



Royal Australian Navy  
Maritime Studies Program

## **Australian Carrier Decisions**

**The acquisition of  
HMA Ships *Albatross*,  
*Sydney* and *Melbourne***

Anthony Wright



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David Stevens

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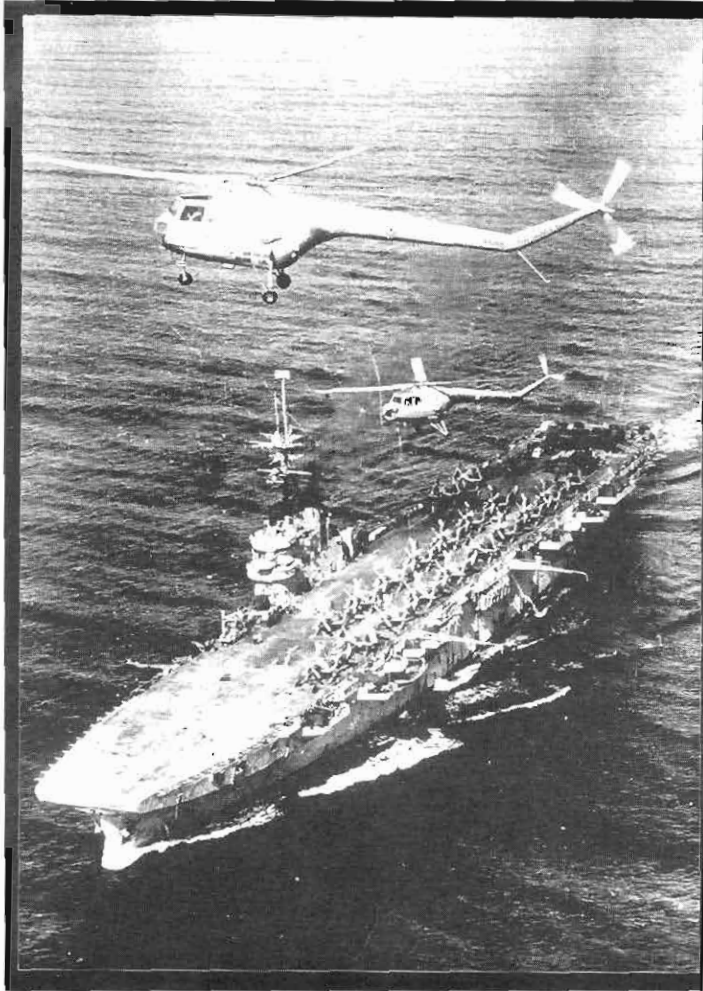
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*HMAS Vengeance (RAN).*



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## Abbreviations

AAW	anti-air warfare
ANLO	Australian Naval Liaison Officer (London)
ADF	Australian Defence Force
ASW	anti-submarine warfare
AWM	Australian War Memorial
CAS	Chief of the Air Staff
CDA	Council of Defence Agendum
CDFS	Chief of the Defence Force Staff
CDM	Council of Defence Minute
CGS	Chief of the General Staff
CID	Committee of Imperial Defence
CinC	Commander in Chief
CNS	Chief of the Naval Staff
COSC	Chiefs of Staff Committee
CPD	Commonwealth Parliamentary Debates
CSCM	Chiefs of Staff Committee Minutes
CVL	Light Fleet Carrier
DCA	Defence Committee Agendum
DCM	Defence Committee Minute
DFDC	Defence Force Development Committee
DSDC	Defence Source Definition Committee
FDA	Force Development and Analysis
FSC	Force Structure Committee
HMAS	Her (His) Majesty's Australian Ship
HMS	Her (His) Majesty's Ship
ITR	Invitation to Register Interest
JPC	Joint Planning Committee
LHA	Landing Platform Amphibious, Helicopter capable
LPH	Landing Platform Helicopter
MOD	Ministry of Defence (UK)
RAN	Royal Australian Navy
RN	Royal Navy
SCS	Sea Control Ship
STOVL	short take off and vertical landing
TLS	Top Level Specifications
USN	United States Navy
VSTOL	vertical/short take off and landing
WCM	War Cabinet Minute

## 1998 Preface

Originally titled 'Australian Carrier Decisions: Three Descriptive Analyses', this three part study was written between 1977 and 1978 by Dr Anthony Wright, Principal Research Officer of the Historical, Studies and Information Section, of the then Policy Secretariat Branch of the Department of Defence. The author wrote the monograph in the midst of debate on a replacement for the RAN's sole aircraft carrier, HMAS *Melbourne*, but well before any final decision had been reached.

During its existence the Historical, Studies and Information Section produced a number of diverse historical monographs. They normally consisted of brief summaries or chronologies of events and very few were suitable for widespread distribution. While probably the most substantial of these monographs, and 'a first rate critical account', Dr Wright's study was unfortunately regarded as one that did not sufficiently meet 'the special criteria set within this Department for historical studies'.<sup>1</sup> Exactly what these criteria were is unclear, but it seems that certain authorities felt that that the author had already expended too much time and effort. In any case the aircraft carrier monograph never proceeded beyond draft stage and the manuscript was subsequently relegated to obscurity. The few copies that did survive have been extremely difficult to obtain and used by very few researchers.<sup>2</sup> Certainly, all three parts of the study have never before been available in a single volume.

Fortunately, Dr Wright's original working papers were identified a few years ago during a cull of departmental records and, recognising their worth, saved from destruction by Air Commodore Gary Garrisson (retd.). They were later shown to Dr Alan Stephens of the RAAF's Air Power Studies Centre who in turn brought them to my attention. I am deeply indebted to both gentlemen for their foresight.

With a bit of further research, it has now been possible to reconstruct virtually the full scope of Dr Wright's efforts. Far more than the title might suggest, the volume represents a major original effort to understand the inner workings of Australia's Defence establishment at critical times during this century. Using successive carrier decisions as a link it brings out with clarity and force some of the considerations and pressures that have attended the process of defence procurement and strategic assessment. As a whole the study

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<sup>1</sup> Comments on Dr Wright's historical paper by Head of Section (?), undated, in Dr Wright's working papers, now held by the Naval Historical Section, Canberra.

<sup>2</sup> Recent volumes on Australian naval aviation include; Ross Gillett, *Wings Across The Sea*, Aerospace Publications, Sydney, 1988; Ray Jones, *Seagulls Cruisers and Catapults: Australian Naval Aviation 1913-1944*, Pelorus Publications, Hobart 1989; James Goldrick, 'Carriers for the Commonwealth' in *Reflections on the RAN*, Frame, Goldrick & Jones eds Kangaroo Press, Kenthurst, 1991; Andrew St. John-Brown, 'Chocks Aweigh: an analysis of the acquisition of two light fleet aircraft carriers by the RAN 1944-1949, unpublished MLitt thesis, UNE, 1996; Colin Jones, *Wings and the Navy: 1947-1953*, Kangaroo Press, Kenthurst, 1997; Vince Fazio, *RAN Aircraft Carriers 1929-1982*, Naval Historical Society, Garden Island, 1997. Of these only Goldrick and St. John-Brown have made direct use of Wright's work.

provides an object lesson in the susceptibility of strategic assessments to 'fine tuning' designed to achieve purposes whose rationale is not strictly strategic. Moreover, it demonstrates how the primary aim of acquiring equipment 'best able to meet operational requirements' is often distorted by considerations other than defence need. Australia it seems, has seldom been willing to pay the full price for a naval aviation capability.<sup>3</sup> Just as importantly, this study highlights how political and economic imperatives can never be ignored when analysing defence acquisitions. The constraints identified by the author survive to the present day and thus, even 20 years after it was written, this monograph continues to make a relevant and timely contribution to an understanding of Australia's maritime defence policy.

Only minor editorial changes have been made to Dr Wright's original text, the single major omission being the footnotes in Part I, the sources for which were unfortunately not included in the draft. The few editorial insertions made are in square brackets. There have obviously been other carrier and naval air decisions made by Australia's Defence Department,<sup>4</sup> however, the only major change made to the scope of the original work has been the inclusion of a Part IV. Though this does not provide original analysis, it does offer a chronology of the major milestones associated with the project to acquire an aircraft carrier to replace HMAS *Melbourne*. An investigation of these decisions, the context in which they were made and the subsequent impact on the capabilities and effectiveness of the RAN and ADF, still awaits an author.

David Stevens, June 1998

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<sup>3</sup> In 1994 the amphibious ships *Manoora* and *Kanimbla* were purchased second hand from the USN to fulfil the capability requirement for a Training and Helicopter Support Ship.

<sup>4</sup> For example in the late 1950s the RAN considered the acquisition of HMS *Albion*. For an examination of this situation from the British perspective see E.J. Grove, "'Advice and assistance to a very independent people at a most crucial point": the British Admiralty and the future of the RAN 1958-60' in *Maritime Power in the Twentieth Century: The Australian Experience*, D. Stevens ed. Allen & Unwin, Sydney, 1998.

## 1978 Preface

Unfortunately, there are no published official histories of Australian efforts to deter war or prepare for the failure of deterrence. Indeed, there are few serious and substantial studies at all of Australian defence policy in peace. Notable, apart from brief treatments in certain volumes of the official histories of the two world wars, are the works of Neville Meaney and John McCarthy dealing respectively with *The Search for Security in the Pacific, 1901–14* and *Australia and Imperial Defence 1918–19: A Study in Air and Sea Power*, while Robert Hyslop has contributed a valuable study of *Australian Naval Administration 1900–1939*.

Further studies of Australian defence policy in peace in the form of theses have been completed or are under preparation by postgraduate research students. Perusal of *Historical Studies* to 1973 and the *Australian Historical Association Bulletin* thereafter, reveals the extent of such research. One completed thesis is the pioneering study of Dr B.N. Primrose now of this Department, *Australian Naval Policy, 1919 to 1942: A Case Study in Empire Relations*. Dr Primrose was good enough to permit me to read his thesis while I was preparing this paper.

This paper is based mainly on Australian official publications and records, though certain of the latter, bearing on the decision to procure a seaplane carrier, appear to have fallen victim to the weeder. To supplement the evidence of British attitudes, advice and policy appearing in the Australian records, and especially for a view of British policy formulation, I have drawn on the work of the leading British naval historian, Stephen Roskill, *Naval Policy Between the Wars*, and particularly the first volume, *The Period of Anglo-American Antagonism 1919–1929*.

Needless to say, the views expressed in this paper are those of the author alone. Though certain of them are informed by the judgements of other students in the field, they do not necessarily reflect the views of the Department of Defence or any other official agency.

Anthony Wright



*HMAS Sydney (RAN).*



## Part I

### HMAS *Albatross*

*... two other things ... are urgently necessary for the naval defence of Australia, namely, a seaplane carrier...*

E.K. Bowden, Minister for Defence, 12 September 1924

*This ship is subject to many grave deficiencies chiefly in the matter of speed and the lack of provision for flying on. She is being built however partly as the result of political pressure...*

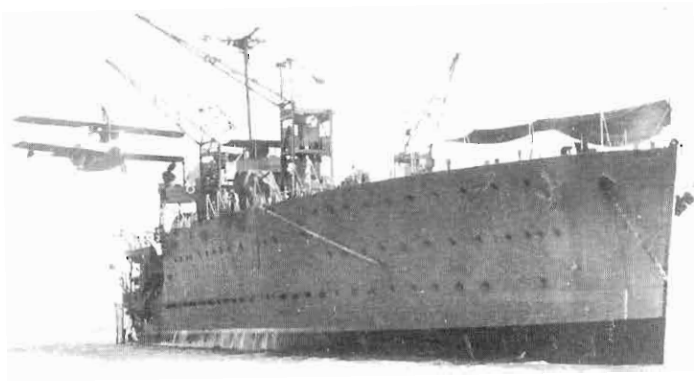
A.C.B.033, *Royal Australian Navy: Summary Of Constitution and Policy 1926*

*Although the ALBATROSS, as designed, is not suitable for cooperation with the fleet at sea she is useful as a mobile base for aircraft, and would be valuable in this capacity, on the Chinese rivers, or in the more remote Pacific Islands.*

Anonymous naval officer, *The Naval Review*, 1932

*From the point of view of the RAN it (Albatross) was not of great value...*

Admiral Sir Ragnar Colvin, Chief of Naval Staff, 24 February 1938



*HMAS Albatross, pictured lowering one of her Seagull seaplanes into the water during a 1929 cruise to New Guinea with the Governor General embarked (RAN).*

## Introduction

The prospective retirement of the major vessel, sole aircraft carrier and flagship of the Australian Fleet, HMAS *Melbourne*, raises major defence force structure questions. In 1976 her life was assessed as extendable up to 1985, so that well within the next decade decisions will have to be made concerning the future requirement for naval air warfare capability and, if it is found to be required, the form which that capability should take. The ultimate decisions will have not only significant operational, financial and manpower implications, but also extensive consequences for the shape and size of the Royal Australian Navy.

Recently, and in different public forums, the then Chief of Naval Staff<sup>1</sup> stated the case for naval air power, the Minister for Defence<sup>2</sup> informed Parliament that modern aircraft carrier types were about to come under departmental investigation, and a Deputy Secretary in the Department of Defence discussed the philosophy and methodology of the equipment procurement process.

This paper is not intended to be a direct contribution to the current discussion concerning the future requirement for naval air power; rather, it is the first of three papers which will examine two earlier major equipment decisions involving the acquisition for the Navy of warships conceived with the primary purpose of operating aircraft at sea. The first decision, reached in 1925 by the Bruce-Page Government, was for the construction at Cockatoo Island Dockyard of a seaplane carrier, later named HMAS *Albatross*; in the second, the Chifley Government decided in 1947 to purchase from Great Britain two Light Fleet Carriers, later named HMA Ships *Sydney* and *Melbourne*. Between those two decisions, the second Curtin War Cabinet decided on 6 June 1945 not to proceed with the acquisition from Britain of a light fleet carrier, the *Ocean*, as a war project.

'Simplistically' defence procurement 'is concerned with acquiring for the Services the equipment best able to meet operational requirements'. That succinct definition could not be used accurately to characterise the procurement of the seaplane carrier, whose acquisition could better be epitomised as a politically-motivated afterthought: that is, the rationale mainly informing the decision was political, not naval. Evidence and argument in support of this conclusion are advanced below.

The Cabinet decision of 5 March 1925 that a seaplane carrier would be built in Australia, provided its construction was not precluded by the Washington Treaty on Limitation of Armament, was not an isolated act. It was consequent upon, though distinct from, certain other naval construction decisions which themselves were elements in a five-year defence development programme inaugurated in 1924. That programme ended a period beginning postwar and marked by governmental procrastination concerning the long term shape and size of the Defence Force and stringent economy over the interim postwar forces, as their counterparts were termed after the 1939-45 war.

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<sup>1</sup> [Vice Admiral Sir Anthony Synnot]

<sup>2</sup> [The Hon. D.J. Killen]

The following discussion is divided into three main parts which correspond to the three phases of the process culminating in the decision to acquire the seaplane carrier. First, a brief but necessary account is given of the impact on the Navy of the period of procrastination and economy, then the origins and content of the naval element of the five-year programme and the carrier decision itself are examined in turn.

## 1 Procrastination and Economy: 1918–24

The fundamental assumptions which were to underlie Australian defence and naval policy in the immediate postwar period were enunciated in 1920 by the Nationalist Prime Minister, W.M. Hughes. In a public analysis of Australia's strategic circumstances Hughes identified no existing or potential specific source of strategic pressure or direct military threat against Australia, its territories, or lines of communication: the requirement for an Australian Defence Force arose from broader strategic considerations. This is not to suggest that Hughes did not then share and at other times express a widespread Australian concern: 'Japan is our potential enemy, though our present friend'. 'For us the Pacific problem is for all practical purposes the problem of Japan ...'

