

STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY (1959)

Editor's Introduction

In 1957-58, relations with Indonesia deteriorated over Australia's support for the Dutch in West New Guinea. President Sukarno consolidated his power against internal rebellion in Indonesia, where the US and USSR competed for influence. This was the context for the 1959 *Strategic Basis* to propose that the Australian armed forces be designed with a capability to operate independent of allies. Cabinet did not endorse this as a general proposition but called for 'a more limited and less ambitious' concept in which forces would be 'self-supporting to some degree'.

Due to mutual nuclear deterrence, global war was seen as unlikely (para 7). Australia's attention in this regard shifted to the prospect of conventional operations without allied support after a nuclear exchange, including against an unscathed Indonesia (para 37; Annex C paras 24, 34). While limited war was more likely than global war, communists would primarily use cold war subversion in South East Asia (paras 8, 9, 27, 30). China was increasing in strength, and communist activity and influence in Indochina would increase (paras 11, 12; Annex B para 5). Despite some successes SEATO remained weak as an organisation, assumptions about the size of allied forces available for limited and global war in South East Asia were unrealistic, and reliance on the use of nuclear weapons became more difficult (paras 18, 20-22, 33; Annex C paras 9, 12). Britain was no longer able to make a major contribution to Asian theatres (paras 12, 16, 17), hence, ANZAM was 'of limited value', and '[p]otentially ANZUS is the most effective Treaty to which Australia is a partner' (paras 23, 24, 29). Australia's contribution to a war in South East Asia should be contingent on US participation, and '[i]t might be politically desirable ... to offer a token force contribution' to a war over Taiwan (Annex C paras 7, 10). There was no sign of an end to instability in Indonesia but the capability of its armed forces increased (paras 14, 27). There was a 'serious' possibility of an attack on Dutch New Guinea, and 'Australia may become involved in war with a non-Communist Indonesia' without US assistance over this issue (para 38; Annex B para 10; Annex C paras 16-22). Meeting a threat from Indonesia might in the future require all of Australia's forces (Annex C paras 22, 27).

Australia thus had to prepare for independent effort against Indonesia as well as for the support of South East Asia against communism in cold and limited war. Australian forces 'should be designed primarily with the ability to act independently of allies', and preparations for limited war took priority as they provided options for cold and global war as well (paras 44, 48). Bases in the north of Australia would be required, and 'an increased offensive capability' could best meet the threat from Indonesia (paras 27, 39; Annex C para 24). The priority was for forces available immediately rather than those available within three, four, or within six months (paras 3, 49, 51). The acquisition of nuclear weapons was 'most unlikely', although 'low-yield' weapons might be required for operations against a future direct threat to Australia (para 54).

STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY
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CONTENTS

Definitions

Paragraph

Strategic basis of Australian defence policy	
Introduction	1
Aim	4
National policy objectives	5
The likelihood of war	6
Trends of significance affecting South-East Asia	10
Military effectiveness of regional arrangements	19
Nature of the conflict	25
Implications for Australian defence	26
Australian defence forces	45

Annexes:

- A. Note on weapon developments
- B. Areas of strategic interest to Australia
- C. Nature of the conflict

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DEFINITIONS

GLOBAL WAR*	Unrestricted conflict between the U.S.S.R. 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.
COMMUNIST INSURGENCY	Armed action against the established Government of a country by organised bands or groups, responsive in varying degrees to covert foreign control, direction or support, under conditions which do not permit such action to be identified as external aggression.
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.
NUCLEAR WEAPONS	Nuclear weapons is the generic term for all types of fusion/fission weapons. The term "Kiloton" weapons is used to denote weapons having yields of the order of kilotons of TNT equivalent, while 'megaton' weapons refers to weapons measured in megatons of TNT.
WAR MATERIEL	The term "War Materiel" 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.
INTER-CONTINENTAL BALLISTIC MISSILE (I.C.B.M.)	Range 1600-5000 plus nautical miles.
INTERMEDIATE RANGE BALLISTIC MISSILE (I.R.B.M.)	Range 1000-1600 Nautical Miles.
SHORT RANGE MISSILES	Range under 1000 Nautical Miles.

*In the United States, the term 'General War' is used.

STRATEGIC BASIS OF AUSTRALIAN DEFENCE POLICY

INTRODUCTION

1. This paper establishes the Strategic Basis of Australian Defence Policy, and from it will stem detailed policies, plans and preparations of the Services for war. In its wider application, it provides defence guidance on planning and preparation of national resources and their use in war.
2. Rapid advances of military technology pose a difficult and continuing problem for the Australian forces. Equipment required by a modern fighting Service is complex and costly. This complexity is such that an increasing number of years now elapses between the statement of an operational requirement and the introduction of new weapon systems into the Services. These systems may also require fundamental changes of organisation together with very extensive personnel training programmes, both of which require a considerable time to achieve. Because of the increasing complexity of operational equipment, there has been such an increase in capital and maintenance costs that, with our limited resources, the Services are now unable, once committed, to afford the cost of frequent re-equipment programmes.
3. Intelligence assessments of the strategic situation cannot be projected with accuracy beyond the short term, but they can give some indication of future trends and developments. Taking the foregoing into account, this paper has been prepared to cover as far as practicable the next ten years. It examines the strategic factors which should determine the future organisation and equipment of the Australian forces, and will be reviewed as necessary in the light of the changing situation. Consequent on this study, a further paper will be prepared on the Composition of the Australian Forces.

AIM

4. To determine the strategic basis on which the development of Australian planning and preparation for war should proceed up to 1968.

NATIONAL POLICY OBJECTIVES

5. Australian national policy includes the following objectives:-
 - a. to ensure the security of Australian territory and its sea and air approaches;
 - b. to ensure that in matters affecting her security, Australia will have the support of at least the United States and the United Kingdom;
 - c. to pursue close, friendly and co-operative relations with the non-Communist Asian countries;
 - d. to ensure that Indonesia remains friendly or at least neutral;

- e. to counter the activities of international Communism;
- f. to support the development of the United Nations as an effective instrument of collective security.

THE LIKELIHOOD OF WAR

6. Large stockpiles of nuclear weapons are now held by the West and the U.S.S.R. The West has for some time possessed the means of massive nuclear attack on the Communist Bloc and superiority in weapon delivery capability. During the period under review, the Communist Bloc will rapidly increase its delivery capability to enable it to mount massive attacks against the United States and Europe. The advances in offensive weapon systems have far exceeded those made in defensive systems, and while it is possible that a degree of defence against the manned bomber might be achieved, it is unlikely in the period under review that an effective defence against nuclear missile attack will be available. A note on weapon developments is at Annex A.

