom and North America and protect their lines of communications.

26. Peripheral Areas

It will also be necessary to secure certain peripheral areas to provide suitable bases from which to subject the USSR and her Allies to thermo-nuclear attack and to provide depth for the defence of main base areas. These bases are at present situated in the following areas :-

- a. Western Europe including the United Kingdom.
- b. The North African coast.
- c. The Middle East including Turkey and covering the Suez Canal and the major oil producing areas.
- d. The Far East including the United States Pacific Island Chain stretching from Japan to the Philippines.
- e. Those sea areas required for offensive carrier operations.

27. Thermo-Nuclear Attack

The policy of the Western Powers in global war will be to carry out immediate and heavy attacks with thermo-nuclear weapons on the USSR and her allies. The aim of these attacks will be so to damage the power of the Communists that they will be unable effectively to prosecute the war. When considering how a decision might be taken as to which of the important allies of the USSR should be attacked, the time factor demands that the targets be determined prior to the outbreak of unrestricted warfare against the USSR. Communist China in particular is in a position to provide forward bases and very valuable dispersion for USSR forces and war materiel which could be used at any critical stage of the war. The USSR is likely to call for such help from her ally if not for direct participation by Chinese Communist Forces. On military grounds it is considered that Communist China will inevitably be involved in a global war.

28. Subsequent Developments

The all out bombardment with thermo-nuclear weapons is likely to result in such widespread devastation in the territories of the major contestants that it is impossible to make any worthwhile forecast of subsequent developments or predict with any certainty the duration of the war. However, the forces and resources of the smaller nations and the neutral nations could be a major factor in these subsequent developments, particularly in the Far East.

In Limited War

29. Limited war may take a number of diverse forms, and it is therefore impracticable to foresee an overall strategic pattern. The Western Powers may not directly intervene in all cases, particularly if such an action is likely to spread the conflict. However, any intervention by the Western Powers will involve the use of the minimum force necessary to achieve their primary aims which are likely to be as follows:-

- a. By whatever means appropriate, including the use of nuclear weapons, to achieve a rapid decision and to prevent the conflict spreading to global war.
- b. As a minimum, to halt the aggressor and expel him from the territories that he may have occupied whilst being prepared to conduct expanded military operations to complete the defeat of the armed forces of the aggressor.
- c. To ensure in particular that base and peripheral areas, and communications that may be required in global war, and those areas which cover the source of strategic war materials, are not lost.

Far East Strategy

30. It is considered that Allied policy in the Far East is likely to flow directly from the overall global strategy of the Western Powers and be shaped primarily by the United States as in the following paragraphs.

Prior to the Outbreak of War

31. Prior to the outbreak of global or limited war Allied policy will continue to be directed in particular to:-

- a. taking steps to ensure that the peripheral areas required in global war are secured;
- b. building up the effectiveness of existing regional defence organizations and arrangements;

- c. building up the capacity of indigenous forces of the region to resist Chinese and/or Vietminh quasi-overt aggression and be capable of providing initial resistance to meet overt aggression.
- d. Countering Communist subversion in the region.

In Global War

32. In global war thermo-nuclear attacks by the Western Powers are likely to be directed on the USSR and China from bases in the Far East and aircraft carriers in concert with attacks from elsewhere. At the same time the Western Powers will maintain the security of their essential peripheral areas and bases in the United States Pacific Island Chain. In addition, the Western Powers will take such action on the mainland of South East Asia as is necessary to prevent the Communists from pursuing their expansionist aims.

In Limited War

- 33.** In limited war Allied strategy will be directed to:-
- a. intervening promptly in South East Asia using nuclear weapons if necessary to halt Chinese and/or Vietminh overt aggression and to expel the enemy from any areas he may have occupied;
 - b. ensuring the security of essential peripheral areas and bases in the United States Pacific Island Chain that may be required in global war.