Hughes concluded from the teachings of history, which he regarded as immanent rather than subjectively perceptible, and a cursory survey of the world situation, that Australia could preserve her political integrity and freedom only through an effective national defence: no prudent nation could afford to allow her 'war insurance policy' to lapse and trust to luck for protection against invasion and attack. Furthermore, Hughes predicted that 'the most vital point' of Australian policy—a White Australia—would prove 'the most fruitful means' of provoking international complications. Australia could not submit that policy to arbitrament, nor expect to sustain it merely by pious or blatant declarations of intent: ultimately it must rest on force. Three years later, at a meeting of the Council of Defence, the First Naval Member of the Naval Board, Vice Admiral Sir A.F. Everett, had the temerity to suggest that the White Australia 'slogan seemed to have a somewhat defiant note'. It was, replied the Nationalist Prime Minister, S.M. Bruce, a cardinal principle of policy which if necessary Australia would fight to defend.

The provocation implicit in the White Australia policy was exacerbated from the point of view of security, Hughes thought, by Australia's geographical situation. Remote from European nations, the advance guard of the world's white population, ringed about by non-European peoples numbering half the population of the globe, with a coastline of 12 000 miles, great resources, an overseas shipping trade worth £250 000 000 annually, and new and mandated territories in the Pacific but 285 miles at their closest from those of Japan, Australians must be prepared to defend themselves.

Hughes repudiated those who, though recognising this, asserted that Australia could rely solely on the protection of the Royal Navy or the good offices of the League of Nations. The will to war still existed in the mind of man and the infant League could not prevent war. Indeed, membership of the League, like partnership in the British Empire, imposed an obligation to maintain an adequate Defence Force.

Within that force, the Navy must provide Australia's first line of defence: 'We have an island continent, and it will be a bad day for us if we have to defend Australia within Australia'. Here, the role of the battleship, rather than the light cruiser or submarine, as the deciding factor in naval warfare created a serious problem for Australia because the maintenance of a great battlefleet was beyond the capacity of her five million people. Immigration could solve that in the long term. 'In the meantime, we must cut our coat

according to our cloth' and, in this statement by implication only, look to the Royal Navy for ultimate protection. The confinement of the expression of dependence to implication was unusual, Hughes often expressed it directly: 'The Dominions could not exist if it were not for the British Navy'.

The implications of this broad assessment for the operational requirements and equipment of the postwar Navy were not soon worked out. More than four years after the Armistice, Admiral Everett taxed the Prime Minister, S.M. Bruce, with Australia's lack of 'a definite naval policy for a number of years; ... the Naval Board's difficulty was to know what the Government wished. Without doubt it was a question of pounds, shillings and pence, but Australia ought to know the extent of its present exposure to attack from the sea'. The shortcoming complained of by the Admiral was a consequence of successive postwar decisions to defer an overall review of the future strength of the forces.

In 1919 the ground for the initial postponement was that the review should await the outcome of the Peace Conference. The following year, with the peace concluded, it was decided to await the results of the Imperial Conference scheduled for 1921. During that Conference President Harding of the United States of America invited the principal naval powers to participate in a conference at Washington on the limitation of armament. In consequence, the Imperial Conference then resolved to defer the implementation of its recommendations concerning naval defence until after the Washington Conference. The Australian review was yet again postponed to permit consideration of the conclusions of the Imperial Conference convened in October 1923 in part to examine the implications of the several agreements reached in Washington. Pending the outcome of that Conference, the Bruce-Page Government, in addition to providing for current expenditure, set aside in the 1923-24 estimates a Defence Reserve of £2 500 000 which equalled one third of the surplus on revenue accumulated since 1915-16.

That Governments for five years professed not to know what Navy was required to provide for Australia's security interests did not deter them from a series of decisions affecting the shape and size of the Navy: they might not have known what Navy they wanted, but their actions suggested they knew what Navy they did not want. Broadly, in any one financial year, the Navy budgeted for tended to be smaller and with less provision for training and reserves of fuel and stores than that of the previous year, for the Navy, like the other Services, was haunted postwar by the spectre of economy. Naval expenditure for the financial years 1913-14 and 1918-19 to 1923-24 is set out in Table I.1. In the light of the estimate made by Hughes in 1920 that an expenditure then of £7 million was the equivalent in purchasing power of £4 million before the war, Table I.1 shows that real non-war expenditure declined.

The postwar quinquennium certainly saw reductions in the Navy. In August 1914 there were 16 ships in commission, five under construction and 3730 permanent personnel. By May 1919 the Fleet had expanded to 36 ships in commission and one building, while at the end of 1918 there were 5263 permanent personnel. Six years later, only eleven ships remained in commission, and on 15 May 1924 there were 3667 permanent personnel.

Table I.1 - Naval Expenditure 1913-14 and 1918-19 to 1923-24

Year	War expenditure	Non-war expenditure	Total naval
	£	£	£
1913-14		1 987 101	1 987 101 <sup>a</sup>
1918-19	7 466 953	1 945 965	9 412 918
1919-20	3 723 338	1 910 240	5 633 578
1920-21	576 839	3 081 750	3 658 578
1921-22	260 558	2 952 178	3 212 736
1922-23	200 912	2 374 219	2 575 131
1923-24	Cr. 523	2 279 833 <sup>b</sup>	2 279 310 <sup>b</sup>

Notes:

- a. As separate service accounts were not always kept, the Naval section for 1913-14 does not include some amounts which properly belong to it.
- b. These amounts do not include the £2 million appropriated to the credit of the Naval Construction Trust Account by the Defence Equipment Act 1924.

Source: *Parliamentary Papers 1929-30-31*, Vol. IV, *General Finance*, pp. 971-2, 'Comparison of Defence, War and Repatriation Expenditure.'

Like those of the Navy, the capabilities of the Army and the infant Air Force were also affected by postwar economies. In March 1923 the Army lacked anti-aircraft guns, tanks and 'armed motor cars', and it was estimated that the ammunition available for its guns 'would improbably suffice for a day's action'. A year later, the RAAF, which consisted of 65 officers and 300 men, had 'two machines fit for war' and these were seaplanes. Of the 128 aircraft presented to Australia by Great Britain at the end of the war, 97 were still in the cases in which they had been shipped out. Nor were the RAAF's facilities overdeveloped: the personnel at Point Cook, when a high wind blew, had to hang on to the canvas hangars used to house training machines to prevent those hangars from being blown away.

The desire for economy had begun in earnest in November 1918 when the Government appointed a Royal Commission to examine the expenditure of the Commonwealth and to report on what savings could be effected. Then, early in 1919, the Acting Minister for the Navy and former Treasurer, A.M. Poynton, suggested to the Acting Prime Minister and Treasurer, W.A. Watt, that 'the pruning knife' should be applied to the Service estimates for 1919-20 before their submission to the Treasury. Watt accepted this proposal and on his motion the Council of Defence resolved that the Service Ministers should 'effect all savings possible' so that their departments 'might be placed on a pre-war basis with the least avoidable delay'.

Despite marked increases since 1913-14 in the number of vessels, personnel and rates of pay, the final Navy estimates for 1919-20 registered an increase of less than 12 per cent over that year, whose expenditure in money terms was widely regarded as 'normal'.

'Every effort' was made to keep down the next year's estimates due to 'the huge indebtedness of the Commonwealth'. During their preparation, when considering provisional Defence estimates of £8.25 million, including £3.62 million for the Navy, the unreasoned conclusion of the Council of Defence presided over by Hughes was that:

this minimum expenditure will give Australia a 'sporting chance' of holding out till British command of the Pacific can be established. With any less expenditure there would be no chance of security to Australia in the event of war.

Later, in a request to the British Government for Admiralty advice, Hughes alluded to the insurmountable financial considerations governing Defence expenditure and confessed his Government's inability 'to determine how moneys available for Naval defence can best be utilised. It is groping in the dark'. In the event, the number of fully-crewed vessels was reduced to sixteen, including two light cruisers, six destroyers, and six 'J' class submarines, while eleven ships were placed in various degrees of reserve, including the battlecruiser HMAS *Australia* and a protected cruiser, HMAS *Melbourne*, with nucleus crews. These reductions and the imposition of stringent fuel economies which restricted the Fleet training programme brought a series of unavailing protests from the Commodore Commanding the Australian Squadron, J.S. Dumaresq.

The rhetorical defence of the economy measures resorted to by Hughes was evidence of the strength of the political demand for economy: denying that the policy was extravagant, and wanting for the opposite criticism, he described it, without pertinent elaboration, as 'a policy which is very near to the danger point; but we must take some risks'.

The next year's Navy estimates, those for 1921-22, were framed 'with a view to maintaining the present Naval Forces as far as possible in a state of efficiency', the sea-going Fleet was reduced to fourteen ships and training programmes and reserves of fuel and ammunition were cut.

Though after the Washington Conference the Government deferred a long term review of the Navy until the treaties and resolutions there agreed had been ratified and weighed at an Imperial Conference, the Governor-General on 28 June 1922 informed Parliament of his Advisers' conclusion that the agreements guaranteed 'peace in the Pacific for some time to come' and of their decision to make further reductions in the Navy. Outside the confines of Cabinet advice to the Governor-General, Hughes was less circumspect in his assessment: the Quadruple Treaty had given Australia an assurance of peace for ten years; instead of contemplating additional naval expenditure she could effect 'immediate and substantial savings'.

The proposed saving was £500 000 on the preceding estimates and the Minister for Defence, W.M. Greene, sought recommendations from the Commonwealth Naval Board on this basis. Through Admiral Everett, the Board warned Greene that it was unsafe to reduce the naval forces below a point from which rapid expansion could be achieved in a reasonable time, and that this point had been reached. To reduce the Navy still more would cut at the roots of its morale and the machinery for its resuscitation would be destroyed.

To meet the cut the Board considered, but rejected, reducing below three the number of light cruisers in commission. 'Such a reduction', Admiral Everett later advised the Council of Defence in a further rustic, but mixed metaphor, 'could be likened to cutting the trunk of the tree; and it would have destroyed the soul of the RAN'. Throughout the



postwar quinquennium and consistent with Admiralty advice the Board, though early influenced by a desire to retain a balanced skeleton fleet, sought as its first priority to keep intact the cruiser force. Finally, about half of the necessary sum was saved by withdrawing from service the remaining three 'J' class submarines and the balance by the termination of new construction consequent upon the completion of the light cruiser *Adelaide*, which had been building at Cockatoo Island Dockyard since November 1917.

On several occasions reference has been made variously to the deliberations, assessments and decisions concerning defence and naval policy of certain bodies—the Cabinet, the Council of Defence and the Commonwealth Naval Board, as well as of the holders of certain posts—the Prime Minister, the Treasurer, the Ministers for Defence and the Navy, and the First Naval Member. Before the origins and content of the naval elements of the five-year programme are analysed, the machinery devoted to the formulation of defence and naval policy will be outlined briefly. The outline is confined in two ways: first, to the machinery as it existed during the lead up to, and at the time of, the seaplane carrier decision, approximately mid-1923 to mid-1925, secondly, the dynamics of the machinery are not addressed for their consideration is a facet of the subject matter of the rest of the paper.

At the apex of the administration stood the Cabinet, one member of which was the Minister for Defence who was responsible for all three Services and Munitions Supply, the separate Navy Ministry having been abolished on 21 December 1921. Subordinate to the Cabinet was the Council of Defence with powers and functions concerning, as its name implied, defence as a whole. The Council was the formal institutional link between Australia and Britain in the machinery of Imperial defence. It was charged to insure that 'the whole policy of the defence of Australia by the Naval, Military and Air Forces' was consistent generally with Imperial plans, especially those plans directly concerning Australia, and to issue instructions as necessary to those ends.

Domestically, the Council was further charged to secure the efficient and economical implementation by the Services and the Munitions Supply Branch of approved defence policy and to coordinate all official as well as 'the commercial and manufacturing activities of Australia' to insure, if necessary, the mobilisation of all resources for the defence of Australia. Finally, the Council had to advise upon and supervise the total expenditure upon defence and the distribution of that expenditure.

With effect from 31 October 1923 the Council was bifurcated, conducting its business through General and Ordinary Meetings, rather than as hitherto through a single form of meeting. For a General Meeting, the Council's members were the Prime Minister, who was empowered to convene such a meeting, the Treasurer, the Minister for Defence, the First and Second Naval Members, a third naval officer nominated by the Minister for Defence, the Inspector-General of the Military Forces, the First Military Member, and two other Senior Military Officers of the Active List nominated by the Minister for Defence. The Prime Minister could also summon for consultation such other persons as the Minister for Defence thought fit.

For an Ordinary Meeting, the Council's members were the Minister for Defence, who was empowered to convene such a meeting, the First and Second Naval Members, the Inspector-General of the Military Forces, and the First Military Member. The Minister for

Defence could also summon to an Ordinary Meeting such persons for consultation as he thought fit.

The apportionment of the Council's work between the two levels of meeting was designed to confine the General Council's deliberations to questions of 'importance and difficulty', ones on which the Ordinary Council or the departments had clearly defined the issues and established the facts, thereby saving the time of those Cabinet Ministers, the Prime Minister and Treasurer, who had hitherto been expected to attend all Council meetings.

The Ordinary Council enjoyed a degree of autonomy: all its decisions did not have to be referred to a General Meeting, some could be dealt with by the Minister for Defence on his own authority or after consultation with his ministerial colleagues. Further, because any member of a Service board who was directly concerned with a matter before the Ordinary Council could attend its discussion at the Minister's invitation, it was not normally necessary for the conclusions of an Ordinary Meeting to be forwarded to the Defence boards for their formal concurrence, though a board member could request this. Where the views of those present at an Ordinary meeting diverged and could not be reconciled, there was provision for a statement of the points of difference to be submitted to the Minister for Defence.

To assist in the execution of its responsibilities the Council could appoint committees to conduct inquiries and make recommendations, but all executive action in connection with the Council had to be taken through existing official channels. The Secretary, Department of Defence, was appointed Secretary to the Council and he was assisted by three Assistant Secretaries responsible to him but each representing one of the Services.

With respect to the Navy, the Naval Board was 'charged with the control and administration of all matters relating to the Naval Forces, upon the policy directed by the Minister' who was its President and who had the general direction and supervision of all business. Other members were the First Naval Member and Chief of Naval Staff who was responsible for operations of war and all Staff business, including all large questions of naval policy and maritime warfare; the Second Naval Member and Chief of Personnel; the Third Naval Member and Chief of Construction, Supplies and Transport; and the Finance and Civil Member.

In the absence of the Minister the Senior Naval Member present could convene the Board. All Board decisions involving a matter of policy or important principle, an increased vote or transfer of votes, or any new expenditure, had to be submitted for ministerial approval. On other Board decisions, no action could be taken until the Minister had been advised and his sanction obtained unless he had directed that the matter need not be so submitted. Finally, if the Minister disapproved a Board recommendation considered by the Board to be of vital importance, any member of the Board, or the Board as a whole, could place on record a statement of the reasons for the recommendation.

## 2 The Origins and Content of the Naval Elements of the Five-Year Defence Development Programme 1924–29

The postwar period of procrastination and economy ended in 1924 following the return of the Prime Minister from the Imperial Conference. In a series of Parliamentary statements made before and after the Conference, Bruce developed what amounted to an assessment of Australia's strategic outlook and from this was derived the requirement for the additions to Australia's defence capabilities which he and the Minister for Defence, E.K. Bowden, announced that the Government intended to acquire through a five-year defence development programme. Bruce's public statements, constrained and incomplete though they doubtless were, are used as evidence of the Government's reasoning from strategic outlook, to policy, to operational requirement, to defence equipment procurement, because no other comparable statements of the official view have been traced. It would appear, though this is not certain, that Bruce composed his statements himself.