7. In this situation, global war as a deliberate act of policy is unlikely, but it could occur with little warning through a miscalculation by either side in periods of tension or in limited war. In the unlikely event that during the period the U.S.S.R. were able to achieve a capability for a full-scale missile nuclear attack, while the West was still primarily dependent on the manned bomber, the possibility of premeditated global war could not be entirely excluded.

8. The most likely wars are limited wars, which could occur with little warning as a result of Communist-inspired insurrections, and conflicting national interests in various unstable areas from North-Africa to the Far East. The risk of limited war could increase if the Communist Bloc, believing its nuclear capability to equal or surpass that of the West, adopted more provocative and intimidatory policies.

9. Communist leaders, in pursuing their expansionist aims, will continue to rely principally on cold war tactics, and are unlikely to press to extremes policies which they calculate could lead to global war.

TRENDS OF SIGNIFICANCE AFFECTING SOUTH EAST ASIA

10. South East Asia remains of first strategic importance to Australia. A survey of areas of strategic interest to Australia is attached at Annex B: trends of significance affecting South East Asia are considered in the following paragraphs.

The Predominance of Communist China

11. Communist China is already the predominant Asian nation. In the period under review, its great material progress may be expected to consolidate its influence in the Far East, and its example will tend to attract the admiration and perhaps the emulation of other Asian countries, in spite of their natural fear of so powerful a neighbour. The presence of large numbers of Chinese and their commercial influence in South East Asian countries is also an important factor. Of China's major Asian rivals, Japan is still distrusted throughout South East Asia, and India is preoccupied with internal problems and apparently less disposed than formerly to take diplomatic initiative, particularly if it involves criticism of the Communist bloc. China's military power is already far superior to all non-Communist indigenous forces

in the Far East and Australasia, and this superiority will be increased if it gains access to nuclear weapons. It is possible that, in the very near future, tactical nuclear weapons under Russian control will be deployed in China.

Political Developments in South East Asia

12. The states in South East Asia, many of them newly-independent and increasingly nationalistic, are subject in varying degrees to Communist influence and pressure, and to the threat of Communist military action. Of the Protocol States, Laos could become Communist; Cambodia will probably move closer to the Bloc; and in South Vietnam, Communist activity could reach serious proportions. Communist influences in Singapore will increase and the United Kingdom's military and political position will be gradually eroded. The United Kingdom may well be unable to use the base at will under all circumstances. The growth of Communism in South East Asia, including Indonesia, and the fear of nuclear conflict in the area, may influence Asian nations towards neutralism. However, SEATO's Asian members will probably adhere to the pact.

Indonesia

13. Indonesia is of great strategic importance to Australia and constitutes a most important factor in both Australian and regional defence. The size of its population and its economic possibilities endow Indonesia with a long term potential far in excess of its previous or present importance.

14. There are no signs that Indonesia's present serious political and economic problems will be solved quickly. Both the Communist Party (P.K.I.) and the Communist Bloc have taken advantage of the civil war and of deteriorating economic conditions to extend their influence. Indonesia's military capacity has recently been considerably increased by foreign aid, and it has received significant quantities of war material, including modern jet aircraft. Its present capacity is such that it is able alone to pose a significant threat to Netherlands New Guinea and a small threat to Northern Australia and the Australian island territories of Cocos and Christmas. It is not sufficient to pose a significant threat to the Australian mainland. This capacity could well continue to increase in the period under review. Indonesia could also provide bases from which external Communist forces could operate against Australia and other neighbouring countries and communications within the area; in particular an air and submarine threat could develop very quickly. Indonesia's existing internal problems may induce her to risk an external adventure directed at Netherlands New Guinea as an aid to the achievement of national unity. Assuming Australia is not involved in hostilities over Netherlands New Guinea it is most unlikely that Indonesia would initiate an attack on Australia or its Island possessions. The only circumstances in which such an attack might be contemplated would be with substantial Communist Bloc support and the belief that our major Allies could not or would not interfere.

Position of the United States

15. The presence of the military power of the United States in South East Asia and the Far East, and its assurances of support in the event of Communist aggression, remain the two most vital factors in maintaining the security of the countries in the region. The overall Military capacity of the United States has become dependent on nuclear weapons at the expense of conventional weapons. There are signs that the American authorities are perturbed by this development and are giving consideration to the development of conventional capacity. If nuclear weapons under Russian control, are deployed in Communist China in the near future, the United States will no longer enjoy the local monopoly of this weapon. This would significantly affect its relative military effectiveness in the area.

Position of the United Kingdom

16. United Kingdom resources may no longer permit her to make a major contribution in the Far East in view of the priority demands of the European and Middle East areas. Current United Kingdom plans provide for reinforcement of South East Asia in the event of limited war, but their implementation could be affected by the situation at the time in other theatres and the difficulties of re-inforcement routes. In global war, no re-inforcement from the United Kingdom would be possible, and all United Kingdom naval forces in the Far East, with the exception of two frigates, are declared to N.A.T.O. and may be withdrawn.

Usefulness of Western Bases

17. The long-term usefulness of some Western bases, including Singapore and Malaya in the South East Asian area, and Japan and Okinawa in the adjacent area to the north, is being prejudiced in varying degrees by nationalist ambitions or Communist or neutralist influence. Developments in missiles and nuclear weapons also increase the vulnerability of these bases, though the need for forward bases in global war is receding.

Use of Nuclear Weapons in Asia

18. The Allies lack the conventional forces to oppose effectively large-scale attacks by the greatly superior Communist ground forces. In such a case, successful defence would require the use of nuclear weapons. However the increasing Communist strategic offensive capability and the possible deployment of nuclear weapons to China would make their use a most serious step; not only would it have a profound effect on world opinion, particularly in Asia, but it would greatly increase the risk of nuclear retaliation and an extension to global war. The decision lies with the United States and United Kingdom Governments, at the highest level, and will not finally be made in advance of particular situations. However, provided the Communists believe that the Allies would use nuclear weapons in Asia, a deterrent to open aggression will exist.

MILITARY EFFECTIVENESS OF REGIONAL ARRANGEMENTS

19. It is accepted that Australia cannot defend herself unaided against a major power, and reliance has been placed on collective security arrangements. In recent years the major objective of Australian defence policy and planning has been to develop the means to contribute forces in support of such arrangements, particularly in SEATO.