Current Measures to Implement Allied Strategy in the Far East

Regional Arrangements

34. The emergence of SEATO, and the steady progress it has achieved, have acted both as a deterrent to the Communists, and as an important factor in conditioning its members, particularly the Asian members, to resist both Communist subversion and overt aggression. From the point of view of Australian and ANZAM planning in particular, SEATO appears to provide the most effective means of achieving, to the greatest degree possible, the longstanding aim of co-ordination with United States defence planning in this area. The development of the SEATO strategic concepts for the defence of South East Asia, and the subsequent detailed military planning which is to follow therefrom, will achieve this so far as limited war situations are concerned.

35. The ANZAM arrangement continues to fulfil essential Commonwealth functions in the area. In addition to providing a general forum for discussion of United Kingdom, Australian and New Zealand defence matters of common concern in the Far East, its functions include the development, where necessary, of ANZAM planning in support of SEATO, and the preparation of contingency planning for the defence of Commonwealth interests in South East Asia in case SEATO fails to provide such defence.

36. The value of ANZUS as a United States guarantee by treaty of the security of Australia and New Zealand remains undiminished. ANZUS military planning has been largely overtaken by SEATO planning, which is desirable because of the latter's wider scope and membership, but certain studies which are inappropriate for SEATO, e.g. Indonesia, are undertaken in ANZUS. ANZUS provides an extremely valuable forum for free and frank discussion with the United States, and for obtaining information concerning United States plans and intentions, which would not otherwise be available.

Defence of South East Asia against Subversion and Quasi-Overt Military Action in the Cold War

37. Subversion and quasi-overt military action constitute the main threat to South East Asia at present. Direct counter measures can only be carried out by the governments of the countries affected, and these counter measures can only be effective if the government concerned is capable of maintaining order and has the will to resist Communist influence. The immediately affected countries are Thailand and Malaya and the Protocol States of Laos, Cambodia and South Vietnam. The capacity of certain of these countries to maintain internal order is steadily being increased by aid and assistance from outside countries. The countering of subversion and quasi-overt military action in South East Asia is one of the priority tasks of SEATO nations.

Defence of South East Asia under SEATO against Overt Aggression

38. Limited War

Strategic concepts and concepts of operations, together with broad outlines of force requirements, have been drawn up in SEATO for the defence of the mainland of South East Asia in limited war, in the following circumstances :-

- a. Vietminh attack on South East Asia – attention has, in particular, been focused on the defence of the protocol states.
- b. Chinese Communist and Vietminh attack on South East Asia – attention has, in particular, been focused on the defence of the protocol states, as in (a), and on Thailand.

Both these concepts are based on the use of nuclear weapons where necessary against selected targets of military importance. Considerable further detailed planning is necessary to develop the strategic concepts.

39. Global War

The question of developing a SEATO concept for the defence of South East Asia in global war is under consideration.

Defence of Malaya

40. If for any political or military reason it is not possible for SEATO to provide effective defence for South East Asia as a whole, the successful defence of Malaya may depend on United States assistance in holding a defence line in the Kra Isthmus. Contingency plans for the defence of Malaya are therefore being prepared in ANZAM to fit in with SEATO plans.

Indonesia

41. It has been assessed that Indonesia is unlikely to become Communist controlled before 1960. Thereafter, if she became Communist controlled, the Allies might eventually be faced with a situation in which Communists from Indonesia could:-

- a. seriously interfere with sea and air communications in South East Asia;
- b. increase the subversive threat to Malaya and to South East Asia as a whole;
- c. in war, pose a military threat to South East Asia and Australia and in particular to the direct sea and air routes between Australasia and the mainland of South East Asia. Depending on the military situation in South East Asia an air threat to vital centres in Australia could evolve if bases in Indonesia were used.

The ANZUS nations have given consideration to military measures which may be necessary in the circumstances outlined above. These include preparatory intelligence action and envisage plans for military intervention in support of anti-Communist indigenous elements.

PART III — AUSTRALIA'S STRATEGIC ROLE

Australia's Association with the Strategy of the Western Powers

42. *Reliance on Western Powers*

Australia is a geographically isolated small power with limited manpower and resources. She is not able to defend herself unaided against a major power, and is dependent on the Western Powers, in particular the United States, for her ultimate security. She must therefore relate her defence policy and planning to the global strategy of the Western Powers, and must be prepared to contribute to the implementation of this strategy.