Bruce's strategic assessment was more refined than that of Hughes four years earlier and also took into account international developments since 1920, including the workings of the League of Nations and, more importantly for Australia, the consequences of the termination of the Anglo-Japanese alliance and of the attempts to regulate great power competition, especially naval and in East Asia and the Pacific, represented by and resulting from the Washington Conference. The assessment, and even more so the naval component of the five-year programme, were influenced by the formal and informal deliberations, as well as the results, of the two postwar Imperial Conferences and by the official British strategic assessments and force structure advice conveyed to Australia mainly through the channel of the Committee of Imperial Defence (CID) but in large measure emanating originally from the Admiralty.

*The assessment of Australia's strategic outlook propounded by Bruce rested upon fundamental assumptions concerning the nature of man, certain states and the international system. Human nature, for Bruce a cause of conflict, had not been changed by the experiences of the 1914–18 war. The revulsion against war produced in some people by the recent conflict was weakening, and reliance solely upon that feeling to ensure Australia's security would be a slender thread to depend on.*

Bruce also subscribed to the classic proposition that defects in states cause wars among them, as well as to its variant, that states resort to war because it promotes internal unity:

Another thing that we have to remember is that the governments of the world and forms of government have been changing rapidly of late. We have seen countries that were monarchies go to the farthest extreme of democracy. In building up a new social and industrial order, it nearly always happens that a group of men, who have managed to seize power inside a community, gain their influence and position by appealing to the national sentiments and aspirations of the people over whom they rule. Having

achieved their immediate aim they frequently have to continue their appeal in order to retain their positions. A very real and very grave danger to the peace of the world lies in the fact that leaders, to maintain their position, may appeal to the sentiments of a people and arouse their national ambitions.

Furthermore, unlike Australia, a new nation without a history, the older nations had enduring mutual hatreds which could lead to conflict into which innocent nations might be drawn.

The third focus of causes of war identified by Bruce was the anarchic international system. War was inevitable because there was no system of law enforceable among sovereign states compelling them to settle their disputes peacefully. The League of Nations, which Bruce well knew was no more than, or other than, its member states, had 'not the power today to enforce its will upon the nations': it could not ensure the future safety and peace of the world. Universal peace was not at hand, he stated, and in the world's circumstances there was a clear necessity to provide for the defence of Australia.

Turning from the general, Bruce identified further cause for concern in the geography of the Australian continent and its location on the Pacific littoral. He emphasised Australia's distance from Europe, her ethnic isolation, the weakness of the coastline of 12 000 miles, the concentration of population in the south-east, and the vulnerability to attack, because of their situation on the seaboard, of the principal cities—the centres of Australian manufacturing.

Looking northwards, Bruce saw countries whose peoples belonged to different races, had different outlooks and mentalities, and were of different colours and religions. The future of China, a complicated and difficult question, was a potential source of conflict: national views, a veiled allusion to Japan's 'liberal' China policy, were subject to change. The nations of and with interests in the Pacific and the Far East might find themselves opposed on questions that there might be the greatest difficulty in settling peacefully.

Bruce also pointed to Japan's growing military capability and in a hypothetical contingency cited Japan as the aggressor and the Philippines as the victim. To illustrate the limitations of one of the Washington treaties he said:

there is nothing in the treaty that would prevent—and not for the moment do I suggest that anything of the sort would happen, or could be contemplated—Japan attacking the American possessions at Manila.

Bruce again drew attention to Japan by tabling figures of present and future (1929) cruiser and submarine numbers which revealed growing Japanese and declining British strength. Though he declined to comment in any way on the implications of the figures, Bruce insisted that they would repay close study.

In any event but with imprecision, Bruce did not anticipate 'trouble with Japan' and nor, in one sense of the word did London: in August 1919 the British Cabinet had directed the Service departments to revise their estimates for the 1920–21 financial year 'on the assumption that the British Empire would not be engaged in any great war during the next ten years'. Three years later, the Committee of Imperial Defence advised the Australian

Government that a war between the British Empire and any of the great naval powers was considered unlikely during the next ten years, while in 1923 the Lord President of the Council, Lord Salisbury, assured the Imperial Conference that there was 'not a cloud in sight' between the Empire and Japan, 'not a cloud in the sky'. The Prime Minister of New Zealand, W.F. Massey, recognised however, as indeed did Salisbury with his talk of the need for insurance, that:

... there are no clouds on the horizon tonight, but there may be plenty here tomorrow morning.

*The British Government several times extended the Ten Year Rule during the 1920s and in 1929 made it automatically renewable on an annual basis. In 1924, with the characteristic excess he brought to any endeavour that he embraced, Winston Churchill, then Chancellor of the Exchequer, unsuccessfully sought from the Foreign Secretary, Austen Chamberlain, a declaration to the Cabinet 'ruling out war with Japan from among the reasonable possibilities to be taken into account' over as long a period as the next twenty years.*

Stephen Roskill, an analyst of British naval policy of the inter-war years has commented:

This rule, which ... was not based on any scientific analysis, was to exert profound influence on all aspects of British naval policy for the next decade and more (after 1919), since it gave the Treasury the whip-hand whenever any request for increased expenditure was put forward. That department had only declare that a proposal ran counter to the ten year Rule to render it nugatory.

The Ten Year Rule was finally abolished in 1932.

Bruce's analysis led him to the conclusion that while Australia must provide 'a measure of defence on land', because she was an island and any attack on her must be seaborne, her defence problem was primarily naval. 'All branches of the defence service—navy, army, and air—admit that' he informed Parliament and so had their representatives at a meeting of the Council of Defence.

In naval warfare, according to Bruce, the capital, or battleship, remained the dominant factor. It was the foundation and ultimate sanction of sea power and had not been rendered inefficient by the capability of the submarine or the aeroplane to deliver munitions against it. Both the best advice available to Australia, that of the Admiralty, and the shipbuilding policies of the American and Japanese naval staffs, testified to that. Here, Bruce was referring in part to the findings of the Naval Shipbuilding (Bonar Law) Sub-Committee of the CID (1920–21) which had rejected the case against the battleship. Moreover, at the 1923 Imperial Conference, Bruce had enquired whether the battleship was absolutely essential to the conduct of naval warfare and secured and accepted the assurance of the First Lord of the Admiralty, L.S. Amery, that it remained the centre and pivot of fleet power, the new factors that had arisen in naval warfare, the aeroplane and the submarine, were complementary and ancillary.

From the premise of battleship supremacy Bruce drew two conclusions, the first concerning Australia's need for an ally. Because the battleship was the decisive factor in naval warfare, Bruce stated that to ensure Australia's safety would require at least one such vessel and probably more; and to the building cost of one of between £7 million and £10 million, the costs of maintenance and operation would have to be added. The economic burden of making such a provision would, he suggested, arrest the whole of Australia's development for years to come. This was less desirable an alternative than 'alliance with some other Power' which would provide the necessary naval force. For Australia, Bruce declared, there was 'only one natural Ally ... and that is the rest of the British Empire ... any defence we are to have must be inside the Empire'.

This meant, as Bruce knew, reliance upon Britain and the Royal Navy, for in matters of imperial defence New Zealand was a willing partner but lacked resources, South Africa and the Irish Free State as, in effect, 'ex-enemy states' of Britain were at best obstructionist, while Canada, sheltering behind the American shield and sensitive of the Anglophobia of her own Francophones, in Bruce's words, 'was hopeless'.

During this period Bruce did not invariably portray reliance upon Britain as being determined by an Australian preference to allocate scarce resources to development. He sometimes saw the provision of an adequate defence, admittedly against an unspecified contingency, as absolutely beyond Australia's resources:

Whatever Australia did alone would be utterly futile, unless with the prospect of help from a powerful nation.

...

... whatever Australia did in the way of naval defence, unaided by the Mother Country or an equally powerful nation, would be totally unavailing.

As Treasurer in the Hughes Government Bruce had supported and defended the 1922–23 reductions in the Navy made in the optimistic afterglow of the Washington Conference. Now, as Prime Minister and from his acceptance of the continuing primacy of the battleship and of the need for Britain to bridge Australia's battleship gap, taken together with his assessment of the uncertainty of the future situation in the Pacific and a reconsideration of the consequences of the Washington Conference, Bruce concluded that the development by Britain of the existing Singapore naval base into a main fleet base was vital to the defence of Australia.

This is not the place for a detailed analysis of the agreements reached at the 1921–22 Washington Conference but reference to their provisions is a prerequisite to an understanding of Bruce's broad assessment of the strategic situation in the Pacific. The Conference, which was in effect three conferences in one, was attended by official delegations from the British Empire, including an Australian representative, Senator George Pearce, and from the United States, Japan, France, Italy, Belgium, China, the Netherlands and Portugal.

All nine powers participated in a conference on a general settlement of 'Far Eastern' problems, agreeing by treaty (6 February 1922) to respect the sovereignty, independence and territorial and administrative integrity of China and to maintain the principle of the Open Door—equal opportunities for all powers to trade and invest in China.

Negotiations between the British Empire, the United States, Japan and France resulted in the Four-Power Treaties of 13 December 1921 and 6 February 1922 relating to the Pacific. These were substitutes for the Anglo-Japanese Alliance, now to be terminated on 17 August 1923 because of American resentment and consequent British embarrassment in its desire for Anglo-American friendship. The signatories mutually agreed to respect their rights in relation to their insular possessions and dominions in the Pacific Ocean, to consult over any mutual controversy arising out of any Pacific question to the exclusion of immigration and tariff matters, and to consult in the case of danger from any other power.

Five powers, the preceding four and Italy, signed a Treaty for Limitation of Naval Armament on 6 February 1922. Broadly, the British Empire, the United States and Japan agreed on a 5:5:3 ratio in terms of displacement tonnage for capital ships (525 000 : 525 000 : 315 000) and aircraft carriers (135 000 : 135 000 : 81 000). No capital ship was to exceed 35 000 tons or to carry guns in excess of 16-inch, while carriers were not to exceed 33 000 tons or to carry guns of greater than 8-inch calibre. No quotas were agreed with respect to other types of ship but these were not to exceed 10 000 tons or to mount guns of greater than 8-inch calibre. Twenty years was accepted as the effective life of capital ships and aircraft carriers and, with certain specified exceptions, all capital ship building programmes were abandoned. There was to be a ten-year holiday before the commencement of replacement building which was to be accompanied by scrapping to keep aggregate tonnages within treaty limits.

The naval limitation treaty was an international marker, not a cause of, the passing of Britain's long period of naval dominance which successive British Governments considered could no longer be maintained because of their shared conception of Britain's economic circumstances, particularly their apprehension of the political and economic consequences of higher taxes. The Imperial Conference of 1921 had declared the One Power Standard—'equality with the naval strength of any other power'—as the minimum standard to provide such naval defence as might be essential for the security of the Empire. At Washington, that standard was fixed as the maximum.

The Japanese had refused during the negotiations to accept their inferiority in capital ships unless Britain and the United States agreed to maintain the status quo with respect to fortifications and naval bases in the Pacific area. They initially proposed that the United States agree not to fortify Manila and Guam, both 1300 miles from Japan, and Hawaii, 3800 miles from Japan. In return, Japan offered to abandon her intention to fortify Formosa, the Pescadores and Oshima. The outcome of the ensuing protracted negotiations was that a restriction on added fortification was applied to all insular possessions of the United States in the Pacific, except for the Hawaiian Group and islands adjacent to the United States mainland; to Hong Kong and all insular possessions of the British Empire in the Pacific east of meridian 110°, except the Commonwealth of Australia and its territories, New Zealand, and islands adjacent to the Canadian coast; and to certain specified Japanese islands, including the Kuriles, Formosa, and the Pescadores, but excluding her main islands and Southern Sakhalin.

This agreement left Britain free to develop Singapore into a main fleet base but secured Japan against the establishment of such a base within striking distance of her main islands—short of a significant increase in the maximum distance from base at which

warships were capable of operating effectively. Thus Japan's defensive position in the Western Pacific was rendered near impregnable by sea, safeguarding both Japan herself and her communications with her continental possessions and China. Hong Kong and the Philippines, on the other hand, were placed at the mercy of the Imperial Japanese Navy.

The Australian Government received four related memoranda containing assessments by the British Naval Staff, which had been reviewed and approved by the Defence sub-committee of the CID, of the implications for Empire Naval Policy and Cooperation of the Washington Agreements and their corollary—the abrogation of the Anglo-Japanese Alliance.

The findings of the first memorandum were touched on at a Council of Defence meeting in March 1923 when Bruce described them as being of 'exceptionally grave import' for Australia, but confessed that he might not have read the memorandum had not the Governor-General, Lord Forster, drawn it to his attention. The further memoranda were prepared simultaneously for the 1923 Imperial Conference and to a significant degree they incorporated the conclusions of the first memorandum on the strategic situation in Pacific but in softer language.

The later conclusions are summarised immediately below with their 'harder' predecessors shown in brackets to allow comparison. The differences in emphasis which this reveals could be authoritatively explained only following an examination of British Cabinet (CID) and Admiralty records. What the differences do show is the susceptibility of strategic assessments to 'fine tuning' designed to achieve purposes whose rationale is not strictly strategic.

The Admiralty concluded that the strategic situation had been changed (adversely affected/changed for the worse) mainly because America, except for a base in Hawaii, did not possess and could not construct naval bases in the Pacific to enable her to move her fleet across that ocean. This would prevent her from taking effective action in the Western Pacific, so that were Japan unfortunately to become aggressive (were Japan to declare war on the British Empire) the British Empire would be the only power able to offer restraint and therefore might become involved in war. But the capital ship superiority of the Royal over the Imperial Japanese Navy (5:3) was offset to a considerable extent by the great distance at which the British Main Fleet would have to operate from its major bases of supply and repair, which meant that it could not be divided into detachments but must be ready to move as a whole to any threatened area. This requirement for unity and mobility made it necessary (of great urgency) to press on with the preparation for a rapid concentration of the British Main Fleet in the Far East, the keystone of which was the development of Singapore as a fuelling and repair base. Hong Kong, once a first-class naval base, could not be further fortified and the increase in the size of battleships, developments in ordnance and the introduction of oil fuel had rendered it useless as a base for a modern fleet.

Even after the completion of the Singapore Fleet Base and the intermediate fuelling bases, and assuming the Suez Canal were open, the fleet would take from one month to six weeks to reach the Far East.



The original British decision in principle to develop Singapore into a base capable of docking, repairing, refuelling and storing modern capital ships was taken by the Lloyd George Cabinet in June 1921. No provision was made towards its cost, however, until March 1923 when the Bonar Law Cabinet set aside £160 000 in the 1923–24 naval estimates: the estimated total cost of the project was then £11 million.

That August, before Bruce departed for the Imperial Conference, the Council of Defence considered CID Memoranda 194C and 195C. The Council's unanimous view was that upgrading of the Singapore Base was a vital Australian defence interest, without it, in Lieutenant-General Monash's representative opinion, Australia's strategic position was 'practically hopeless'. Bruce, who agreed, later secured from Amery at the Imperial Conference a reiteration of the argument for the strategic necessity of the base and together with the Prime Minister of South Africa, J.C. Smuts, he asked a series of pertinent questions relating to the certainty of development, defensibility, and reinforceability of Singapore. Amery was confident that once the base's facilities and defences were developed it would not be impossible to defend it against a Japanese attack until the Main Fleet arrived: Singapore, he thought, would be able to hold out 'for a good many weeks, possibly for a good many months'. Sceptical, Bruce declared himself 'not quite as clear as I should like to be as to how the position of Singapore is to be assured' but then puzzlingly added, 'I am clear on this point, that apparently it can be done'.

Smuts, with little to offer the cause of Imperial Defence beyond the Cape route and his keen intellect, raised another crucial matter—reinforceability: 'in the event of the least danger in Europe' coinciding with Japan 'raising trouble' in the Pacific, was it a feasible proposition to divide the Main Fleet? Smuts, who had read the CID memoranda, thought it 'very doubtful', given the capital ship ratio of 5:3, that Australia and New Zealand could safely rely for their protection on a division of the fleet in such a contingency.