20. SEATO has probably contributed to the change in Communist tactics in the area in that emphasis has moved away from armed aggression in favour of subversion, and the Asian members are confronted with a less serious threat from subversion than other countries in South East Asia. Moreover, SEATO involves the United States in a general obligation to assist in the defence of the Treaty area against Communist aggression.

21. Strategic concepts for the defence of South East Asia in the event of aggression by Viet Minh and/or Chinese Communist forces were developed during 1956/57. These concepts assume the use of nuclear weapons by the West and envisage that substantial external ground, air and naval forces will also be required to defend the mainland of South East Asia.

22. Experience has demonstrated that SEATO is limited in the following important respects:

- a. the outline strategic concepts referred to in paragraph 21 above require revision in the light of developments in the area since the concepts were originally formulated. Moreover experience to date suggests that the further step of preparing realistic detailed military plans may not be achieved. Safeguarding of classified information is a major problem, and in addition the United States has not to date been prepared to participate fully in such planning;
- b. Unlike NATO, SEATO has not developed to the stage where a command structure has been set-up nor have firm force contributions and allocations been made. On present indications planning may not be developed to this stage;
- c. SEATO has had some success in limiting Communist cold war activities in South East Asia. It has not persuaded any other Asian country that membership could assist in its defence against Communism. While Communist subversion has not made serious inroads in the three Asian member-countries, their form and practice of government has not been such as to provide a stabilizing influence and example in the area;

- d. the Forces of the Asian members of SEATO and the protocol States are relatively weak. While there has been a strengthening of these forces through mutual assistance, and there have been improvements in training, organisation and materiel, the Viet Minh would be capable of defeating all the other indigenous forces in the area. United States objectives in this field are that the countries most closely threatened by Communism, viz., South Vietnam, Laos, Cambodia and Thailand, should be in a position to maintain internal security and have a limited capacity to defend themselves against external aggression.

23. Potentially ANZUS is the most effective Treaty to which Australia is a partner in that it provides the best available assurance of external assistance in the Defence of Australia and her territories. Only two military planning studies have been prepared in this forum, detailed military planning (except on Indonesia) not having been actively pursued since the emergence of SEATO. On the other hand, it does provide a valuable opportunity for frank military discussion at regular intervals.

24. The ANZAM arrangement continues to fulfil certain Commonwealth functions in the area. These were reviewed in 1957 to include the development, where necessary, of ANZAM planning in support of SEATO, and the preparation of contingency plans for the defence of Commonwealth interests in South East Asia in case SEATO fails to provide such defence. The arrangement is of limited value, as it has no assurance of United States support.

NATURE OF THE CONFLICT

25. An examination of the likely nature of the conflict is at Annex C. This deals with the cold war, various limited war situations which could affect Australia's interest, and global war. Because of the length of the study and the range of possibilities discussed therein, it has been placed at Annex, but its contents, in conjunction with the preceding sections, provide the bases from which the following implications and conclusions for Australian Defence are derived.

IMPLICATIONS FOR AUSTRALIAN DEFENCE

26. The nuclear delivery capability of the U.S.S.R. is overtaking that of the West, and a state of parity could soon be reached. On neither side has defence kept pace with the offensive. It is possible that in the very near future, tactical nuclear weapons, under Russian control, will be deployed in China.

27. Limited war is the most likely form of war. Limited wars directly involving Australian interests could occur on the mainland of South East Asia or in the north west approaches. At present the major threat originates from the mainland of Asia, and the retention of South East Asia in friendly hands is of primary importance to Australia's security. During the period a new and important factor which must be taken into account is the rapidly increasing military strength of Indonesia and its potential threat to Australia's interests in the area. This threat can best be met by the development of an increased offensive capability by all three Australian services.

28. The countries of South East Asia are politically unstable and militarily weak and unreliable, and the successful defence of the area depends primarily on the United States, and, to a lesser extent, the United Kingdom, and on the maintenance by them of forward positions in the area. However, the strength of their position is being prejudiced by nationalism, neutralism and Communist influence, and their forward bases will become increasingly vulnerable to missile attack.

29. Australia cannot successfully defend herself against a major power without the assistance of at least one of her more powerful Allies. Participation in regional arrangements to ensure such assistance brings complementary regional responsibilities to Australia. Although suffering from serious limitations, SEATO has had some success in deterring further Communist expansion in South East Asia and, whilst it continues to do so, the benefit of defence in depth is obtained against possible aggression from that area. Should SEATO prove ineffective the development of ANZUS becomes the most promising means of ensuring Australia's security.

Cold War

30. Conditions in South East Asia are favourable to cold war tactics, and the Communists will continue to exploit this situation. Failure to counter this effectively could mean the loss of South East Asia by default. Australia must therefore play her full part in Western cold war activities. Success in the cold war will depend on close co-ordination of political, economic and military activities.

Limited War on the Mainland of South East Asia

31. The dominating features of a limited war situation in South East Asia are the geographical position and overwhelming conventional strength of Communist China.

32. Since the West would not be the aggressor, the initiative is inevitably in Communist hands. The likely areas of conflict are adjacent to a major Communist military power while the main strength of the Western Allies is many thousands of miles away. If large early enemy gains are to be prevented, our reaction must be immediate, and this will necessitate the most rapid deployment possible of both initial and follow-up forces.

33. The only way the Allies could effectively counter large-scale Communist aggression would be to use nuclear weapons, on which the Western Powers, not being organised for a long conventional war, are increasingly dependent for their striking power. There is little doubt that if nuclear weapons were used by the Allies only, the war would be rapidly decided in our favour. If, however, the Communists possessed, and were prepared to use, a nuclear capacity, the course of the war would be impossible to predict, and its extension into a global war would be likely. The accessibility of the Chinese heartland to Allied strategic bombers, and the remoteness of Allied centres from China, offers a reasonable hope that the Communists would not engage in a nuclear exchange. Nevertheless the decision on the part of the Allies to use nuclear weapons will become increasingly difficult, and if they were not used, large areas of South East Asia would be overrun because of the lack of readily available and effective ground forces.

34. Hostilities might also be brought to an early close by United Nations intervention, the pressure of world opinion, or by mutual fear of global war. In any case, Communist success would be measured by the amount of territory they could occupy, and this emphasises the paramount importance of prompt and effective reaction by the West in order to limit their territorial gains as far as possible.

35. An Australian contribution to South East Asia must therefore arrive quickly in order to maintain our standing with our Allies, to encourage indigenous forces to resist, and to play an effective part in the field.