43. *Advantages of Collective Defence*

Participation in regional arrangements for collective defence is the most effective and economic method of ensuring Australia's security. It is also through such arrangements that Australia's defence planning can be linked with the global strategy of the Western Powers. At the present time SEATO is the most practicable organisation in which these plans can be developed.

44. *Primary Role in South East Asia*

Due to her geographical position in proximity to South East Asia, it is this area which is of great strategic importance to Australia, and her primary role should be directed to that area in cold, limited and global war. Australian planning in South East Asia, including planning in ANZAM, must be closely co-ordinated with that of the United States. This is being done in SEATO and ANZUS to the greatest extent possible.

45. *Nature of Australian Contribution*

Since Australia has not at present the weapons with which to wage thermo-nuclear or nuclear war, her operational contribution to global strategy is limited to the provision of forces armed with conventional weapons. However, because limited wars are more likely than global, the availability of conventional forces will continue to be of importance, particularly in the Far East. In addition, Australia can make an important contribution by acting as a support area to the allied effort in South East Asia in the supply of food and a limited range of war materiel.

Areas of Strategic Importance to the Defence of Australia

46. The first line of Australia's defence lies in South East Asia. No major threat to Australia's security can develop, nor is she likely to be a primary objective of a major Communist power whilst Malaya is held.

47. A general survey of areas of strategic importance in relation to the defence of Australia is set out below :-

a. Areas North of Malaya

Should the Communists invade South East Asia, the successful defence of Thailand would ensure the security of Malaya. In turn, the successful defence of the protocol states of Indo China will contribute to a large extent to the security of Thailand. All steps should therefore be taken to ensure that Thailand and the protocol states do not fall to Communism through subversion or quasi-overt military action.

b. The Philippines

In support of operations in South East Asia, it is of the utmost importance that the Philippines should be secured. In view of the position of the Philippines in the Pacific Island Chain stretching north to Japan and linking with New Guinea, the Philippines are of strategic importance to Australia. The security of the Philippines is guaranteed by the United States which has committed forces for its protection.

c. Malaya and Singapore

In the event that Thailand is not held, the defence of Malaya would have to be carried out on the border of Malaya or to the north in the Kra Isthmus which provides the best natural defensive positions. Overt aggression against Malaya is unlikely to succeed provided the Western Powers with whom Australia is allied take effective counter-action in the Far East.

d. The North West Approaches to Australia

Should Malaya be lost, Australia's forward defence would then have to be carried out in the north-west approaches to Australia. This should be based on north western Australia and areas in Dutch New Guinea including the Vogelkop Peninsula, which link up, through the Philippines, with the United States Pacific Island Chain. Cocos Island should be held as an important forward base, whilst the Admiralty Islands and Australian New Guinea contain significant supporting bases which must be secured. Preparations for the defence of the north-west approaches to Australia will depend on the probable form and scale of attack at any given time.

e. Indonesia

The situation in Indonesia will have an important bearing on the problem of holding the north western approaches to Australia, and in the event of a Communist-controlled Indonesia actively threatening these approaches, military operations may be necessary against that country to provide depth to the defence of the north west approaches to Australia, and to prevent the development of a substantial air threat to Australia.

48. *The Threat to Australia*

The development of an invasion threat to Australia as a result of Malaya being lost either in the cold war or as the result of overt Chinese Communist aggression would require a long period. In the event of Indonesia becoming Communist, an air threat could develop more quickly than an invasion threat.

An assessment of the threat to Australia is attached as Appendix 2 to this Annex.

Role in Cold War

49. The cold war will continue in varying degrees of intensity. Since Communist aims could be achieved in the cold war in default of effective action by the Western Powers, it is necessary that Australia should make a military contribution to the waging of the cold war. All possible steps should be taken to prevent the loss, by default, of the strategically important areas in South East Asia and the vital areas in the north-west approaches to Australia, including the whole of New Guinea. These steps would include the following :-

- a. Being in a position to meet Australian obligations under the United Nations' Charter (e.g. Korea).
- b. Encouraging and assisting Governments concerned to take measures to counter the threat of subversion and quasi-overt military action, including, where necessary, assistance in the building up of their forces to the requisite levels of strength and efficiency (e.g. by assistance in training and equipment).
- c. Being prepared to station forces in South East Asia and thus showing her willingness to accept regional obligations. This will also help maintain the morale and confidence of the peoples and encourage them to resist Communist propaganda (e.g. the anti-terrorist role of the Commonwealth Strategic Reserve).
- d. Being prepared to take part in operations to counter potentially dangerous activities when so requested by the Government concerned (e.g. the anti-terrorist role of the Commonwealth Strategic Reserve).