In reply, Amery admitted:

Of course it is perfectly conceivable, as General Smuts said, that, if there were a European combination against us at the same time as war was declared against us by Japan, we should be in a position of extraordinary difficulty, but, even so, I should think against such a combination we might find allies, and the fact that Singapore could hold out for a good many weeks, possibly for a good many months, might be a very strong inducement to a Power like the United States to come in quickly and to go and help before the situation in the Far East had been entirely and irretrievably altered.

In short, possibly even in a seriously threatening situation on two fronts and certainly in a two-front war, the safety of Australia and its interests might well be dependent upon the intervention on the British side of an isolationist America. Bruce nonetheless accepted Amery's reassurances, doubtless for want of something better, and during discussions at the Admiralty offered an Australian contribution to the development of the Singapore base of construction materials and stores worth £500 000 to be made over a five-year period.

There then followed a series of events whose culmination, the decision by the British Government not to proceed with the Singapore Base, resulted in Bruce calling into question

the reliability of Britain as the ultimate guarantor of Australian security. Indeed that decision led Bruce to espouse in the one speech two seemingly practically incompatible propositions, the first being that Australia had no choice but dependence upon Britain for her ultimate protection because absolute self-reliance was either completely beyond Australia's means or would distort her development to an unacceptable degree. The second proposition was that Australia could no longer rely upon Britain. We shall see below how Bruce resorted to strategic Micawberism to reconcile the seemingly irreconcilable.

Briefly, in December 1923 a General Election was held in Britain in which the governing Conservative Party and its supporters lost heavily. Six days after the opening of the new Parliament the Government was defeated, Baldwin resigned, and Ramsay Macdonald, with Liberal support, became the first Labour Prime Minister. Within two months, the Cabinet decided for the time being to incur no further expenditure on the Singapore base and formed a Cabinet Committee to report, *inter alia*, on whether the base should be proceeded with. Dominion governments were informed of these measures.

In evidence to the Committee the First Sea Lord, Admiral of the Fleet Earl Beatty, warned that if the base were not developed Japan could seize and establish herself at Singapore and 'destroy our oil fuel storage and the ports of Colombo, Trincomali, Madras and Rangoon. She could exercise complete control of the sea communications in the Indian Ocean for 42 days, and (for) at least a year in the Pacific.'

Beatty, conceded the Labour Colonial Secretary, J.R. Thomas, had made a good strategic case but, as the British Government was to inform the Dominions on 6 March in a telegraphed draft of a statement Macdonald proposed to make in the Commons, the matter had to be considered in a wider relationship and this led to the conclusion that the base should not be developed.

That wider relationship was the Labour Government's commitment to the creation of conditions which it thought would make possible a comprehensive agreement on the limitation of armaments. Macdonald believed the fostering of those conditions would be hampered if Britain embarked on the construction of 'a great naval base' at Singapore: indeed, to do so would be an advance admission of failure. That, in its turn, would almost inevitably result in an arms race in the Far East. He offered Australia and New Zealand the empty consolation that the whole matter would be reconsidered if the practical necessity arose of implementing a complete defensive strategy in the Pacific.

Roskill tells us that this decision caused dismay and anger among the Service members of the Board of Admiralty: the Australian Cabinet reacted likewise. After considering Macdonald's cable, it decided that a 'strong protest' should be sent to London. In his reply, Bruce stood Macdonald's central assertion on its head, suggesting that not to proceed with the base would seriously jeopardise the attainment of Britain's objectives. The British Empire's influence for peace was due, he argued, to its strength relative to other great powers and that depended mainly on the power and mobility of the Royal Navy. To secure that mobility, a main base in the Pacific was imperative. Without it, the existence and prestige of the Empire would be imperilled and peace menaced.

Bruce went on tartly to press on Macdonald an inconsistency in British policy, pointing out that the establishment of a main base in the Pacific would no more hamper the

development of international confidence than would an increase in the Royal Air Force, a reference to the determination of the Macdonald Cabinet to proceed with a scheme for the enlargement of the RAF already decided upon by the previous Government which provided £2 840 000 for the formation of eight new squadrons for home defence, bringing the total to eighteen.

Bruce also warned Macdonald that the abandonment of the base would shatter the confidence of smaller nations and cause deep distrust of Britain throughout the Empire. In *the Pacific, British power and influence would be destroyed by the inability to maintain there a battle fleet*. He concluded by formally urging a reconsideration of the decision, holding out the prospect of a substantial Australian contribution towards the cost of the base and this despite his (Bruce's) professed belief that the decision had been made on grounds of principle, not economy.

A week later, on 18 March 1924, Macdonald informed the Commons of the decision 'not to proceed with the Naval Base at Singapore'. During the ensuing debate the former First Lord, L.S. Amery, declared:

The turning down of the Singapore Base means that we say to the Dominions: 'In the hour of danger we are no longer prepared to help you, we deny ourselves access to your aid. When we are thinking of danger in London, of course, we make preparations in the air, because we cannot afford to run risks. But when it is your existence which is at stake, we are willing to run the risk.'

Not surprisingly, Bruce did not regard the cancellation as final and irrevocable, believing it would hold only as long as Labour remained in power. Should it lose office, perhaps through adherence to extremist views, Bruce had no doubt the decision would be reversed. In the meantime, Australia should not consider the development of an alternative primary base: her attitude should be to wait, and hope for change. It was not long in coming: following defeat on a censure motion Macdonald secured a dissolution and at the ensuing election the Conservatives secured an absolute majority. Baldwin became Prime Minister and on 26 November 1924 the Cabinet 'approved in principle that the Singapore naval base should be proceeded with'. As the phrase 'in principle' indicates, the future of the base was far from settled and safe from further tergiversation, but those events lie outside the scope of this paper.

The searing experience of the cancellation of the development of the Singapore base caused Bruce to question the reliability of Britain as the ultimate guarantor of Australia's security to an extent that he probably would not otherwise have done. He did so in June 1924 when moving the second reading of the Defence Equipment Bill:

The world's circumstances, and recent happenings in Great Britain, make thoughtful men wonder whether in the future we can rely so absolutely upon Britain's assistance.

There were two main reasons for this conclusion, the first being the decline of British power. The safety of Australia depended vitally upon the Royal Navy which was no longer pre-eminent, *the prewar Two Power Standard having been relinquished in favour of*

a One Power Standard whose attainment was the most that Australia could expect from Britain. Secondly, Australia had to recognise that British policy was not immutable. Britain enjoyed popular government and the views of a democracy changed from time to time. Australians, therefore,

must be prepared to contemplate a time when the people of that country may be against the maintenance of even a 'one-power' standard. If that happened, and Great Britain's strength was weakened, even though only temporarily, Australia's position would be imperilled.

What was more:

We are a very long way from Great Britain, and we have had evidence from time to time that the people of Britain do not fully realise the position of Australia and its value to the Empire. It is quite possible that in Britain, hard pressed as she is with the war burden, a short-sighted vision may be taken of the problem of Empire defence, and expenditure may be concentrated upon the immediate defence of Britain to the detriment of the outlying parts of the Empire.

Mr Maxwell - We have had some evidence of that recently.

Mr Bruce - That is so ... (the Singapore decision) was an indication of lack of knowledge on the part of the people of Great Britain regarding the Empire and its far-flung dependencies. There is the danger that Empire defence may, in future, be relegated to the second place, Britain's own defence becoming her primary consideration.

Bruce well knew that it had ever been so: successive British Governments had invariably given primacy to their conceptions of what measures would best serve the security of the British Isles: the pre-war naval concentration in Home Waters against the German threat illustrated this. What was at the heart of Bruce's concern was an emotional, as well as an intellectual, realisation that official British conceptions of British interests could result in action, or inaction, placing at risk interests deemed vital by Australia.

Bruce did not explore the horrendous implications of the plausible and alarming contingency he had presented to Parliament and people. He sought in neither argument nor action to reconcile the themes of dependence upon Britain and British unreliability. Nothing was done under the provisions of the Defence Equipment Acts of 1924, 1926 and 1928 and the Naval Construction Act of 1925, or in the five-year programme, or otherwise with respect to Defence, that would not have been done if the Macdonald Government had endorsed the development of the Singapore Base. This can perhaps be explained in part by the reversal of that decision within less than a year by the Baldwin Government, but that explanation overlooks the point of principle raised by Bruce, that because Britain was a democracy, and then more so because of her economic difficulties, British policy was subject to change in ways inimical to Australian interests: there was no law of imperial nature that the separate governments' conceptions of their interests would invariably overlap sufficiently to ensure Australia's security.

Having raised the doubt, Bruce left it there, Micawberlike in his hope that should the need arise the British fleet would turn up.

Bruce did not derive the requirement for the naval construction component of the five-year programme directly from his strategic assessment but from an examination of contingencies embedded in the context of that assessment. He identified two contingencies against which Australia required protection—a landing, and interdiction of her international trade. Only two types of landing were considered: invasion by a great expeditionary force and a raid by a minor force. Bruce regarded the former as a practical impossibility, believing that no nation would contemplate invasion without first securing absolute control of the seas and the Royal Navy would prevent that: 'so long as the capital ships of Great Britain are afloat, no country dare send a great expeditionary force against Australia'. While Bruce did not further pursue the point, Bowden recognised that 'if the British battle fleet were defeated, anything might happen'.

What Bruce did consider a credible contingency was attack by a raiding force whose size and composition he did not elaborate on beyond saying that it would at the most be escorted by 10 000-ton cruisers. The previous year Japan, building up to Washington Treaty limits, had laid down for completion by 1928 four *Nachi* (10 000 tons: 12 x 8-inch guns) and four *Kako* (7 100 tons: 6 x 8-inch guns) class cruisers capable of operating with the main fleet, or grouped, or independently.

Australia, Bruce argued, required the means to counter and therefore to deter a minor raid. A 'considerable part' of her 12 000 miles of coastline provided landing points for an invader to choose from, making it impossible to mount an adequate land defence before an attack. After a landing, the size of Australia and her inadequate means of transport would so limit and hamper land defence as to make it almost useless. What was required, therefore, was the 'comparatively limited number of vessels' sufficient to deter a potential raider by posing the threat of interception before a landing and/or the disruption of the raider's seaward lines of communication and disembarkation area were a landing effected.

The second contingency involved attack, again by at the most 10 000-ton cruisers, on Australia's international trade, an attack designed to intercept not only commodities and manufactures but also the 'great part' of Australia's munitions that was imported. As before, Bowden added perspective, acknowledging that Australia's trade routes were so long that she could not protect them unaided, but must do so in her own areas. This was not merely a matter of prudence: it also recognised an obligation under defence resolution (3)(a) of the 1923 Imperial Conference which suggested as a guiding principle: 'The primary responsibility of each portion of the Empire represented at the Conference for its own local defence'.

It then was, and remained so between the wars, an established Admiralty view that in the event of war with a principal naval power there would be a shortage of regular cruisers. The calculation was that the Royal Navy would be able to meet the requirement for main fleet work and reconnaissance but not all that for trade protection on the ocean routes and subsidiary operations. The Admiralty looked to the Dominions to help reduce the cruiser deficit, for deficit there would be. In October 1923 the Plans Division of the British Naval Staff proposed a nine-year programme involving the construction of 48 cruisers of 10

000 tons displacement and mounting 8-inch guns: eight to be laid down in each of 1924, 1925 and 1926 and four in each of the next six years, 1927–32. Early in 1924, as a first faltering step, the Macdonald Government approved the construction of but five cruisers.

To send the four protected cruisers of the RAN (5 000 tons, 23 knots, 6-inch guns) against Washington Treaty cruisers would be sending men to their deaths, Bowden told Parliament. Two of the RAN's cruisers, HMA Ships *Melbourne* and *Sydney*, were 'due for replacement in the present year' (1924) and would be succeeded by two modern British cruisers. The sketch outlines of these vessels, whose final design would emphasise the saving of weight in order to achieve the most powerful ships possible within the treaty limits, provided for a maximum displacement of 10 000 tons, a speed of not less than 33 knots, an endurance of 6 500 miles, oil-burning boilers, 7.5-inch or preferably 8-inch guns, anti-aircraft guns and a protected deck. The ships had to meet what was perceived as a growing threat of effective air attack and all their armament was required to have anti-aircraft as well as anti-ship capability. Eight inch main guns were decided upon and these had to be capable of a range of elevation ( $-10^{\circ}$  to  $+70^{\circ}$ ) and a loading rate (12 rounds per minute), both far in excess of anything previously attempted. In Roskill's judgement, given the contemporary technology, this was impossible of achievement and resulted in the cruisers being fitted with the least successful British warship armament of modern times.

The first of the two new cruisers, Bruce announced, would be constructed in Britain at an estimated cost of between £1.9 million and £2 million and delivered 'within two years' of ordering. This estimate of delivery time differed from Admiralty advice and later became a cause of discord between the two Governments. The building time conveyed in CID 195C was four years, 1928 being the year the *Melbourne* and the *Sydney* were due for replacement on the assumption of a 15-year life and 1924 being approximately the year for their replacements to be laid down. The life-of-type of fifteen years was that normally applying to postwar light cruisers, twelve years being considered appropriate to those which had taken part in the war, as had the *Melbourne* and the *Sydney*. The Admiralty explained its advice to lengthen their lives by 25 per cent by reference to financial considerations. On the basis of a war-life, both ships would have been due for replacement in 1925, meaning laying down their replacements in 1921, and that to a pre-Washington Treaty design.

Bruce would not say where the second cruiser was to be built and in its formal advice nor did the Admiralty tender an opinion, though it did suggest that the first two of six recommended submarines should be completed in Britain, with the third being sent out in sections for erection in Australia and the remaining three being built in Australia. Bruce did say, however, that the Government was 'very anxious' to build the second cruiser in Australia, thereby fostering Australian industry and assisting in the development of a warship building and repair capability. Inquiries were underway to ascertain the precise cost and duration of Australian construction, with the interim, minimum cost estimate being £3 million. It was not feasible to achieve economy by building both vessels in Australia as this would require construction in series in the same yard, using the same plant, and would involve an unacceptable delay in delivery.

The proposed cruiser acquisition, together with other naval elements in the five-year programme—the purchase of two ocean-going submarines, the construction of five 8 000-ton fuel oil storage tanks and the storage of 32 000 tons of fuel oil—were all consonant with Admiralty advice but represented incomplete compliance with that advice. For

instance, the Admiralty's recommendations, framed with the Japanese Light Cruiser Programme and Australia's economic and financial position in mind, suggested the acquisition within the five-year period of six rather than two submarines and a third light cruiser to be laid down in 1927 as the replacement of HMAS *Brisbane*. Outside the period, the commencement of a fourth cruiser to replace HMAS *Adelaide* was recommended for 1933, the Admiralty view being that to obtain and maintain full efficiency a light cruiser squadron should consist of at least four ships in full commission. Bruce accepted this principle and had told the Council of Defence that Australia ought to maintain a squadron of four Washington Treaty cruisers.

The Admiralty had also recommended the provision over the eight years 1923–31 of a war reserve of 200 000 tons of fuel oil and the necessary storage facilities which would have required a markedly higher annual rate of construction than that provided in the programme.

While the naval elements in the programme represented partial compliance with Admiralty advice, so were the contingencies against which the Admiralty advised their provision only partially reflected in Bruce's case. We have seen that Bruce argued for the cruiser acquisition to meet a requirement to deter raids and protect Australia's overseas trade. That the shortage of cruisers for trade protection was a constant Admiralty theme we have also seen, but the question of raids was not considered in the paper drafted by Admiralty, CID 195C, for transmission to the Australian Government before the 1923 Imperial Conference. Raids had been examined, however, in an earlier paper, CID 143-C, *Singapore: Development of as Naval Base* (June 1921), prepared by the Oversea Sub-Committee of the CID.