36. The possibility that the war may last for more than a short period cannot of course be excluded. If a long conventional war should develop, a large scale national effort by the Western Powers would be required. An appropriate Australian contribution in this case may require full mobilisation of the national resources of manpower and war production. The possibility of such a development does not invalidate the necessity, already stated, for the most rapid deployment possible of initial and follow-up forces.

Global War

37. During the initial exchange in a global war, Australia's contribution would be of little significance, nor could it be expected that there would be any substantial diversion of effort to South East Asia by our major Allies. Some South East Asian countries, including Indonesia, would be unlikely to suffer extensive damage during the nuclear exchange, and Australia might have to rely completely on her own defensive and economic capacity for an indeterminate period. (For example, on present information it could be expected that after the exchange all major ports in the Northern Hemisphere would be inoperative, and exports to Australia would accordingly cease). This could occur even if the Communists lost the initial exchange.

Indonesia

38. Should Indonesia in the future adopt policies which are clearly inimical to us, or if the Communists should greatly increase their influence over or even assume control of Indonesia, our nearest potential enemy would be a few hundred miles from our northern coast. Australia may become involved in war with a non-Communist Indonesia over Netherlands New Guinea. However, hostilities with Indonesia in limited war are unlikely to be prolonged and could be stopped by United States or United Nations intervention.

39. A further possibility is that hostilities might follow a global war in which the major contestants were completely crippled and Australia substantially isolated. Indonesia, perhaps at Communist instigation might take advantage of the situation to attack Australia in the knowledge that her major Allies were unable to come to her assistance. Australia must therefore be prepared to defend her own interests by her own efforts at least for a time, and for this contingency, needs ready and effective forces and bases (for example, airfields in the north).

Deployment of Australian Forces

40. At the present time, components of all three Australian Services are deployed in South East Asia as a contribution to the Commonwealth Strategic Reserve and in accordance with the Malayan Defence Agreement. Although their tenure is contingent on the agreement with the Malayan Government, large capital sums have been and are being spent on the facilities necessary to use and maintain them. While South East Asia remains our area of primary strategic interest, and our enemies are on the mainland of that continent, it is most desirable that these forces remain in situ, if only to encourage our South East Asian Allies and to indicate our sincere and continued interest in the security of the area. In time of war the deployment of Australian forces on the mainland of South East Asia outside Malaya would depend on a variety of factors, but primarily on whether United States forces were committed. The best guarantee we can have that deployment of our forces is judicious is a parallel United States commitment in the area.

41. Other factors to be taken into account when making the decision to deploy our forces are the need to retain forces against contingencies developing in Indonesia and Malaya; the extent to which the United States and the United Kingdom are engaged; the resistance offered by the indigenous forces; the existing deployment of our forces when hostilities commence and the practicability of deploying large scale ground forces if nuclear weapons are used by the Communists.

42. Australian forces available for contribution to a war on the mainland of South East Asia will inevitably be small compared with the combined forces of our major allies and with the Communist forces likely to be engaged.

43. Examination of the nature of the conflicts in which Australia could be engaged shows that a number of situations might arise in which Australian forces should be prepared to act independently at least for a time. These situations are:-

- a. a situation in limited war in which Australian or Allies interests were threatened by a hostile Indonesia, while the United States and other SEATO forces were fully engaged in other areas;
- b. a situation in the aftermath of global war in which reinforcement and re-supply from our Allies might be impossible for an extended period;
- c. conflict with Indonesia over the Netherlands New Guinea question.

Shape of Australian Defence Forces

44. The organisation of our defence must take into consideration two main requirements viz., the retention of non-Communist South East Asia in friendly hands, and a possible future situation where we may be called upon to defend New Guinea or the north-western approaches by our independent efforts. As our forces could be re-shaped only over a long period of years they should be designed primarily with the ability to act independently of Allies. Such forces could act conjointly with Allies in regional defence arrangements. On the other hand forces shaped solely to act in concert with major Allies would not necessarily be capable of an independent role.

AUSTRALIAN DEFENCE FORCES

Roles of the Australian Forces

45. *Cold War.* In the cold war, Australia must maintain effective forces in being as a backing to diplomacy and in support of our obligations under regional arrangements. Such forces must be capable of rapid deployment to forward areas to assist in combating Communist insurgency or in deterring possible aggression either on the mainland of South East Asia or in the New Guinea area. Effective forces must also be maintained during the cold war to provide immediately available forces for war, should it occur. The foregoing requirements can only be met by readily available and highly mobile regular forces, some of which may be stationed overseas. On a lower priority, a basis must be provided for expansion in war.

46. *Limited War.* Australian Armed Forces should be capable of participating in two types of limited war. They must be capable of providing a prompt contribution to South East Asian defence in concert with our major Allies. This demands a high degree of mobility. They must also be able to act independently against aggression in the North Western approaches and for this purpose readily available forces are required for control of sea and air communications and for defence of threatened areas. In either case follow-up forces may be required.

47. *Global War.* The forces for cold and limited war could form an initial contribution for global war. After the initial nuclear exchange, reinforcement and re-supply from our Allies may well be impossible for a considerable period. Australian forces must therefore be capable of independent action to counter any sea or air threat and to defend threatened areas.

Priorities in Defence Preparations

48. In view of the assessment that limited war is more likely than global war, and that the cold war will continue, priority should be given to preparations to enable Australia to fulfil her role in limited war. Such contributions would be adequate for the cold war, and could provide Australia's initial contribution in global war.

49. It has been assessed that limited war could break out with little or no warning. Examination of the possible conflicts in which Australia may be engaged shows that the early stages are likely to be of critical importance. No precise estimate can be made of the duration of war and though a long drawn out limited war appears most unlikely, it would be unwise to base our defence preparedness solely on such a presumption. Australia's limited resources are insufficient to maintain regular forces equipped with modern weapons and at the same time provide for follow-up forces and reserves and war material for a long war. A system of priorities is therefore needed in which the greatest emphasis is placed on the effectiveness of regular forces in being and those which can become operational in a short period.

50. Provision in peace of reserves of war materiel should as far as practicable be on a basis which ensures that the three Services could sustain operations for approximately the same length of time.

Provision of Forces

51. The following principles should govern the planning and preparation for the provision of forces –

- a. First priority should be given to regular forces readily available for operations together with the necessary logistic support and the necessary reserves to bring units to full war establishment (including first reinforcements).
- b. second priority should be given to forces which can be made available in the first three or four months of war.
- c. third priority should be given to forces which can be made available in the first six months of war.

The second and third priorities above can be achieved with non-regular Army Forces only if those forces are raised on a basis of liability for overseas Service.