Role in Limited War

50. Australian forces may, in limited war, be called upon to undertake operations in any theatre in support of Australian government policy in accordance with the strategy of the Western Powers. However, the areas of primary importance to Australia are South East Asia and adjacent areas.

51. Whereas in global war no concepts of operations for the defence of South East Asia have yet been evolved, in limited war concepts of operations involving United States participation have been prepared in SEATO. Detailed plans on the basis of these concepts are being developed, which will lead to an assessment of force requirements to meet the various possible contingencies, and consideration by the SEATO countries of their planned contributions of forces towards meeting the overall requirements. Provided that the SEATO members contribute the forces necessary for the effective implementation of agreed plans, they should be able to win a limited war in South East Asia by virtue of their overall superior military power.

52. Australia's strategic role in limited war in South East Asia should be :-

- a. Initially to –
 - (i) take part in implementing the initial phases of appropriate SEATO strategic concepts or such other concepts of a similar nature that may have been prepared;
 - (ii) take part in protecting sea and air communications in South East Asia and adjacent areas;
- b. Subsequently and as necessary to either –
 - (i) take part in implementing the counter offensive phases of the strategic concepts referred to above, or
 - (ii) assist in the defence of Malaya should contingency plans for that purpose require to be put into effect.
- c. Concurrently with (a) and (b) provide for Australian Home Defence requirements.

The contribution of conventional forces that Australia should make in limited war would be at least of equal importance as her contribution in global war.

Role in Global War

53. There are at present no SEATO plans for global war but it can be assumed that SEATO plans or plans of an alternative nature will be developed for the collective defence of South East Asia in global war and that in either case they will involve United States participation.

54. Although it is not possible to assess whether the Communists would openly attack in South East Asia in global war it is in Australia's best interests to ensure that they are not given the opportunity to pursue their expansionist aims in South East Asia while the Western Powers are preoccupied elsewhere. Therefore, Australia's role in global war is likely to be similar to that in limited war as in paragraph 58 above.

**Appendix 1 to
ANNEX**

**CHANGES IN THE WORLD SITUATION AFFECTING
AUSTRALIA SINCE 1952**

1. The major changes which have occurred since 1952 are set out in the following paragraphs.

The Advent of the Thermo-Nuclear Weapon

2. It is known that the U.S.S.R. is rapidly approaching parity with the Western Powers in the development of thermo-nuclear weapons, and the means of delivery. This has enormously increased the possibility of mutual destruction and therefore decreased the likelihood of global war.

Current Form of Communist Relations with the Free World

3. Since 1952 the Communist ambition for world domination has continued to threaten world peace, although cease fires have been effected in both Korea and Indo China, and the Communists appear, at least temporarily, to have abandoned armed aggression as one of the means for achieving their ambition. Whilst Communist military pressure continues to be felt by the West, the thermo-nuclear counter-offensive power of the United States has provided an effective deterrent to Communist aggression. The Communist powers have temporarily relaxed military provocation and aggression as a means of achieving their aim of ultimate world domination. Nevertheless, there are politically unstable areas in both the Far East and the Middle East, which have inadequate defence or defence arrangements, and which remain vulnerable to Communist inspired military action.

4. The new line of Communist policy has aimed at weakening the position of the West by attempting to win over or encourage neutralism in such uncommitted countries as Egypt, India, Burma and Indonesia, whilst at the same time attempting to detach countries such as Greece, Pakistan and Thailand from their alignments with the West. To this end, the Communist powers have launched an economic and cultural offensive especially in under-developed areas, aimed at weakening western economic and political influence in the Free World. Communist propaganda has been directed to the need for peaceful co-existence, and the end of colonialism and Western military treaties. In certain cases, such as Egypt and Afghanistan, Communist bloc military aid has had the effect of aggravating the relations between those countries and neighbouring pro-Western powers.