Considering, in the contingency of a war with Japan, the possible course of developments in the Pacific in the period before the arrival of the main British fleet during which Japan would temporarily hold command of the sea, the Sub-Committee concluded that an organised invasion of Australia was highly improbable until the Japanese fleet, or a combined fleet of Japan and her allies, had succeeded in wresting from the British Navy the permanent command of the Pacific. This meant defeating the Main Battle Fleet and that, it appeared, was a contingency then beyond contemplation, at least in documents circulated to the Dominions. If 'an organised invasion' (Sub-Committee) and 'invasion by a great expeditionary force' (Bruce) are regarded as referring to identical contingencies, and that is a very reasonable assumption, the Sub-Committee and Bruce were in agreement here.

The Sub-Committee also concluded that the despatch by Japan of a raiding force against Australia would be a practicable operation which might be undertaken, as might raids against Hong Kong and Singapore. Because, however, of the substantially greater strategic benefits that a raid on both or either of these two ports could confer on Japan and the doubts about the success of a raid which the strength of Australia's naval and military forces would give rise, the probability of an attack against Australia need not be seriously taken into account. Everything, the Sub-Committee concluded, pointed to the Japanese concentrating their main efforts against Hong Kong and Singapore.

These findings, arrived at before the Washington Conference, the scrapping of HMAS *Australia*, and the completion of the postwar reduction in the RAN, had not been revised by 1924. Thus the proposed cruiser acquisition could be seen as beginning to make

good the postwar decline in the capability of the RAN to deter raids. To this extent, the raid contingency advanced by Bruce for the acquisition was compatible with British advice. But it is important to note, as we have seen elsewhere, that the Admiralty was seeking to maximise the contribution of the Dominions to the Empire's ocean-going naval forces. The downplaying of the likelihood of raids was consistent with this objective, for the higher the credibility attaching to raids the stronger was likely to be the local demand for greater expenditure on land defence, with its likely corollary, lower expenditure on ocean-going naval forces. That such a manipulative consideration could have influenced the British assessment would have been well understood by Bruce. Possibly, therefore, he attached a higher probability to raids than did the British, as did certain Australian Army opinion, and his statement indicated this belief, though like the Admiralty he had to guard against the implications of over emphasis upon it. Finally, a statement of the need to use cruisers in direct defence of Australia was possibly calculated as being more likely to have the desired political effect in Australia than an exposition of the contingency apprehended by the Sub-Committee.

What Bruce did not mention in Parliament and was not discussed in the Council of Defence in the interval between the receipt of CID 195C and the announcement of the five-year programme was the major operational role envisaged by the Admiralty for the RAN in the event of a war with Japan in the period before the assembly at Singapore of the main British fleet. In the Admiralty's view, Japan's most likely objective during that period would be Singapore, whose seizure would deny the British fleet control of the Western Pacific and secure Japan's lines of communication in the direction of Australia and New Zealand. In this situation, the main task of Empire, including Australian, naval forces in the Western Pacific, which would be operating against greatly superior enemy forces, would be to delay and harass the despatch of an expedition against Singapore, or any operation, such as an attack on Hong Kong, designed to lead up to such an expedition.



### 3 The Decision of 5 March 1925 to Procure a Seaplane Carrier

The aim of this part is to demonstrate that the decision of the Bruce-Page Government to purchase a seaplane carrier for the RAN and to build that vessel in Australia derived mainly from a desire to meet the strong criticism, expressed in Parliament and outside as well as on both sides of politics, of the Government's previously announced intention to build one cruiser in Britain, rather than in Australia, and to meet the intensification of that criticism which the Government anticipated would follow the announcement of its decision to build the second cruiser in Britain also.

The potential for controversy of the cruiser procurement emerged on 27 March 1924 when Bruce announced the decision in principle to acquire two cruisers. The Leader of the Opposition, Matthew Charlton, told the House that he saw nothing in Bruce's statement on the 1923 Imperial and Economic Conferences worthy of debate. Instead, Charlton moved, and sought an immediate vote on, an amendment expressing support for the Macdonald Government's decision to abandon development of the Singapore Base. During that day's adjournment debate, however, two New South Wales Labor members, David Watkins (Newcastle) and John E. West (E. Sydney), urged that both cruisers be built in Australia. As the member for Newcastle, Watkins was concerned with the future of Walsh Island Dockyard, an instrumentality of the New South Wales Government, which during and after the 1914-18 war had built six merchantmen each of 5 500 tons deadweight.

Earlier in the day, a Nationalist, Walter Marks (Wentworth, NSW), had urged a start on one cruiser at Cockatoo Island Dockyard, then under the control of the Commonwealth Shipping Board, itself responsible to the Prime Minister. As Australia's leading civil and naval dockyard, Cockatoo Island had by mid-1924 built two protected cruisers—the *Brisbane* and *Adelaide*, three destroyers—the *Huon*, *Torrens* and *Swan*, two merchantmen each of 5 500 tons deadweight and one of 12 800 tons. A second vessel of this last type, the *Ferndale*, was due for completion in October 1924 and this, in the opinion of the Secretary, the Commonwealth Shipping Board, would place in doubt the jobs of 'several hundred workmen'. In supporting Australian construction the three members had raised a matter that later in the year was to generate an intense and lengthy national debate and was to be a significant issue in the 1925 election campaign.

Bruce introduced the Defence Equipment Bill, 1924 on 27 June and, as we have seen, announced that one of the cruisers would be built in Britain at an estimated cost of between £1.9 million and £2 million. It was to be funded from the Bill's naval construction provision of £2 million and delivery was expected within two years. Bruce had not then stated where the second cruiser was to be built, but had declared that the Government was very anxious for it to be in Australia. Inquiries were underway to ascertain the precise cost and duration of Australian construction, the interim cost estimate being £3 million. To achieve economies of scale by building both vessels in Australia was not feasible, according to Bruce, because it would require their construction in series in the same yard, using the

same plant, and would involve an unacceptable delay in delivery. The evident implication was that in the case of the second cruiser, the employment and defence industrial benefits of local construction would be weighed against its presumed additional cost and longer construction time. Bruce gave no indication, however, as to what cost premium would be too great, what delivery delay too long, or what combinations of both variables would prove unacceptable.

In the ensuing debate, criticism of the Government's intentions focussed on two broad considerations: the requirement for cruisers and their place, cost and duration of construction. Of these two considerations, the latter was to be of far greater political importance, but first Frank Anstey, then acting as Leader of the Opposition in the House and who was a proponent of the former, moved on the instructions of Caucus that the proposed expenditure of £2 million on naval construction be deferred. Anstey ridiculed Bruce's assumptions concerning the nature of man, the state and the international system, declared there would not be a war for 'many years', suggested Bruce had imagined dangers, and denied that Japan would ever assail Australia: in any event, two cruisers were insufficient to protect Australian overseas trade, including her munitions imports. He argued that the resources to be allocated to the cruisers should instead be used to make Australia self-sufficient in munitions, thereby ending her dependence on overseas supplies and creating employment in Australia. More generally, during the expected period of peace industries of defence significance should be developed and raw material reserves built up. Such standing defence capability as Australia required could be provided by submarines, aeroplanes and coastal guns.

Anstey's amendment for deferral was defeated by 35 votes to 24 and his Labor colleague, W.G. Mahony (Dalley, NSW), then moved a second amendment to the effect that any sum spent in naval construction should be spent in Australia to relieve the distress caused by unemployment and to stimulate the development of industry. After arguing the benefits of self-sufficiency, Mahony challenged the accuracy of Bruce's estimates of costs of building a cruiser in Australia and Britain, which Mahony estimated at £2 750 000 (Cockatoo Island) and £2 250 000 respectively. The difference of £500 000 could, Mahony suggested, be more than covered by the imposition of a 40 per cent *ad valorem* duty like that levied on imported motor car bodies. He also claimed that Cockatoo Island Dockyard could build a cruiser in 2½ years, provided deliveries of components from overseas were prompt, compared with the British delivery time of 3 years, not the 2 years given by Bruce, who had not yet committed himself to an estimate of Australian building time.

Bruce's estimates of cost and delivery time were vulnerable to challenge. That of British cost, £1.9 million, derived from information conveyed to him by two successive First Lords of the Admiralty, L.S. Amery on 19 November 1923, and Lord Chelmsford on 25 January 1924. Amery's quotation of £1.9 million assumed a fall in the cost of labour and materials during construction due to the recession in British heavy industry, including shipbuilding, which between June 1923 and April 1926 had a monthly average of 34.5 per cent of its insured workers unemployed and where in 1925, 30 out of 96 shipyards had no orders, 15 were completing orders and the remainder were employing only a quarter of their capacity.

Lord Chelmsford had 'invariably quoted' approximately £2 million. Both quotes were susceptible to revision for two reasons: the Board of Admiralty did not approve the

legend of the new cruiser until 13 December 1923 and the uncertainty attaching to labour and material costs.

*Bruce's statement of British building time of two years was almost certainly based upon a misunderstanding. We have seen that one of four years was implied in CID 195C and the Admiralty was to claim that during the London discussion 3½ years had invariably been quoted. Bruce, the First Lord suggested, might have had in mind the construction time for the first main gun mounting. This was of an entirely new design whose implementation would take two years.*

Bruce had not verified with the Admiralty the currency of the six-month's old estimates before announcing them on 27 June 1924. Within three weeks he sought to do so and learned they were now £2.2 million and 3½ years. Stung, Bruce pointed out in reply that his arguments to Cabinet and Parliament were based on (his understanding of) the earlier advice, the increase in cost was substantial and extremely serious. The 'greatly extended' delivery time had, he claimed, 'greatly upset' his Government's calculations which had been based on the urgency of the situation and the necessity for replacing an obsolete cruiser at once. He went on to hold out the veiled threat of 'a reconsideration of the whole question from the standpoints of defence and finance' and sought 'delivery more accordance with information supplied to me while in Britain'. Initially, the Admiralty would budge on neither delivery time nor price, but Bruce eventually secured an assurance of delivery within 27 months of the signing of the contract, at an estimated cost of £2.1 million. The cost of two cruisers was then estimated at £4.1 million, with delivery of the second in thirty months.

Bruce's initial public estimate of the cost of local construction of a single cruiser was even more unreliable than the Admiralty estimate from which it derived. The amount of at least £3 million was probably derived from estimates produced by the Naval Board (£3.4 million) and the Commonwealth Shipping Board (£2 898 000), presumably by rounding up the lower figure. When the British estimate increased to £2.1 million, the Australian estimates increased to £3.3 million and £3.96 million. Of the Shipping Board's initial estimate, 55 per cent was composed of labour costs and 45 per cent material costs. Of the £1 304 100 allowed for material, £985 320, or 34 per cent of the total cost, was for imported material—armament, electrical fittings, auxiliary machinery, armour, all plates and some of the sectional material.

The difference in official estimates of local cost was matched by that for local delivery time, with the Shipping Board estimating 2½ years from the laying of the keel and the Naval Board 3¼ years.

The Cabinet considered the conflicting official Australian estimates on 29 July 1924, before the passage of the Defence Equipment Bill. Unable to secure a reconciliation of those estimates, the Cabinet decided that a representative of each Board should confer under an impartial and competent chairman as to the basis upon which an estimate should be framed and then report to Cabinet. Lieutenant General Sir John Monash, then Chairman of the Victorian State Electricity Commission and a Member of the Council of Defence, accepted Bruce's invitation to act as Chairman.

The day following the Cabinet decision Bruce informed the House of it, undertook to table the report, and revealed the increase in British price and building time but explained that the revised estimates applied to an improved design with a different grouping of guns, an additional gun, a higher maximum speed, and a considerably lighter (in weight) armament. The House then voted, first on Mahony's amendment which in effect provided for the construction of both cruisers in Australia. It was lost by 29 to 22 votes, but with six less votes on the Government side than a week earlier when Anstey's amendment in favour of deferral had been defeated 35 to 24. Only one of the six fewer votes can be explained by an increase in the number of pairs from five to seven because the Government member of one of the additional pairs had not voted on the Anstey amendment. Of the six members voting against Anstey but not against Mahony, five were from the Country Party, R. Green, H. Gregory, W.C. Hill, V.C. Thompson, and J.T.H. Whitsitt, while the sixth, W. Watson, was an Independent with strong interests in primary production, owning a bacon and butter factory and being a member of a fruit growers' and market gardeners' association. During the debate, Green had supported the construction of the second cruiser in Australia but not at Cockatoo Island Dockyard, while Whitsitt had urged local construction of both. None of the other four spoke in the debate, but three Government members who voted for the Bill had spoken in support of local construction subject to vague qualifications as to cost.

In the Senate the Bill faced a series of Labor amendments and one moved by a Nationalist, P.J. Lynch (WA), who proposed the addition of a fifth clause. This stipulated Australian construction of the first cruiser provided the lowest Australian price was no more than 60 per cent above the lowest British price: within six months of the completion of the first cruiser tenders should again be called and the lowest Australian tender should be accepted provided it were no more than 40 per cent above the lowest British price. The Honorary Minister managing the Bill in the Senate, R.V. Wilson, failed to persuade Lynch to withdraw the amendment. It was then defeated, but by one vote only, 13 to 12, and with two Nationalist Senators, Lynch and W. Kingsmill (WA), voting against the Government. A third Nationalist Senator, W.L. Duncan, who was New South Wales Vice-President of the Nationalist Association, neither voted nor was paired when Lynch's amendment was taken. During the debate Duncan had supported building both cruisers at Cockatoo Island Dockyard, with one commencing as soon as possible. Formerly a Labor Senator, Duncan was the brother-in-law of E.C. Riley, Labor MHR for Cook, NSW, who had worked at the Cockatoo Island Dockyard and shared with Mahony the main exposition in the House of the Labor case on the cruiser issue. Duncan's father-in-law, E. Riley was also a Labor MHR, representing South Sydney.

Three other Government Senators, though voting against the amendment, supported the local construction of either one or both cruisers, but each with different and vague qualifications. Senator Foll (Queensland) declared acceptable an overall premium of £1.5 million to £2 million on the local construction of both; E.A. Drake-Brockman (WA) supported local construction of the second at a 'reasonable' price, while M. Reid (Queensland) supported that of both provided it could be achieved in time.

The Bill was passed by the Senate on 22 August and assented to on 25 August 1924 so that £2 million had then been appropriated towards the cost of the first cruiser.

General Monash, in the meantime, had submitted to the Prime Minister on 19 August 1924 his conclusions concerning the 'Cost of Construction in Australia of a 10,000-

ton Cruiser.' He was the sole signatory of the report, the differences between the Shipping Board and the Naval Board over their estimates having proved irreconcilable. Monash reported that he had been unable to secure reliable information on a number of fundamental features of the design of the proposed vessels, including the use of high-tensile and alloy steels and non-ferrous alloys, the nature and cost of the armament, and the power and cost of the engines. Categorical inquiries of the Admiralty had resulted in replies which had not been very helpful in clarifying these significant obscurities. This led him to the definite conclusion that local estimators could not be confident they were estimating the cost of a vessel even approximately like that on which the British price was based. It was most difficult, if not entirely impossible, therefore, to formulate a thoroughly reliable estimate of the cost of Australian construction.

Nonetheless, Monash made a scrutiny of the estimates of the Naval Board (£3.4 million) and the Shipping Board (£2 898 000) to determine which could be considered the more reliable. That of the Naval Board had been prepared by the Director of Engineering, RAN, Engineer Captain E.D. Sydenham RN. Monash described it as:

... not an estimate at all. It is a mere speculation, or surmise, depending entirely for the reliability of the final result upon the accuracy of a series of quite arbitrary assumptions, some of which, at any rate, can be readily shown to be inaccurate. While I do not assert, in this context, that the final result is necessarily wrong (for it might prove to be a fortunate guess), yet one should have no confidence in the result of a calculation based upon a method such as has been here employed.