Provision of War Materiel

52. Planning and preparations for the provision of war materiel should be in accordance with the following principles –

- a. Provision in peace of reserves of war materiel should as far as possible, be on a basis which ensures that the three Services could sustain operations for approximately the same length of time.
- b. Priorities should be in accord with the priority for the provision of forces.
- c. The goal should be to provide reserves for six months in respect of items available from local sources, and for 12 months in respect of items obtained from overseas.
- d. Requirements in accordance with the foregoing should be calculated on the basis of:-
 - (1) The time when particular forces become available;
 - (2) Rates of use at the operational activity forecast.

(Note: The actual stocks to be held will depend on a variety of factors, including availability of supplies from local and overseas sources, distribution requirements and the different characteristics of the three Services.)

Compatibility

53. The forces should have as far as possible the necessary organisation and techniques to operate effectively with major allies. Equipment used by Australian forces should be standard or compatible as far as possible with that used by United States Forces.

The Need for Nuclear Capability

54. If only because of the high costs involved, Australia is most unlikely to undertake the manufacture of nuclear weapons. The acquisition of a tactical nuclear capability by Australian forces would, however, vastly increase our defensive and offensive strength and would also enhance the value of our contribution in operations under collective arrangements. Moreover, in the future some weapon systems will be dependent on nuclear war-heads for their effectiveness. The availability of low-yield nuclear weapons would be of considerable importance to the Australian Services should a situation develop which posed a direct threat to Australia, requiring defensive operations in the northwest approaches. In the worst circumstances, viz. the inability of the United States and the United Kingdom to come to our assistance, the possession of such weapons might well be essential to our national survival.

55. Whether or not the Australian forces acquire a nuclear capability in the immediate future, they should have, as far as possible, a potential capability to operate with nuclear weapons and in the face of nuclear opposition.

Defence Research and Development

56. Defence research and development effort in Australia is necessarily limited and for this reason should not duplicate that of our Allies. A major portion of Australia's research and development effort has been devoted to joint activities in partnership with the United Kingdom. Concentration on work which is complementary to that of our Allies and for which Australia has special facilities is sound and should be continued. Problems peculiar to the operation of the Australian Forces and which are essential to their operations should continue to receive adequate attention.

Australia's Role as a Support Area in War

57. Australia must be the support area for her own forces, and in addition she can play a limited role as a support area for Allied forces operating in South East Asia. She may also be required to provide assistance to the civilian populations in various countries during and after war. Further development of Australia in this way should result from the growth of the national economy.

Civil Defence

58. It has been assessed that global war is unlikely during the period under review. In the early stages of global war, nuclear attack on Australia would be unlikely, but the possibility could not be entirely excluded that the Sino-Soviet powers might deliver one or two nuclear devices. In limited war, the only likely attack on Australia would arise from Indonesian aggression, Australian involvement in which might result in raids with conventional weapons against Darwin and the island possessions.

59. The Civil defence programme should be determined in the light of the assessed threat. In view of the present unlikelihood of global war, and the doubt even in that event as to the attacks which might be delivered on Australian targets, any substantial diversion of resources to civil defence is not warranted at the present time.

NOTE ON WEAPON DEVELOPMENTS

1. Since the Second World War, the rate of change of military technology has increased and this trend will continue. The most important development in the last few years has been the establishment of stock piles of a wide range of nuclear weapons by the United States, the U.S.S.R. and, to a lesser extent, the United Kingdom, coupled with the development of increasingly effective means of delivery. It is likely that, during the period under review, additional powers will acquire some nuclear capability.
2. At the present time, the principal means of delivery is the high performance bomber, possibly employing stand-off techniques. During the next few years, I.R.B.Ms and I.C.B.Ms will come into service on both sides in increasing numbers. Ultimately, no strategic target will be beyond missile range from hostile territory. This affects the concept of defence in depth, or distant defence, which has now lost some of its importance in a global war situation.
3. Defence against these delivery systems has lagged very considerably. In the case of the high performance bomber, no completely effective defence system has yet been developed, but, during the period, improvement of A.A.G.W. (air-to-air guided weapons) and S.A.G.W. (surface-to-air guided weapons) systems should increase the defence capability. Anti-missile systems are being developed to combat I.R.B.Ms and I.C.B.Ms but are lagging far behind offensive weapons. The submarine-launched ballistic missile will be particularly difficult to counter. The pattern of development of the offensive out-running the defence is likely to continue in the future, and while the defence lags the mutual deterrent to global war will continue.

United States Developments

4. The principal United States means of delivery are the Strategic Air Command, the Tactical Air Forces, and naval carrier task forces. Submarines equipped with a cruise type supersonic guided missile are already in service. Land-based I.R.B.Ms will be available in quantity in 1959, and submarines equipped with I.R.B.Ms should be in service in 1960. I.C.B.Ms are expected to be operational in 1960/61. The development of weapon systems which are independent of overseas bases may reduce United States inclination to commit forces overseas.
5. By the mid 1960s, the United States Navy will have at sea a nuclear powered (propelled) task force complete from submarines to aircraft carriers; the number of nuclear powered submarines is then likely to number over 70 and the surface fleet will include an equal number of guided missile ships ranging in size from aircraft carriers to destroyers and escorts. New atomic weapons available now for use in homing torpedoes or especially configured bombs and depth charges give the United States Navy an anti-submarine capability never possessed before.
6. There will also be increasing capacity to support ground forces with tactical atomic units. These units will have a wide range of delivery capability.

U.S.S.R. Developments

7. Production of heavy bombers in the U.S.S.R. is proceeding below known productive capacity, and it is likely that priority has been accorded to the development of I.R.B.M.s and I.C.B.M.s and to very advanced types of manned bombers. Russian missile development is thought to be at least equal to and possibly in advance of that of the West. It has been estimated that in the worst case the Russians could have I.R.B.Ms operational now (1958) and the first prototype I.C.B.Ms in 1959. A few existing submarines may be fitting out with an equivalent Regulus-type missile, and the Russians are believed to be experimenting with ballistic missiles suitable for submerged towing and launching by conventional submarines. Early successful development of this weapon could increase the U.S.S.R.'s delivery capability relatively cheaply and quickly. It is probable that they are developing a nuclear-powered ballistic missile armed submarine and it is assessed that this could be in service in 1962.

Conclusion

8. The implications to be drawn from the above developments are:-
- a. The advantage of offence over defence will be maintained during the period under review, and the mutual deterrent to global war will therefore continue.
 - b. While some defensive measures are necessary to deter and reduce attacks, they will at best be only partly effective. A nuclear offensive capability will remain the best means of ensuring security.
 - c. The Communist bloc, if it believes its nuclear capability to equal or surpass that of the West, is likely to adopt more provocative and intimidatory policies.
 - d. In global war, the concept of defence in depth, or distant defence, is losing some of its importance.
 - e. Forward bases, while still most important in cold or limited war, are becoming less so in global war.