Europe

5. The relaxation of political tension by the U.S.S.R., the slow development of the West German armed forces, and France's continued pre-occupation with her national problems have placed considerable stresses on the solidarity of NATO. New forms of initiative are being sought by the Organisation. On the other hand, the U.S.S.R. through the Warsaw Pact of June, 1955, has assured some integration of satellite forces and her own ability to intervene rapidly to reinforce the satellites.

The Middle East

6. Since 1952 the most important developments in the Middle East have been :-

- a. The intensification of Arab nationalism and its tendency towards neutralism and rejection of Western influence.
- b. Soviet success in replacing, to some extent, Western influence in the Middle East.
- c. The continuance of the Arab-Israel dispute.
- d. The Baghdad Pact, designed by the West to deter Soviet expansion in the Middle East, but attacked by Egypt as an attempt to split the Arab world.
- e. Soviet supplies of arms and assistance to Egypt and Afghanistan.
- f. Reduction of British power and influence culminating in the evacuation of British troops from the Suez Canal base in 1954/55.
- g. The situation arising from Egypt's abrogation of her agreement with the Suez Canal Company, and the possible adverse effects on the production and distribution of oil from the Middle East.
- h. The Cyprus dispute, which has increased friction between NATO members Britain, Greece and Turkey.
- i. The recognition by the United States that in the long term the Middle East oil reserves are vital to the Western Powers.

The Far East

7. *Japan*

Japan's weakened post-war economy was given an artificial boost during the Korean war. The end of that war and the gradual withdrawal of American forces from Japan has brought about a serious economic situation. Although she is the most industrially advanced of the Asian nations she remains militarily and economically tied to the United States. Lacking any government sanction for the raising of military forces other than for self defence and the means of transporting them, and cut off from former supplies of raw materials, Japan is in no position to acquire the status of a military power in her own right for many years to come. There are indications, however, that in an attempt to correct her fundamentally unsound economic position she is looking towards her traditional avenues of trade and sources of raw materials on the Chinese mainland.

8. *China*

The development of Communist China with a present population of 600 million into a modern industrial state is and will continue to be a matter of prime significance to Australia. Whilst still dependent on Soviet capital goods, technical assistance and military aid her rate of industrial expansion has been extremely high. The problem of feeding her population which is growing at the rate of 10 million a year will remain a serious one and could spur her to more positive expansionist policies. China's progress has been retarded by weaknesses in the application of science to the development of heavy industry the modernisation of agriculture and to meet military requirements particularly in the fields of electronics, nucleonics and the chemistry of fuels. Vigorous measures to remedy these weaknesses have been launched.

9. The striking power of the Chinese Communist armed forces has increased substantially during the past three or four years. China is now manufacturing small numbers of destroyers and escort vessels, submarines, small arms and certain support weapons. Additionally, the U.S.S.R. has helped to equip the Army with some armour and weapons, the Air Force with fighter and bomber aircraft; and the Navy with submarines, destroyers and other escort vessels. China's rapidly expanding industry will tend to make her less dependent on the U.S.S.R. for supplies of more complicated armaments. Communications in China have been given high priority in national development plans and are partly geared to her military needs. China has no thermo-nuclear or nuclear weapons at present, and it is considered unlikely that the Soviet Union would make such weapons available to Communist China during peace or in the initial stages of a limited war in which Communist China was involved.

10. *Korea*

The Armistice in Korea has resulted in the division of the peninsula into two bitterly hostile armed camps. The strengthening of the South Korean forces has been offset by the withdrawal of the majority of the United Nations Forces. The South Korean economy is almost entirely dependent on continued United States aid. In the face of United States guarantees the Communists are unlikely to undertake further military action in Korea which would almost certainly provoke direct United States retaliation.