In marked contrast, Monash found:

The estimate propounded by the Commonwealth Shipping Board is, on the contrary, an exhaustively prepared and voluminous document, involving a minute examination of every part and detail of the entire cruiser, from keel to conning-tower, and of its whole contents. Every assumption made ... has been based upon some definite experience or consideration which has been meticulously cited in each case.

To which finding, however, he appended a significant caveat:

By reason alone of the evident care and completeness with which these estimates have been prepared, they are entitled to very great respect, and could, in my opinion, be regarded as acceptable except for the underlying doubt as to whether the general character and type of the cruiser envisaged by the Shipping Board corresponds with the latest Admiralty designs.

For this reason, Monash reported, the Naval Board had described the rival estimate as 'useless,' a judgement Monash found correct in principle, but one involving no reflection upon the Shipping Board whose estimate initially had been prepared at the request of the Naval Board upon specific information supplied by that Board. Were adequate and accurate information available to the Shipping Board it could be depended upon to supply estimates which the Prime Minister would be justified in treating as fully reliable and therefore as a basis for informing all the policy decisions involved.

As a result of information received from London during the inquiry, the Shipping Board increased its estimate to £3 335 000 (Naval Board—£3.7 million) based upon an engine output of 90 000 horse-power, Monash found that the cost might be 'substantially greater' if the engine output substantially exceeded that figure.

He concluded with a 'point of view' to which Government policy eventually corresponded: that the saving, estimated by Monash to be approximately £1 million, achievable by the purchase of a second British-built cruiser should be employed for other Defence purposes. This suggestion was not novel: several Government members had raised it during debate on the Bill, the most favoured item being a floating dock capable of docking capital ships and/or cruisers. Country Party members had also suggested expenditure on railways, rural roads and, in one instance, on 24 000 miles of wire netting.

The Cabinet considered the Monash Report at four meetings held on 26 and 28 August and 1 and 2 September 1924. The Chairman of the Shipping Board, Vice Admiral Sir William Clarkson, and the Manager of Cockatoo Island Dockyard, Mr Farquhar, were summoned to attend the third meeting to answer questions concerning the cost of local construction of a cruiser and a floating dock. They advised Cabinet, as had Monash, that the Shipping Board could tender for a cruiser if the necessary plans and specifications were obtained from the Admiralty.

It was currently reported in the press that the Cabinet was divided on where to build the second cruiser, though a majority allegedly supported construction in Britain. Cabinet was also reported to be impressed that the saving consequent upon British construction could be used to build in Australia a seaplane carrier for £400 000 and a floating dock for £700 000. Of the Government parties, the vast majority of Nationalists were alleged to support local construction of the second cruiser even if that cost £1 million more than British construction.

The minutes of Cabinet throw no direct light on these press reports, confined as they largely were to listing agenda items, noting that a matter had been discussed, and reporting deferral of a decision or a decision itself. We have seen that certain Government members had been prepared openly to bring pressure to bear to secure local construction on the Government in an endeavour of either one or both cruisers, which suggests that party room and other private pressures would have been stronger still. That the Cabinet met on four occasions to consider the question suggests discord. Outside Parliament, there was a strong but not unanimous swell of opinion in favour of local construction. It came not only from a wide range of unions, but also from employer groups and local government bodies. A meeting convened by the Lord Mayor of Sydney and held at the Town Hall resolved that both cruisers should be built in Australia and as far as possible of local material.

Ever since the decision resulting in the announcement in March 1924 of the Government's intention to acquire two cruisers, it had been open to Bruce to secure the most accurate estimates of prices upon which a decision of the place of construction could partly be based by calling tenders to meet Admiralty plans and specifications. This the Cabinet now decided to do for both cruisers. Simultaneously, it also began to develop a local construction alternative to the building of the second cruiser in Australia.

Bruce tabled and made a statement summarising the Monash Report on 5 September. He went on to announce that tenders would be called in Great Britain under three heads: (1) one cruiser to be built there, (2) two cruisers to be built there, and (3) one cruiser to be built there and one in Australia. Tenders would also be called in Australia for one cruiser to be built locally. The Government further proposed, he stated, to request the Admiralty to make available at once the necessary plans and specifications so that tenders could be advertised promptly. The resulting quotations would ensure an accurate comparison of costs and enable the Government to gauge what concessions would be required by Australian shipbuilders to match British prices. It was not proposed necessarily to accept the lowest tender, the fullest consideration would be given to all factors. Bruce concluded with the broad assurance that the Government was unanimous in its desire to construct the second cruiser in Australia, but he added the rider necessary to paper over the cracks of discord: it would do so provided it felt that were justified.

Four days later in a cable to London the Government declared that the cruiser question had become 'acutely political' and requested the Admiralty to make available 'such plans and specifications of the latest type of 10,000-ton cruiser as are necessary for the purpose of calling tenders'. It was thought prudent for the Australian High Commissioner, Sir Joseph Cook, to call the British tenders rather than the Admiralty, as had previously been the practice. In reply, the Admiralty undertook to do everything possible and without delay to meet the Australian request.

By then, Bruce had already begun to prepare for the contingency that the Government would not feel justified in placing a local order for the second cruiser. On 2 September, while Clarkson and Farquhar were in attendance on Cabinet in Melbourne, he had instructed them to wait on the Naval Board to obtain particulars for the construction of a seaplane carrier and floating dock. The fortunes of the latter will not be pursued in this paper.

It is not clear from traceable evidence which body or person initially suggested the local construction of a seaplane carrier as an alternative to that of a cruiser. The suggestion could have come from the Naval Board, which early in June in circumstances explained below, had begun to develop a proposal for a five-year naval defence programme to include an 'aircraft carrier', by which only a seaplane carrier could have been meant considering the cost of a flying-on carrier. By June, the place of cruiser construction had been an issue for over two months. In addition, other local construction alternatives to a seaplane carrier appear to have been lacking. Destroyer construction would have been contrary to Admiralty advice on the requirements for Australian naval defence, submarines in the numbers contemplated for acquisition (two) fell into the too-difficult category, while the concept for replacement auxiliary patrol vessels had yet to be determined. In addition, a 6 000-ton seaplane carrier was much nearer in size to a 10 000-ton cruiser than any other vessel. Whatever the explanation, following references in the press earlier in the month, Bowden publicly referred on 12 September to the possibility of the local construction of a seaplane carrier.

Bruce's announcement of the intention to call tenders did not still the cruiser controversy and during consideration by the Estimates Committee of a Special Defence Provision of £1 million the indefatigable Mahony moved for a reduction of £1 as an

intimation to the Government that both cruisers should be built locally. Both sides then proceeded again to canvas the issues and in speaking against the reduction Bowden stated:

There are two other things that are urgently necessary for the naval defence of Australia, namely, a seaplane carrier and a dock large enough to accommodate any vessel of the Royal Navy that may visit our coast. Any Government must consider whether the building of a seaplane carrier and a dock would give employment to the same number of men as would the construction of a cruiser, and whether those conveniences would be obtained for the same amount of money as would be saved in building both cruisers in Great Britain.

If, with a stated sum, we could buy two cruisers in England, and still have enough money left to build the seaplane carrier and the dock, such a policy must receive consideration. The Government has come to no determination to build the second cruiser abroad.

When the question was put, Mahony's amendment was lost by 25 to 17 votes, with 13 pairs, this last is explicable in terms of the all-night sitting that had preceded the vote and the day of the vote being a Friday.

Bowden's assertion that a seaplane carrier was 'urgently necessary for the naval defence of Australia' in addition to the two cruisers and, by implication, also to the two ocean-going submarines and the fuel oil tanks and reserves, very probably surprised its attentive non-official hearers. The provision of such a capability had not hitherto enjoyed such a priority, as an examination of British and RAN advice to the Government will show. To suggest first an examination of British advice to sustain this point is not to imply that this advice was invariably valid or should have been followed, but rather the suggestion derives from the already demonstrated finding that the Bruce-Page Government's recently announced naval procurement programme was consonant with the main lines of that advice and departed from it only with respect to quantity. Not only that, the Government had also employed references to that advice to legitimise its decisions.

The most recent formal British strategic and force structure advice conveyed to Australia was contained in two memoranda, CID 194C and, especially, CID 195C. The latter document outlined for consideration by the Australian Government a series of recommendations under nine headings and in the following order: War Plans, Ships, Repair ports and fuelling ports, Trade, Personnel, Communications, Stores, Local Defence and, lastly, Air Co-operation. Other than the serial listing of the subjects those recommendations concerning the force structure and defence infrastructure were not explicitly ranked, nor were possible trade-offs amongst the recommendations canvassed. Under 'Ships,' however, the Admiralty recommended what it and the Australian authorities undoubtedly regarded as the most important equipment proposals: the laying down of four cruisers (1924-33) and six submarines (1924-28), the retention in service of existing destroyers, and the provision of £200 000 for auxiliary patrol craft, minesweepers and anti-submarine craft of designs yet to be determined. The programme was to be spread over 13 to 14 years at an approximate cost for ship construction alone of £10 million. There was no mention in this section of the acquisition or the construction of a seaplane carrier.



Seven further sections followed and included recommendations for the contribution over eight years of materials worth £1.6 million to the development of the Singapore base, the maintenance at Sydney of facilities capable of refitting and docking modern light cruisers and submarines, the development of Bynoe Harbour as a fuelling port, the establishment at Darwin of a medium power W/T station and the creation of a war reserve of oil fuel (£1 million over eight years).

Finally, the Admiralty addressed itself to 'Air Co-operation,' a term signifying the uneasy and intermittently contested division between the Navy and the Air Force of control of naval aviation both in Britain, where it was damaging to the development of both carriers and naval aircraft, and Australia. There were three recommendations. The Admiralty clearly thought it desirable that the Australian Squadron should first acquire a very limited seagoing aerial reconnaissance, patrol and gunnery-spotting capability, recommending that one existing cruiser or, alternatively, the squadron oiler or collier, be fitted to carry one small seaplane to enable the RAN and the RAAF to co-operate at sea in peacetime. This minimal capability should, so the Admiralty recommended, be supplemented from 1928 onwards by equipping the proposed new cruisers to carry one or more amphibians. Finally, and this was the very last recommendation in the eight-page memorandum, plans should be prepared with a view to taking up and fitting out a merchant ship as a seaplane carrier in Australia on the outbreak of war.

This advice had superseded earlier counsel conveyed to Australia in February 1921 but prepared in 1919 in which the Admiralty had 'strongly recommended' the acquisition of further light cruisers, urged for consideration that of cruiser-submarines, and described the acquisition of a seaplane carrier as 'desirable'. Failing adoption of this third course, the Admiralty had advised the earmarking for use in war of merchant ships suitable for carrying aircraft and stores from place to place and for operating as mobile air bases. Consequently, the Naval Board in August 1921 had borrowed the general arrangement plan of SS *Zealandia* from Huddart Parker and returned it the following April. There the matter appears to have rested until July 1925, after the decision to build locally a seaplane carrier, when inquiries were again undertaken to identify a ship suitable for conversion: 'This ship would be needed if (an) emergency occurred before the seaplane carrier ... is available. After this she might be required in addition to' that vessel.

The provision of a purpose-built seaplane carrier did not feature any more prominently in the deliberations and proposals of the Naval Board, the Department of Defence and the Council of Defence, or in the Government's most recent formulation of defence policy, than it did in the recommendations of the Admiralty. It was not mentioned at meetings of the Council of Defence held on 22 March and 30 August 1923, and on 21 March 1924. The purpose of the first of these meetings, as defined by Bruce, was:

*To obtain a clear view of the problems of Australia's Defence;*

*To ascertain how much could be accomplished during 1923-24 with an appropriation equal to that of 1922-23;*

*To see if there was anything of such importance that it ought to be the subject of special measures even if it were, financially, beyond present contemplation.*

For this meeting Admiral Everett submitted a list of seven matters on which the Board sought policy guidance from the Government, including the replacement of cruisers and the future submarine defence of Australia, but making no mention of a seaplane carrier. Further, in a minute to Bowden of 8 August 1923 dealing with subjects likely to be raised at the Imperial Conference, Everett again made no reference to a seaplane carrier. Nor did the Council of Defence on 30 August 1923, though its agenda included CID 195C which dealt with the subject of 'Air Co-operation.' Again, when reporting to the Council on the defence aspects of the Conference and outlining the intended five-year programme. Bruce's references to construction were confined to cruisers and submarines.

During the preparation of the 1924–25 Naval Estimates Bowden requested the Naval Board to submit a five-year naval programme. By clear implication, this programme could go beyond what was termed the London programme of cruiser and submarine acquisition. Before the Board had prepared a formal submission Bowden instructed Everett not to go beyond the London programme, but by then the Board had informally discussed the original request and would have included in its submission the completion of the London programme, followed by a third light cruiser, four submarines and, ambiguously, 'an aircraft carrier'.

Had Admiralty advice on timing been followed, the third cruiser would have been laid down in 1927 and the last of the additional submarines in the following year, which suggests 1928 or 1929 for that of the seaplane carrier, hardly an implication that the Board thought its acquisition an urgent necessity. Indeed, the Second Naval Member later described the seaplane carrier as 'an entirely new item not contemplated in any way in the original programme'.

Finally, not only was there no seaplane carrier in the five-year programme placed before Parliament by the Treasurer on 31 July 1924, but also provision was made for a land-based reconnaissance, patrol and gunnery-spotting capability: a RAAF float seaplane flight of about five aircraft to be established by the end of the financial year at Sydney for naval co-operation.

Clearly then, the acquisition of a seaplane carrier had become 'urgently necessary' by 12 September 1924 not for the naval defence of Australia, but for political reasons. The Naval Board permitted the qualified expression of this view in 1926 when a confidential book recorded—the *Albatross* is being built 'partly as the result of political pressure'.

The project development of a seaplane carrier for local construction, whose detailed consideration lies outside this paper's terms of reference, was marked by confusion. As instructed by Bruce on 2 September, Clarkson and Farquhar waited on the Naval Board, learned that the design was still in the preliminary stages, but secured a rough outline of the proposed vessel. As amended by the Board within the month, the outline provided for these characteristics:

Length on waterline	: 470 feet
Beam	: 54 feet
Load draught	: 15½ feet
Shaft horse power	: 12 000

Maximum speed	: 20 knots
Displacement	: 6000 tons
Endurance	: 5000 miles minimum

The vessel was to carry not less than nine seaplanes which would be launched by catapult and recovered by crane after landing on the water. It was to have an armament of four 5.5-inch or 6-inch guns and a twin 4-inch anti-aircraft mounting, but no protective armour.

On the basis of these particulars and with a limiting cost for British construction of £400 000 the Admiralty furnished the Naval Board with a Sketch Design. As its name implied, this did not include detailed design drawings and specifications but, in the Admiralty's view, approximated to what would have been placed before the Board of Admiralty as a first sketch design for a new ship for the Royal Navy. There the matter of the further development of the design was allowed to rest until 8 February 1925. On that day, the Cabinet deferred a decision on the cruiser tenders to allow their detailed examination, but it doubtless knew of the significant difference between the lowest British and Australian tenders for the second cruiser. Consequently, the development of the seaplane carrier as a local construction option received a further impetus. The urgent advice of the Admiralty was sought on 18 February on the cost in Britain of the vessel outlined in the Sketch Design, clearly for the purpose of arriving at an estimate of the cost of Australian construction. The estimate was to include full equipment costs, other than for aircraft, and the builder's full overhead charges and normal profit. The Admiralty was also requested to supply, if available, plans and specifications that would normally be used for tendering purposes. If these were not available such details as were in existence were requested.