ANNEX "B"

AREAS OF STRATEGIC INTEREST TO AUSTRALIA

China

1. China is well situated geographically and by tradition to exercise a strong influence on South East Asia. The Chinese Army, which numbers about two and a half million, has the capability to overrun any conventional opposition in South Korea and mainland South East Asia. Its ability to conduct operations outside the Asian continent is limited by lack of strong naval forces and deep-sea shipping resources. The Chinese Communist Air and Naval Air Forces are chiefly air defence and tactical forces, but by 1962 could have a small number of jet medium bombers with a strategic nuclear delivery capability. During the same period, Chinese naval offensive capability will increase and could include 30 modern long-range submarines. It is possible that, in the very near future, tactical nuclear weapons under Russian control will be deployed in China. China will increase in stature as the dominant Asian nation.

Japan

2. Major factors in Japan's future policies must be the strength and proximity of Communist China and Soviet Asia, and domestic economic difficulties. Japan's military capability at present is mainly defensive, and is likely to remain so for some years. Its defence policies will continue to be based on treaty association with the United States, but may be subject to strain over the status of Okinawa and the roles for which the United States bases in Japan are to be used, particularly in the face of Communist pressure in respect of such bases. Trading policies must be related to the need for a high rate of economic growth, and will be subject to Communist pressures and enticements. Because of her strength and position, the future direction of Japan's policies will be of great importance to the Western position in the Pacific. While the present conservative government retains power and the economy remains viable, however, there is unlikely to be any change in Japan's limited alignment with the West, and particularly with the United States.

North Vietnam (Viet Minh)

3. With its territory adjoining Communist China, the Viet Minh regime is backed strongly by the Communist bloc, and is entirely dependent on the Bloc for military equipment and for most logistic support. The offensive capability of Viet Minh forces is confined at present to the large army which is experienced, well organised, and equipped for operations in the difficult terrain of South East Asia. It is probably capable of defeating all the indigenous ground forces in that area.

Thailand

4. Thailand lies in a central position among non-Communist countries in South East Asia and is therefore of great strategic importance to the defence of the region. It provides the Allies with bases from which to operate against the Communists on the mainland of South East Asia, and has interior lines of communications and port facilities of limited capacity. Thai military forces are not strong, but if the area can be held, it would block the way to the military conquest of Malaya by land. The general growth of Communism in South East Asia would reinforce tendencies in Thailand towards neutralism.

Protocol States

5. The successful defence of the Protocol States would provide a buffer for the defence of Thailand. Although South Vietnam has relatively large forces whose military efficiency is increasing, Laotian and Cambodian forces are weak and are barely able to maintain internal security. Laos could become Communist; Cambodia will probably move closer to the bloc, while South Vietnam, although relatively more stable than Laos and Cambodia, could be faced with Communist activity of serious proportions.

Malaya and Singapore

6. Malaya and Singapore are on the southern tip of the mainland of South East Asia and possess bases from which operations could be carried out in South East Asia, including Indonesia. The Malayan Government is pro-Western, but is subject to increasing pressures towards neutralism. Communist influences in Singapore will increase and the United Kingdom's military and political position will be gradually eroded. The United Kingdom may well be unable to use the base at will under all circumstances.

Burma

7. Burma lies on the north west extremity of South East Asia and outflanks the Thai/Malaya peninsula. Potential sea and air bases exist in the territory from which naval and air action could be directed against Allied sea communications in the Bay of Bengal, the Indian Ocean, and against the Allied position generally in South East Asia. The inaccessibility of Burma and the difficulties imposed by terrain on ground and air reinforcements are of such magnitude that counter action by the West in Burma itself would present great difficulty. The present assessment is that Burma will continue to follow a neutralist course.

Philippines

8. The Philippines being offshore from Asia is less subject to direct Chinese Communist influence than countries on the mainland of South East Asia. In view of the position of the Philippines in the Pacific Island Chain stretching north to Japan and linking with New Guinea, the Philippines should be secured in support of operations in South East Asia. Although the armed forces of the Philippines have received considerable United States training and assistance, they are not strong. The area provides important military bases for the Allies. The Philippines is likely to retain its links with the Allies.

Indonesia

9. Indonesia, lying between Australia and the mainland of South East Asia, is of great strategic importance to Australia and constitutes a most important factor in both Australian and regional defence. The size of its population and its economic possibilities endow Indonesia with a long term potential far in excess of its previous or present importance. Its membership of the Afro-Asian bloc, together with its appeal to other Asian nations by virtue of its recent struggle against Dutch "colonialism", places Indonesia in a position to influence these nations, and this could be used to impair Australia's relations with South East Asia. Of the chain of islands that partly circle the continent of Asia – Japan, Okinawa, Formosa, the Philippines, Indonesia – only Indonesia is not committed to the West. Indonesia's military capacity has recently been considerably increased by foreign aid and it has received significant quantities of war materiel, including modern jet aircraft. Its present capacity is such that it is able alone to pose significant threat to Netherlands New Guinea and a small threat to Northern Australia and the Australian island territories of Cocos and Christmas. It is not sufficient to pose a significant threat to the Australian mainland. This capacity could well continue to increase in the period under review. Indonesia could also provide bases from which external Communist forces could operate against Australia and other neighbouring countries and communications within the area; in particular an air and submarine threat could develop very quickly. Indonesia's existing internal problems may induce her to risk an external adventure directed at Netherlands New Guinea as an aid to the achievement of national unity. Assuming Australia is not involved in hostilities over Netherlands New Guinea it is most unlikely that Indonesia would initiate an attack on Australia or its Island possessions. The only circumstances in which such an attack might be contemplated would be with substantial Communist Bloc support and the belief that our major Allies could not or would not interfere. Apart from these considerations Indonesia could pursue policies in relation to Netherlands New Guinea which would be in direct conflict with Australia's present policies in the area.

New Guinea

10. As a part of Australian territory, Australian New Guinea should be defended. It could provide the most suitable area from which to launch air, sea and land attacks on the east coast of Australia and the communications thereto. Conversely, it provides Australia and her allies with potential forward bases from which operations could be mounted against attacks from the north west. Australian New Guinea provides the final defence in depth of the Australian mainland, and it must be a primary objective of our defence strategy to hold it. The security of Australian New Guinea depends among other things upon Netherlands New Guinea being in the hands of a power possessing a relatively stable government and which is unlikely to pursue policies inimical to Australian interests. As long as it is assessed that there is a possibility of Indonesia falling under Communist influence, a grave potential strategic threat would ensue from Indonesia's possession of Netherlands New Guinea.