11. *Formosa*

The United States has openly given evidence of her intention to take all necessary steps including the use of armed force to ensure that Communist China does not gain control of Formosa. The Chinese Communists on the other hand have not abandoned their claim to Formosa and maintain that control of Formosa is an internal Chinese affair. Fear of United States intervention in support of Nationalist China is likely to deter the Chinese Communists from overt aggression against Formosa. While they could capture the offshore islands against Chinese Nationalist opposition alone the risk of United States intervention will possibly deter them from any major assault. Internationally the Chinese Communists have endeavoured to discredit and isolate the Nationalist government and locally they have, of late, sought to undermine morale in Formosa by such means as negotiation and offers of clemency.

12. *Indonesia*

Since 1952 it has become increasingly clear that in Indonesia the unstable political situation points to the possibility that the Indonesian Government may eventually become Communist controlled. Indonesia has continued her demands for Dutch New Guinea and Australia's support of the Netherlands remains a serious source of friction in our relations with Indonesia.

In this respect it should be noted that Australia has openly declared that she will not support Indonesian claims to Dutch New Guinea. The attitude of the Indonesian government to the Netherlands is indicated by the Indonesian abrogation of her treaty with the Netherlands and, more recently, her debts to the Netherlands. Since 1952 there has been no significant change in the Indonesian armed forces, which remain badly equipped and ineffective.

13. *Indo China*

As a result of the French defeat in Indo China and the resultant Geneva Agreement :-

- a. The strategically important Tongking Delta has been lost to the West.
- b. All French force have been withdrawn from Indo China with the exception of certain training missions and a small number of troops at bases in Laos.

- c. Indo China has ceased to exist as a political entity.
- d. Laos and Cambodia have become independent states.
- e. Vietnam has been partitioned with the Vietminh gaining control of North Vietnam which has been integrated into the Communist bloc. The strongly nationalist and anti-communist government of Ngo Din Diem controls South Vietnam. Cells of Vietminh influence still exist in South Vietnam.
- f. The Pathet Lao, influenced and supported by the Vietminh, is established in two northern Laotian provinces, Sam Neua and Phong Saly and is attempting to spread its influence through the whole of Laos.

14. *Regional Arrangements*

A major development in regional arrangements affecting the security of the Western Powers in South East Asia was the establishment of SEATO in September, 1954. Since that date, the organisation has made valuable progress in planning the collective defence of the Treaty Area.

Disarmament

15. While the discussions directed towards the conclusion of an international agreement on disarmament continue in the United Nations, the Soviet Union has announced that it is carrying out further reductions in its armed forces and its conventional armaments and has invited other countries to do the same. However its attitude in the United Nations discussions has not become any more accommodating. The prospect of achieving some balanced reduction of forces is not good. The Soviet proposals, both those made in the United Nations and elsewhere, are designed to have a strong propaganda appeal, and, inter alia, are aimed at disrupting the regional defence arrangements of the Western powers. The major responsibility for the disarmament discussions rests with the great powers, without whose agreement no plan could succeed. Smaller powers will not be required to take any effective action towards reduction of their forces until the great powers have agreed to the acceptance of certain basic principles, such as the establishment of an effective system of international control of agreed reductions, and on methods for their implementation.

Neutralism

16. The growth of neutralism was clearly evident before December, 1952. However, since that date :-

- a. The strong influence of India and the neutralist policy which she advocates;
- b. The conviction, stemming to some degree from the Bandung Conference in April, 1955, that Asian and African countries should not automatically take sides in disputes between the Western Powers and the Communist Bloc;

- c. The visit in 1955 of the Soviet Leaders to various countries in South East Asia and their offers of economic aid;
- d. Deliberate communist propaganda as to the desirability of peaceful co-existence and the practicability of neutralist policies;

have created a neutralist bloc in Asia led by India and including Burma, Indonesia, and possibly Ceylon and Cambodia.

Developments Affecting Existing Allied Base Facilities in the Far East

17. The steady growth of Communist power in the Far East and the tendency towards neutralism in the newly independent countries of Asia have adversely affected the continued use of base facilities at a number of places by the Western Powers in the Far East. In particular :-

- a. There is some criticism in the Philippines of the conditions under which the United States occupies bases in that country.
- b. In Malaya, the use of bases will be dependent upon the consent and goodwill of the Independent government.
- c. The possible political developments in Singapore may jeopardize the long-term tenure of the United Kingdom base.
- d. The use of naval and air facilities in Ceylon is dependent upon the consent of the government of Ceylon. If these facilities are not available on a satisfactory basis it will be necessary for the United Kingdom to establish alternative base facilities in the Maldives.
- e. The United States is gradually withdrawing from the bases that she has established in Japan.