The Admiralty's reply, which was cabled from London the calendar day before the Cabinet again met to consider the cruiser tenders, indicated that it had understood from the Naval Board's initial approach of the previous September that the detailed design of the carrier would be worked out in Australia. Nothing, therefore, had been done in Britain to develop the Sketch Design. Further, the whole of the Admiralty's design staff would be fully occupied for the next six months, but even were staff available and the carrier work given preference, it would take three months to prepare full plans and specifications. As to cost, the Admiralty explained that its Sketch Design had been based on an upper limit of British cost of £400 000 provided by the Naval Board: when Australia had completed design drawings and specifications they should be referred to the Admiralty which would then prepare an estimate of the cost of a British build.

The documents examined suggest that the Department of the Prime Minister was ultimately responsible for the Australian failure to develop the design. As early as 15 September 1924 the Shipping Board had unsuccessfully sought approval from the Department for the expenditure of £500 for the preparation of a complete design, specification and cost estimate. The grounds for the refusal were that until the question of the second cruiser was settled a decision on the construction of a carrier could not be reached. A different request for guidance from the Naval Board received a similar reply.

There had been, it would appear, limits to the extent to which the Prime Minister would authorise the development of the carrier alternative to the local build of the second cruiser: justice had not only to be done to the local cruiser tenders, it had also to be seen to

be done. Doubtless a fine judgement was required as to how far to go along the alternative road before Cabinet considered the cruiser tenders lest it appear that a decision had in effect already been made. Consequently, when on 5 March 1925 the Cabinet met to decide on the cruiser tenders the carrier alternative was little developed.

The procedure followed in inviting tenders was that used by the Admiralty. Separate quotations were invited for:

- (1) the construction of the hull, electrical installation, and other fittings for the main and auxiliary machinery, boilers, spare gear and tools; and
- (2) the guns and armament equipment, outfit of ammunition and certain instruments.

No Australian tenders were submitted under (2) as only British companies could meet its requirements. The quotation for (2) was approximately £913 000 for a ship built in Britain and £976 000 for one built in Australia.

Ten companies tendered to construct the hull(s) etc. in Britain and three, Vickers Ltd., Barrow-in-Furness; Walsh Island Dockyard, Newcastle; and Cockatoo Island Dockyard, in Australia. The lowest tender for one British-built vessel was £1 098 118 (Vickers) and the next lowest, £1 112 863 (John Brown): those for each of two British-built vessels were £1 087 633 (Vickers) and £1 091 772 (John Brown) respectively.

The only tender to build one cruiser in Britain and one in Australia was submitted by Vickers who quoted £1 097 030 (Britain) and £2 265 630 (Australia), the Australian price being dependent upon Vickers receiving an order to build one ship in Britain.

Of Australian builders, Cockatoo Island Dockyard submitted two tenders: £1 903 856 (Australian-built machinery) and £1 835 227 (British-built machinery), or 73.0 per cent respectively above the lowest British tender. Walsh Island tendered £2 161 394 for a vessel with British-built machinery, or 96.8 per cent above the lowest British tender. Moreover, while the tenders for construction in British were firm, the Australian tenders were dependent on variations in wages and hours of work and, in the case of Cockatoo Island Dockyard, on variations in the cost of materials and cargo rates.

Confronted with these tenders the Cabinet decided to build both cruisers in Britain, though it did not accept the lowest tender, that of Vickers, but the next lowest, from John Brown, because of an estimate that the difference between John Brown's tender and Vickers' could be saved in fuel costs in only eighteen months' peacetime steaming by cruisers built by John Brown.

The ground given by Cabinet for the decision not to build one cruiser in Britain and one in Australia, was that it would 'cost £ (blank in the original minute) more than the building of two cruisers in Britain' and for approximately that sum a seaplane carrier could be built in Australia. Subject to British confirmation, which was forthcoming, that the provisions of the Washington Treaty did not prevent Australia from building a seaplane carrier, Cabinet decided to build one in Australia.

Different estimates of the 'saving' were later given by Bruce and Major-General Sir Neville Howse who had succeeded Bowden as Minister for Defence on 16 January 1925. Using the tender figures, the fairest calculation of the saving can be arrived at by taking the difference between John Brown's cost for two complete ships (£4 014 762) and the sum of Brown's cost for one complete vessel (£2 028 522) and that of the lowest Australian tender for one complete vessel, Cockatoo Island Dockyard's with British-built machinery (£2 811 291), which equals £825 051. From this sum would have to be subtracted the cost of bringing the second cruiser to Australia, and this final figure would give the direct opportunity cost of Australian construction of that vessel. Bruce gave a figure of £818 000 and Howse one of £851 000 by calculating it on a basis different from that set out above.

Bruce gave a fuller explanation of the Cabinet's decisions in two press statements. The first, issued on 25 March 1925, announced and cursorily explained them, while Bruce described the second, issued on 8 April 1925, as a response to 'the serious misunderstandings' of the first statement 'apparent from the criticisms' which had appeared in the press.

The Cabinet, Bruce asserted, in deciding where to build the second cruiser had not been swayed solely by cost but had considered three additional factors: first, whether the amount of Australian material involved in Australian construction, amounting to 15 per cent of the total material cost, warranted the additional expenditure. Secondly, the Cabinet concluded that the placing of an Australian order would not foster the establishment of a new, warship-building, industry, for the future of an industry depended upon a steady demand for its product and Australia could not afford to embark on a naval programme that would keep the yards in continuous employment. Furthermore, and this Bruce described as the principal objection, the Government was the only source of orders and the Labor Party's attitude on naval defence made it extremely unlikely that the industry would at all times receive even that measure of support which Australia's circumstances and safety demanded.

Nor would the establishment of a warship-building industry provide a worthwhile stimulus to other local industries. An examination of the British tenders revealed that nearly half the cost of a cruiser was incurred in respect of guns and other armament, fittings, nautical instruments and other special items. Even in Britain, only a few long-established and specialised companies produced these items. To establish such capacities in Australia would involve tremendous capital outlay which the limited prospective demand for the products would not justify.

Turning to a less specialised heavy industry activity, Bruce acknowledged that a stimulus would be given to the establishment of steel plate rolling mills but argued that such a step was economically inadvisable owing to the limited demand for warship plates. Those for a cruiser taking three years to build could be rolled in three weeks but the capital cost of the mill, as later given by Howse, was £1 250 000.

Thirdly, the Cabinet gave most serious consideration to whether it was essential to place the order in Australia so that sufficient skilled artisans gained the experience necessary to enable them to effect repairs upon the new cruisers should the necessity arise. Because the Australian construction of a cruiser was more a task of assemblage than fabrication, the amount of experience relevant to repairs gained in assembling a cruiser was little, if at all, greater than that to be gained from the construction of a seaplane carrier. The carrier's

construction would maintain activity at an Australian dockyard, hold together the skilled technical staff, and ensure that Australia would be in a position to effect any necessary repairs to its naval unit.

Weighing together considerations of cost, including the variable nature of the Australian tenders, with those outlined above, the Cabinet decided that a decision in favour of local construction was not justified. The saving of over £800 000 thereby effected would be used to build locally a seaplane carrier, 25 per cent of whose material by value would be of local manufacture.

We have seen that by mid-February the development of the carrier concept was little advanced. Between the Cabinet decision and its public announcement, Bruce on 10 March directly sought the intervention of the Secretary of State for the Colonies, L.S. Amery, to secure early completion of the design by the Admiralty. Bruce cabled that his Government would be 'considerably embarrassed' if plans and specifications sufficient to enable the letting of a contract were not available within four months, rather than the six to nine months alluded to by the Admiralty in February. By judicious wording Bruce again conveyed a veiled threat: the implementation of the decision to build the second cruiser in Britain was 'largely governed' by the time which would elapse before the construction of the seaplane carrier to be built from the saving could begin. He requested Amery to approach the Admiralty urgently and sought his immediate advice of the outcome. Only two days later, the Governor-General despatched a hastener to the Secretary of State: Ministers were anxious for a reply.

All possible steps were being taken to expedite the matter, Amery replied, and on 16 March he informed the Governor-General that the Admiralty had commenced the detailed design, sufficient plans and specifications to enable a contract to be placed would be available for despatch to Australia by the end of June. Whereupon the Australian Government expressed its gratitude to Amery for the prompt compliance with Bruce's request and informed him that the High Commissioner in London had been instructed to place an order for two cruisers, later named HMA Ships *Australia* and *Canberra*, with John Brown.

## 4 Aftermath

Parliament was not in session when Cabinet reached the decisions on the second cruiser and the seaplane carrier, having adjourned on 10 October 1924 it was not to reconvene until 10 June 1925. The Labor Party then unsuccessfully sought to censure the Government for avoiding further Parliamentary discussion before reaching the cruiser decision and for the decision itself. Though Cabinet's timing of the decision was clearly strongly influenced by the time of receipt of the tenders and a desire to get the construction of the cruisers underway, Labor members suggested that Cabinet preferred to confront their supporters with a decision to build in Britain rather than putting the matter to a vote in the party room(s) which would have gone the other way. Whether that would have happened must remain in the realm of conjecture. When the whips were on for the censure motion only one Country Party member, J.T.H. Whitsitt (Darwin), voted with the Opposition. Nonetheless, Bruce's cable to Amery indicated an awareness of and prudent concern for the political sensitivity of the issue, while doubtless also being directed to the persuasion of Amery and the Admiralty. Further, 1925 was a general election year, the last election for the House having been held in December 1922. During the campaign one of the two changes most often directed in the cities against the Bruce-Page Government, which was returned to office, reportedly concerned their failure to order the two cruisers in Australia.

Without tenders having been called the Shipping Board was informed on 6 May 1925 that the carrier would be built at Cockatoo Island Dockyard. The contract was signed early in 1926. When Bruce had announced the decision to build the vessel, before the details of its design and equipment had been resolved, its estimated cost was £800 000, but the contract price, including armament which was now reduced to four 4.7-inch anti-aircraft guns and two 2-pdr pom poms, but excluding ammunition and aircraft, was £1 097 497. By September 1927 the cost had risen to £1 325 000, a sum that included provision for ammunition stores and design changes, including, for example, anti-gas protection, as well as for wage rises and other increases in labour costs due to a reduction in the working week and new workers' compensation legislation.

Cockatoo Island Dockyard began ordering Australian material for the vessel in June 1925 and at the end of that month the Admiralty despatched the greater part of the plans and specifications. Construction was several times delayed as a consequence of British industrial disputes—the 1925 seamen's strike and the 1926 coalminers' and General Strikes—which held up the transportation of completed material and equipment and their manufacture. The keel plates were eventually laid on 5 May 1926 and by the end of the month 351 tons of material had been worked into the vessel on whose hull and machinery 274 men were then employed.

The *Albatross*, King George V having approved the name on 16 February 1927, was launched by Lady Stonehaven on 23 February 1928. During trouble free trials run in generally fair weather off Sydney Heads and completed on 21 December 1928, the ship reached 22.3 knots at full power. She was commissioned on 23 January 1929 with Captain D.M.T. Bedford RN in command and manned largely by former members of the crew of the

*Brisbane* who had paid off the day before. Until 8 March 1929, when she joined the Australian Squadron, the *Albatross* was under the direct orders of the Naval Board. She sailed from Sydney on 2 February for Hobart on a shakedown cruise and arrived at Port Phillip on 21 February to take on stores and RAAF personnel under the command of Squadron Leader A.E. Hempel. Four days later, in Corio Bay, six Supermarine Seagull IIIs of No. 101 (Fleet Co-operation) Flight RAAF were embarked. The RAAF presence resulted from a 1928 Cabinet decision governing the organisation and administration of naval aviation under which the RAAF provided from its vote the aircraft, their maintainers and pilots, while the Navy provided observers and telegraphists. Under certain circumstances, naval officers could train as pilots and serve with the RAAF. The Navy had operational control of embarked aircraft, which in the case of the Seagulls were three-seater amphibians, not the seaplanes initially envisaged. With a maximum speed of 108 mph they were designed for spotting and reconnaissance and were the largest type *Albatross* had been designed to operate.

Though commissioned and operational, the *Albatross* was incomplete: the intention had been that she would launch her aircraft by means of a catapult fitted on the forecastle but the catapult type finally selected was not fully developed when she was fitted out. In consequence, she launched, as well as recovered, her aircraft by crane and had to reduce speed to approximately 3 knots to do so.

Her war orders recognised her limitations. They first provided for her to operate with the Cruiser Force that was to be based on Darwin. Later, when consideration was given to her employment before the arrival of that force, it was decided to use her in the narrow and comparatively sheltered waters in the vicinity of Singapore. These were considered more suitable for the operation of her aircraft than the rougher waters off Southern Australia that were to be patrolled by single cruisers stationed in the Tasman Sea and off Cape Leeuwin.

As *Albatross* was not fitted with a catapult until 1936 and had then been in reserve since April 1933, her performance with aircraft fell below her design capability throughout almost the whole of her RAN service, for shortly after recommissioning in April 1938 she was transferred to the Royal Navy in part payment for HMAS *Hobart*. At that time, the Chief of the Naval Staff, Vice Admiral Sir Ragnar Colvin, described her with understatement as 'not of great value' to the RAN.<sup>3</sup> By then, the cruisers had been fitted with amphibians.

Another of her 'grave deficiencies' was her speed. Intended to operate as the eyes of cruisers capable of sustaining over 34 knots, her maximum speed was only 22 knots and, as we have seen, to launch and recover aircraft she had to reduce to 3 knots. A description of the favoured recovery technique, the so-called slick method, will indicate the effect of recovery on her speed of advance. In the slick method, the recovery vessel turned head to wind immediately before the aircraft touched down and made a relatively calm patch of water in her lee by swinging her stern towards the wind and away from the point at which

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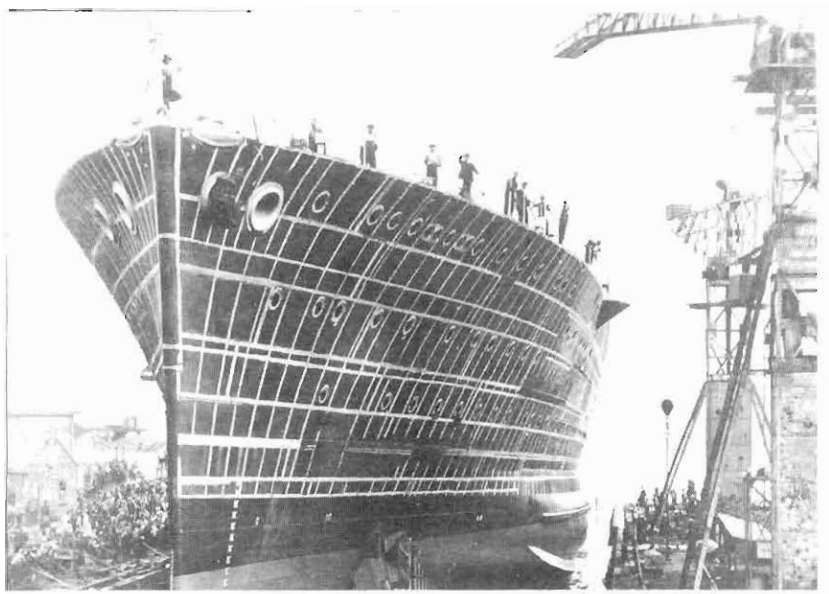
<sup>3</sup> [While this may have been true in 1938, three years before the critical lack of air support available in Singapore had been of great concern and the recommissioning of *Albatross* was moved to first on the RAN's list of capability priorities. Unfortunately the Government had already reached the limits of expenditure and no offset could be found; minutes of Defence Committee meeting, 2) March 1935, AA: MP1049/5, 2026/2/96.]



the aircraft was about to land. The landing run was completed fairly close to the ship about amidships on the leeward side. The time from touch down to being hoisted clear off the water could be reduced to about 1½ minutes by this method.