Antarctica

11. The Antarctic continent lies close to Australia's southern trade routes. The Communist Bloc could threaten both the Australian mainland and these lines of communication by naval and air operations from bases in the area. Guided missile (ICBM) attacks in terms of range from Antarctica are also possible. It is unlikely however that the Soviet Bloc will develop or use their existing bases or new bases in Antarctica for attacks against Australia because of the major problems associated with the organisation and establishment of missile sites in the area. Moreover, all Australian and other Western targets could be within range from bases which could be established in present Communist territory. There is a slight possibility, however, that the Russians might use communication facilities at existing bases to increase the effectiveness of any operations designed to interfere with Australia's lines of sea communications along the southern trade routes.

New Zealand

12. Apart from our common membership of the Commonwealth, New Zealand is our partner in ANZUS, ANZAM, and SEATO. The politico Strategic considerations vis-à-vis South East Asia which affect Australia apply in part, though to a lesser extent to New Zealand also. It is virtually certain that in any major war which might arise in the South East Asian area, Australia and New Zealand will be fighting in close alliance, and New Zealand forces are similar in organisation and largely compatible with our own. It is of the great importance that in matters of defence, Australia and New Zealand should maintain the closest co-operation and consultation.

ANNEX "C"

NATURE OF THE CONFLICT

Cold War

1. The Communists will continue to pursue the cold war with the utmost vigour in support of their expansionist aims. They will endeavour to achieve this by subversion, political and economic action, infiltration of cultural organisations and trade unions, intimidation and insurgency in non-Communist areas of South East Asia. Western measures to combat Communist penetration include the establishment and support of SEATO, economic assistance, cultural programmes, diplomatic action, the establishment of military assistance and advisory groups by the United States, and anti-terrorist operations in Malaya.

2. Conditions in South East Asia are favourable to the development of insurgent activities. In some countries in the region, there are strong insurgent forces, and in other countries the threat is more one of potential than of open insurgent warfare. The planning of military measures to counter insurgency is proceeding under SEATO, including preliminary planning for the introduction of a SEATO force into a threatened country in certain circumstances. Some planning has also been undertaken under ANZUS to meet the contingency of a Communist coup in Indonesia. There would be very great political difficulties in putting these plans into effect, but Australia should be prepared to contribute if required.

3. South East Asia could well be lost by default in the cold war. It is therefore of paramount importance that Australia should play her full part in cold war programmes, and wherever possible seek to expand them and to achieve close co-ordination with the activities of other Western nations in the area.

4. From the military viewpoint, Australia must have trained regular forces available to perform cold war tasks in South East Asia. These forces should be capable of rapid deployment so that their presence will deter aggression and encourage the countries in the region.

Limited War in the Far East

5. The most likely wars are limited wars, and the risk of such wars could increase if the Communist Bloc, believing its nuclear capability to equal or surpass that of the West, were to adopt more provocative policies.

6. Hostilities which are most likely to involve Australia's interests directly are examined in the following paragraphs.

Aggression in the Formosa area

7. Communist tactics in relation to the off-shore islands are unpredictable, but while the conflict is restricted to this area, Australia would not be obliged to play an active part. In the unlikely event of a Communist attack on Formosa, it is considered that the Chinese Nationalists, aided by the United States could defeat such an attack without the use of nuclear weapons. It might be politically desirable, in the interests of close relationships with the United States and to encourage the preservation of its forward position in Asia and South East Asia, to offer a token force contribution.

Viet Minh Aggression

8. It is unlikely that the Viet Minh would attack South Vietnam without the backing of the Communist bloc. From the Communist viewpoint, Viet Minh attack with covert Communist support would have the following advantages:-

- a. exploit the weakness of Allied conventional forces, local political instability, and the existence of indigenous Communist elements in the area;
- b. test SEATO reaction without direct involvement of the U.S.S.R. or China;
- c. enable Communist China to intervene overtly at any time;
- d. be less likely to provoke United States nuclear retaliation.

9. If the United States decided to use nuclear weapons, the Viet Minh attack could be neutralized in a very short time, though some conventional forces would still be required to recover and control territory. The use by the Allies of conventional forces only could result in an initial loss of territory and a prolonged conflict unless rapid and effective deployment of SEATO forces was achieved. In the event of Viet Minh aggression, the United States would probably commit ground forces to the mainland of South East Asia, but it would be reluctant to face a long conventional war of attrition. The likelihood of Chinese intervention is the major factor which would influence United States action.

10. If United States forces were committed to a war in South East Asia, Australia should be prepared to make an immediate contribution of forces. The composition of the forces would have to be determined, having regard to Allied plans and requirements and the situation in the southern area of South East Asia. The commitment of Australian forces to the mainland would be dependent on whether or not U.S. forces were similarly committed.

Communist Chinese and Viet Minh Aggression

11. Chinese initial objectives could include the Protocol States, Thailand, and possibly Burma. China's great strength and the assistance of the Viet Minh would allow simultaneous aggression in various areas. Communist intentions could also be to bleed the West in a long conventional war of attrition, which might take the form of guerrilla-type warfare.

12. The initial form of attack could be large-scale land advances with air support and conventional air attacks on allied bases. The weight of attack would be such that initial advances could not be prevented, particularly if some indigenous forces, in the face of overwhelming strength and the possibility of nuclear action, did not resist. Without the use of nuclear weapons, the Allies are unlikely to be able to bring the advance to a halt. In addition to attacks on Communist forces in the field and their communications, it might be essential to attack bases and support areas. The decision to undertake nuclear attack would be a difficult one, particularly if the Communists took advantage of insurgency or coups to move rapidly into neighbouring countries and presented a "fait accompli".

13. If the Allies used nuclear weapons, and the Communists did not, the advance would be reduced or might be halted. At the same time the rapid deployment of effective Allied forces would be necessary in order to engage the enemy and to stiffen the will to resist in some countries of South East Asia.

14. In this situation, Australia should be prepared to make an immediate contribution of forces to the area, the size and shape being determined by the same considerations as in the case of Viet Minh aggression (vide paragraph 10 above).

15. If, despite allied use of nuclear weapons, the Communists would not accept defeat and decided to press their attacks, they would employ nuclear weapons if available. In these circumstances, the course and duration of the war would be impossible to predict. Any deployment of Australian forces would be in accordance with Allied plans and requirements, but large scale deployment of external ground forces might well be impracticable.