However, despite developments described above, it is likely that in the event of war in the Far East, these base facilities, with the exception of Ceylon, will be available and the continued use of Okinawa, Formosa, and, possibly Japan and Korea will be practicable.

THE THREAT TO AUSTRALIA

1. Up to 1960, provided the Western powers continue to hold at least Malaya on the mainland of South East Asia, it is likely that enemy attacks in the Australian area would be confined to isolated attacks by submarines. Such attacks by submarines are likely to occur only in conditions of global war.

Malaya lost in Cold War

2. Should Malaya be lost in the cold war, a considerable period would elapse before an invasion threat to Australia could develop. This delay would result from:

- a. the need for time by the Communists to consolidate gains in South east Asia;
- b. the limited Sino-Soviet strength in surface naval vessels which would be available for operations in South East Asia;
- c. the limited amphibious lift available to the Communists and the need for its employment elsewhere.

It would also require an adequate build-up of forces and supplies to provide against:-

- a. the long difficult and vulnerable land communications between Communist China and Malaya;
- b. the effect of Allied counter action against these communications after war had broken out.

3. In relation to the invasion threat in paragraph 2 above, a minor air threat could develop comparatively quickly to the North and North West Australia from the CCAF operating medium bombers from Malaya. The scale of this threat would be limited by the requirements of the Sino-Soviet strategy elsewhere, and the small number of medium bombers available.¹

¹ It has been assessed that the number of medium bombers (TU 4) available at present to the CCAF is 10. This figure is expected to increase to 30 by the end of the period. The range of the modified TU 4 is 2.150 nautical miles which would enable it to reach North and North West Australia from bases in Malaya or the whole of Australia from bases in Indonesia.

4. It has been assessed as unlikely that Indonesia will become Communist by 1960. Should Malaya go Communist then Indonesia may well follow her into the Communist camp. Indonesia alone presents a very small threat to Australia in the foreseeable future. If she became Communist, or Communist supported economically and militarily, it would still be a number of years before Indonesian forces alone could pose a significant threat to Australia or the Island Territories.

5. If bases in Indonesia were made available to the Chinese Communists, sporadic attacks with high explosive bombs by the medium bombers likely to be available to the CCAF, could be made against targets in the whole of Australia.

Malaya lost in War

6. If Malaya fell as the result of overt Chinese Communist aggression, the factors in paragraph 2 above would apply and the following would also be valid :-

- a. The damage to or demolition of installations and aircraft in Malaya and Singapore.
- b. The effects of prior allied counter action against the communications in sub-paragraph 2(d) above.
- c. The reduction in surface naval strength and amphibious lift in sub-paragraphs 2 (b) and (c) above, due to losses in operations.

7. These factors would also make the occupation of strategic areas in the Indonesian Archipelago and the build up of major bases there a lengthy process. The assembly of forces in Indonesia for invasion operations against Australia would also be a lengthy process.

8. The development of the air threat to Australia after the fall of Malaya as the result of overt Chinese Communist aggression would be governed by :-

- a. The priority then allotted to targets in Australia by Sino-Soviet strategy;
- b. The availability of aircraft to attack these targets; and
- c. The Sino-Soviet capacity to operate their aircraft from Singapore or even further forward, in Indonesia.

Summary

9. Depending on the overall Sino-Soviet strategy the threat to Australia could be as follows :-

- a. Isolated attacks by submarines. (in global war only).
- b. If Malaya falls either in cold war or as a result of overt Chinese Communist aggression, sporadic raids by medium bombers on targets in North and North West Australia.

- c. After 1960, if bases in Indonesia were made available to the Chinese Communists, sporadic raids by medium bombers on targets anywhere in Australia.

10. The development of an invasion threat to Australia would be a lengthy process, even if Malaya fell in the cold war. The threat of large scale amphibious operations would be remote.