Indonesian Aggression

16. In the absence of further information it would be wise to accept as serious the possibility of an Indonesian attack against Netherlands New Guinea. The possibility would further increase later in the period if as is likely, Indonesian military capacity continues to grow and particularly if Communist influence increases.

17. Only conventional weapons would be used, and Indonesia would be likely to try to limit the area of operations. If Australia intervened, air attacks could be directed against shipping and bases in the North-west of Australia. Active operations on our part would, as far as practicable, be limited to Netherlands New Guinea and adjacent areas, but targets in Indonesia directly concerned with Indonesian operations would be open to attack.

18. It is unlikely that our forces could intervene actively in time to prevent an Indonesian lodgement on Netherlands New Guinea. This might well be their main objective with a view to initiating action in the United Nations. Combined Dutch/Australian forces, given time, should be capable of defeating an attack, though this task will be more difficult as Indonesian air strength increases. Sea and air approaches to the operational area would have to be controlled in order to put Australian ground forces ashore.

19. It is possible that, in the period under review, there could be fundamental changes in the political situation in West New Guinea, and that Dutch forces would no longer be available to assist in its defence. The absence of Dutch forces would facilitate the seizure and development by the Indonesians of firm lodgement areas.

20. If the United States intervened, attacks could be stopped in a short time. United States participation is by no means certain, however, since this will depend on the political situation and the degree to which the United States is pre-occupied elsewhere.

21. If the United States did not intervene the conflict might still be halted within a period of weeks by United Nations and international pressures.

22. Apart from any attack on Netherlands New Guinea, a potentially hostile or Communist Indonesia could pose other major problems for Australia in limited war in South East Asia; firstly by creating a threat to Netherlands New Guinea and Northern Australia, and secondly, by threatening our direct communications with South East Asia. The future situation in Indonesia will be a major factor in deciding what forces Australia will contribute to a limited war in other areas of South East Asia. The maintenance of the Australian contribution to the Strategic Reserve in Malaya could also be affected by future adverse developments in Indonesia.

23. The aftermath of a global war might leave Indonesia unscathed while the major Powers of both Blocs were completely crippled. Any aggression by Indonesia in such a situation would find us perhaps for a very long time without major allies and entirely dependent on our own resources.

24. Australia needs ready and effective forces and bases (for example, airfields in the North) in order to lessen the chances of these contingencies developing, and to meet the contingencies should they occur.

Simultaneous Communist Aggression in Different Areas of the Far East

25. Although the Communists, till now, have concentrated aggression at one place at a time, they have the capacity to undertake or sponsor aggression at widespread points throughout the Far East concurrently. Such simultaneous action would be beyond the capacity of the Western powers to resist without the extensive use of nuclear weapons, probably against the territory of China itself. The resultant risk of global war would have to be weighed against the loss of most of the mainland of South East Asia which would otherwise be inevitable.

26. If nuclear weapons were not used, the deployment of Australian forces on the mainland of South East Asia outside Malaya may not be justified.

27. If Indonesia were hostile or Communist all Australian forces might well be required to meet the situation in the area.

Global War

28. Probable Communist strategy in global war, in so far as it affects South East Asia, would include:-

- a. a nuclear offensive against Allied nuclear striking forces and bases in the Pacific and South East Asia;
- b. a submarine offensive against Allied carrier task forces, ports and lines of sea communications in the North Pacific and to a lesser extent in the South West Pacific and Indian Oceans by Russian and Chinese submarines (which later in the period could include missile armed submarines) operating from bases in the Soviet Far East and China;
- c. simultaneously with the offensive in (a) and (b) above, campaigns against South Korea, Formosa, Hong Kong and/or the mainland of South East Asia;
- d. possibly fostering an Indonesian attack against Netherlands New Guinea;
- e. the instigation of insurgency throughout the area.

Initial Phase of Global War

29. The course and duration of global war are impossible to predict. The initial nuclear exchange between the major contestants could well be decisive in a very short time. During the initial exchange, the significance of individual Allied nations in Communist global nuclear strategy will be assessed solely in terms of their nuclear threat to Russia and China. During this phase therefore, Australia, unless it becomes a nuclear base, will have little significance in Communist global strategy, and targets in Australia will be low on the Communist priority list. However any Australian forces deployed in South East Asia could come under nuclear attack.

30. Concurrently with the initial nuclear exchange, Communist China may attempt to over-run South East Asia. The success of such aggression would be very largely dependent on the extent to which Allied nuclear attacks had limited the capacity of China to wage war, and on the military strength which the United States and, to a lesser extent, the United Kingdom were able to maintain in the region. This strength would be greater if global war developed out of a limited war in South East Asia. However the main war effort of the United States and the United Kingdom would undoubtedly be committed against the heartland of the U.S.S.R. and China and in their own defence, and it could not be expected that there would be any significant diversion of effort to augment or maintain Allied forces in South East Asia.

31. The initial phase of global war will be fought with the forces which are ready on the outbreak. Any deployment of Australian forces in South East Asia as a contribution to Allied global strategy would be conditioned by the following factors:

- a. the existing deployment at the time of the outbreak of war;
- b. the survival of facilities that would permit the deployment of Australian forces;

- c. the need to retain sufficient military strength to meet possible contingencies on the north-west approaches to Australia;
- d. the extent to which the United States and the United Kingdom were already committed in the area.

Aftermath of Global War

32. In the aftermath of global war, the territories of the major contestants would be devastated, and the forces and resources of smaller nations such as Australia, if undamaged, would assume greater significance, particularly in South East Asia. With the influence of the major powers in abeyance for a considerable period, Communist activities could further increase.

33. The capacity of Communist China to over-run South East Asia would depend on the extent to which its resources were reduced in the nuclear exchange. It could be expected that China's bases and centres of population would be extensively damaged, and it is difficult to predict how long the Chinese could sustain an attack on South East Asia under these conditions. It is possible however that a proportion of China's conventional forces might continue their advance into South East Asia. In this situation, the Allies, unless they retained nuclear superiority, could do little except with those forces which remained effective and which could be maintained in the area.

34. Some South East Asian countries, including Indonesia, would be unlikely to suffer extensive damage during the nuclear exchange, and Australia might have to rely completely on her own defensive and economic capacity for an indeterminate period. (For example, on present information, it could be expected that after the exchange all major ports in the Northern Hemisphere would be inoperative, and exports to Australia would accordingly cease). This could occur even if the Communists lost the initial exchange.