*Given favourable sea conditions and no requirement to advance at high speed, the aircraft of the Albatross could carry out reconnaissance, gunnery and torpedo spotting, and surveying work. Between 25 February and 28 June 1929, for example, her aircraft spotted for shoots by the Australia and Canberra, observed and photographed torpedo runs, assisted in the recovery of practice torpedoes, carried out reconnaissance against merchantmen and Australian destroyers and participated in exercises involving the Australian Squadron and the cruisers of the New Zealand Division, HM Ships Dunedin and Diomedea.*

But these tasks could have been executed by cruiser-borne aircraft, and at very much lower cost. Considering only capital costs, that of the Albatross was £1 325 250, or more than £220 000 for each aircraft taken 'to sea,' for though designed to carry nine aircraft she did not operate more than six and even one of these was a reserve. In 1930, the cost of mounting two aircraft in a conventional warship was approximately £40 000, or £20 000 per aircraft.



*The launch of Albatross at Cockatoo Island Dockyard on 23 February 1928 (RAN).*

## 5 Conclusions

In the introduction to this paper a brief definition of defence procurement, as the acquisition for the Services of the equipment best able to meet operational requirements, was offered. It has been conceded that when the decision was reached to procure a seaplane carrier there existed an operational requirement for at most a very limited seagoing aerial reconnaissance capability. This requirement could have been met adequately in operational terms by equipping the cruisers with aircraft, but 'best' also implies a need to consider cost. The construction, maintenance, manning and fuelling of the *Albatross* together absorbed too great a proportion of the limited human and material resources then available for defence purposes in proportion to the benefits that her limited operational capabilities conferred. Taking an average across fourteen industrial groups her capital cost alone, excluding aircraft, of £1 325 000, would have purchased in March 1925 approximately 280 000 man-weeks of work. To purchase the same amount of work today [1977] would cost in wages alone more than \$70 million. In current money costs, therefore, the *Albatross* represented an expenditure of nearly \$12 million for each aircraft taken to sea, and even then they were capable of only hobbled operation. The mounting of two aircraft in a cruiser would have cost little more than \$2.1 million at current prices.

The decision to procure a seaplane carrier was characterised in the introduction as a politically-motivated afterthought. It has been shown that the rationale mainly informing the decision was political rather than naval. The decision was also described as an afterthought because the acquisition was not included in the five-year programme at its inception. The intension here was not to suggest that the content of such programmes should be deemed immutable but to place the decision in time and to correct the view of those writers who have overlooked the manner in which the *Albatross* came to be included in the programme.

In assessing the benefits flowing from the decision, the war service of the *Albatross* after her transfer to the Royal Navy should be taken into account, though it is recognised that this raises the methodological question of whether imperial and national benefits, unlike apples and pears, can be summed. At least Bruce and his advisers, political, civil and naval, would have been in no doubt as to the answer to that question.

During the first two years of the war the Royal Air Force was unable to provide reconnaissance of the Freetown, Sierra Leone, focal area. The *Albatross*, equipped with Walrus aircraft, was stationed there, initially to watch for surface raiders, but the principal value of her aircraft ultimately proved to be in their anti-submarine work, where they reduced the dislocation and losses consequent upon the southward extension of U-boat operations. Later in the war, *Albatross* served as a repair ship during the Normandy landings.

A difficult-to-measure defence benefit that the construction of the *Albatross* did confer on Australia was to contribute to the maintenance at Cockatoo Island of shipbuilding facilities and a body of men skilled in their use. At the outbreak of war in 1939 the Cockatoo Docks, as they were then called, were the only large shipbuilding and marine engineering works in the country and from them the other shipbuilding establishments set up

during the next few years were to receive much help. Between 1924 and 1939 the survival of those facilities and skills was ensured by a 'spasmodic and meagre program of naval construction', under which three vessels were built for the RAN, the *Albatross*, and the sloops/mine sweepers, *Yarra* and *Swan*, as well as lighthouse steamers, a pilot steamer and several smaller vessels for civilian employment. The contract for the *Yarra* was let in 1934 and the *Adelaide* had been completed in 1922, so that in the period 1922–1934 the construction of the *Albatross* helped to provide work between 1925 and 1928. Whether, if the *Albatross* had not been built at Cockatoo Island Dockyard, the facilities would have survived must remain a matter for further and thorough research into the history of the dockyard.

## Appendix 1

### Holders of Major Offices - Commonwealth Of Australia

#### Governor-General 1914–31:

May 1914–6 October 1920	Ronald Munro-Ferguson
6 October 1920–8 October 1925	Henry William, Baron Forster
8 October 1925–22 January 1931	John Lawrence, Baron Stonehaven

#### Prime Minister 1915–29:

27 October 1915–9 February 1923	W.M. Hughes
9 February 1923–22 October 1929	S.M. Bruce

#### Minister for Defence 1914–29:

17 September 1914–21 December 1921	Senator G.F. Pearce
21 December 1921–5 February 1923	W.M. Greene
9 February 1923–16 January 1925	E.K. Bowden
16 January 1925–2 April 1927	Sir Neville Howse
2 April 1927–22 October 1929	Senator Sir Thomas Glasgow

#### Minister for the Navy 1915–1921:

12 July 1915–17 February 1917	J.A. Jensen
17 February 1917–28 July 1920	Sir Joseph Cook
28 July 1920–21 December 1921	W.H. Laird-Smith

Navy incorporated in Defence 22 December 1921–12 November 1939.

#### Secretary, Department of Defence 1918–37:

1 February 1918–14 July 1927	T. Trumble
15 July 1927–16 November 1937	M.L. Sheppard

#### Secretary, Department of the Navy 1915–21:

12 July 1915–21 December 1921	G.L. Macandie
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### **First Naval Member and Chief of Naval Staff 1919–29:**

10 June 1919–14 February 1921	Rear Admiral Sir Edmund Grant
15 February 1921–23 November 1921	Commodore C.T. Hardy RN (Acting)
24 November 1921–29 August 1923	Vice Admiral Sir Alan Everett
30 August 1923–24 February 1924	Commodore G.F. Hyde RAN (Acting)
25 February 1924–4 February 1925	Rear Admiral P.H. Hall-Thompson
5 February 1925–25 April 1925	Commodore H.P. Cayley RN (Acting)
26 April 1925–28 June 1926	Rear Admiral P.H. Hall-Thompson
29 June 1926–11 June 1929	Rear Admiral W.R. Napier

### **Chief of the General Staff 1920–30:**

1 June 1920–10 June 1923	Major General Sir Brudenell White
11 June 1923–15 April 1930	Lieutenant General Sir Henry Chauvel

### **Chief of the Air Staff, RAAF 1921–32:**

13 August 1921–14 December 1922	Wing Commander R. Williams
15 December 1922–9 February 1925	Wing Commander S.J. Goble
10 February 1925–6 December 1932	Air Commodore R. Williams

## **Holders of Major Offices - United Kingdom**

### **Prime Minister 1916–29:**

6 December 1916–19 October 1922	D. Lloyd George
23 October 1922–20 May 1923	A. Bonar Law
22 May 1923–22 January 1924	S. Baldwin
22 January 1924–3 November 1924	J. R. Macdonald
4 November 1924–4 June 1929	S. Baldwin

### **First Lord of the Admiralty 1921–29:**

13 February 1921–October 1922	Lord Lee
24 October 1922–22 January 1924	L.S. Amery
22 January 1924–3 November 1924	Viscount Chelmsford
6 November 1924–4 June 1929	W. Bridgeman

### **Secretary of State for the Colonies 1921–29:**

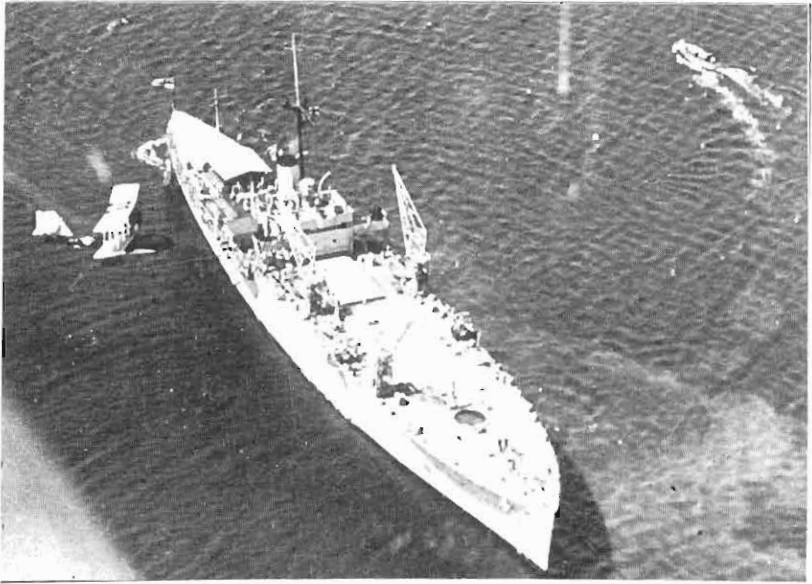
13 February 1921–October 1922	W.S. Churchill
24 October 1922–22 January 1924	Duke of Devonshire
22 January 1924–3 November 1924	J. Thomas
6 November 1924–4 June 1929	L.S. Amery*

\*and Dominions from 11 June 1925

**First Sea Lord 1919–30:**

1 November 1919–29 July 1927  
30 July 1927–29 July 1930

Admiral of the Fleet Earl Beatty  
Admiral Sir Charles Madden



*HMAS Albatross about to be overflown by one of her Supermarine Seagull III amphibians (RAN).*



## Appendix 2

### **An Army View of Australian Defence Policy: Major General V.C.M. Sellheim 1926**

Though the Council of Defence, including Generals Chauvel, Monash, White and Sellheim, meeting in March 1924 was formally unanimous in its acceptance of the view that in principle Australia's defence problem was primarily naval, there existed Army opinion that derived from this premise conclusions different from those drawn by Bruce and acquiesced in by the Council, whose military assistant secretary then was, interestingly, Lieutenant Colonel H.D. Wynter. A cogent expression of this strand of Army opinion dating from the period under study was provided by the Adjutant-General, Major General V.C.M. Sellheim, in a letter to the Secretary, Department of Defence, Mr T. Trumble, on 6 January 1926.

The occasion of the letter was a decision by the Minister for Defence, Sir Neville Howse, communicated verbally to effect a substantial reduction in the Army vote for 1926–27 in order to provide for some unforeseen requirements for the Navy, including the seaplane carrier. Sellheim considered this decision an indication that 'of the three Services, the Army is in the opinion of the Government, the least important factor in the problem of Australian Defence', which was, he stated, a view to which the Military Board had never assented. The reductions should be thoroughly reconsidered because the premises from which they derived were false.

The letter is of particular interest because Sellheim, who doubted the validity for Australia of the Singapore strategy, presented an argued case. In summary and employing his tenses, he argued:

1. As a matter of practical policy Australia must give first consideration to the problem of her own security.

#### NAVAL DEFENCE

2. The defence of Australia is, *prima facie*, a naval problem but it can remain a naval problem only if defence by naval means is, or with virtual certainty can be made, fully effective.
3. With her limited resources Australia cannot provide effective naval defence, so that the naval problem is primarily Imperial in scope. But the defence of Australia is not in itself a primary object of Imperial naval strategy and the execution of naval measures to ensure the security of Australia must be governed by the practical possibilities of the case.

4. Australia can rely primarily on naval defence only if it is clear that:
  - (a) The Imperial Navy is strong enough to provide for the naval defence of Australia against Japan whilst at the same time providing for all other essential imperial naval interests.
  - (b) The Imperial authorities (assuming that condition (a) is fulfilled) will, with more than reasonable certainty, be prepared in all circumstances likely to arise to despatch sufficient naval force to secure superiority in the Western Pacific.
  - (c) The practical conditions are such as will enable such a detachment to arrive in the Western Pacific with reasonable speed and to operate effectively after arrival.
5. If any one of these conditions is doubtful of fulfilment it would be unsound for Australia to regard the maintenance of a local naval unit as the primary consideration to be pursued. Still less would it be sound to jeopardise the effectiveness of the other services by the pursuit of such a policy.
6. Until the Singapore Base has been completed there will be no Pacific naval base able to sustain a modern battle fleet. The base may never be completed owing to political factors in Britain. In the meantime, Japan's naval supremacy in the SW Pacific is assured and she has the capacity to undertake land operations against Australia.
7. Even assuming the Singapore Base has been completed, will the Royal Navy in all reasonably possible circumstances be able to operate in the Pacific in sufficient strength to ensure the security of Australia? If war breaks out with Japan, it is likely more than any other time to occur when Great Britain is involved in war in Europe. Is it likely that the British Government would then sanction the despatch of sufficient naval strength to the Pacific to ensure superiority there before the European problem had been dealt with? The answer can be determined only by the event. If Australia depends upon naval means almost solely, for her defence, her situation would be precarious.
8. The delay in transferring the fleet caused by technical in addition to strategic considerations might enable the enemy to capture Singapore, placing the Royal Navy at great disadvantage.
9. Thus there is reasonable ground to doubt both the present and future capacity of the Royal Navy to ensure the security of Australia. That being so, to build and maintain a local naval unit incapable to any material extent of alleviating this doubt, and to do this by a sacrifice of the other services does not fit the cold facts of the case.

## DEFENCE OF SEABORNE TRADE

10. It is not cruisers but a superior battle fleet which is the primary factor in the defence of trade against (surface) attack. In the case of war with Japan the defence of Australian trade would be ensured primarily by a superior battle fleet at Singapore. The doubt as to whether reliance can be confidently placed upon this entails the doubt as to whether an Australian naval unit can be relied on as an effective factor in defence of Australian territory.

## DEFENCE BY LAND FORCES

11. If there is any doubt that defence by naval means is likely to be fully effective there is no choice but to rely on land defence which presumes a *waiting attitude and war fighting in Australian territory*. In the last resort, except in very exceptional cases, it is by land battle that decisive results are achieved. The truly decisive instruments of war are the land and air forces which can impose their will on the enemy by the personal and direct application of force.
12. With these elementary principles in mind it will be seen that even if Japan acquired naval superiority in the Pacific her main problem would have only begun provided Australia's means of land defence, both military and air, were developed to their due capacity.
13. Japan's military preponderance when projected against Australia would be considerably reduced by the limited capacity of her available shipping. It is more than doubtful that Japan could send in one convoy a force adequate to defeat Australia's five divisions and two cavalry divisions, particularly if our Army were supported by an Air Force of proportionate strength. If Japan failed to send sufficient force in one convoy to defeat Australia's forces she would be liable to defeat before a second convoy of reinforcing troops could arrive.
14. With naval supremacy Japan could land her military forces to almost any extent were she able to select as her objective some part of Australia beyond the effective reach of our land forces, which could not, however great, ensure the *inviolability of every portion of Australian territory*.
15. But it must be assumed that an enemy power acting soundly would not select as its main objective territory whose occupation would not vitally affect Australia's national life. For example, it is extremely unlikely that *an enemy would send a great expedition to the Northern Territory*. She might wish to secure a footing in such a place but probably a single battalion would achieve her purpose. Her primary objective would be to defeat our main forces. Then she would be able to work her will on us.

16. To bring Australia's main forces to battle an enemy would have to adopt as an objective some place or area that Australia would be forced to fight for. An enemy could not expect to bring off a successful battle by a leisurely process, even with Singapore in her hands Australia's main ports would remain potential bases for the Royal Navy.
17. It follows, therefore, that any big military expedition would be aimed at one of our vital centres in the south-east of Australia, within the region in which our main military and air forces could be brought into action.
18. Provided, therefore, that our Army and Air Force are kept up to the maximum possible standard, and provided our means of internal communications are properly developed, such an enemy expedition is not one lightly to be undertaken even by a power of greatly superior strength.
19. Even if a landing were effected Australian forces could greatly delay the reaching of a decision if they were efficient and of the strength indicated. In this respect, the capacity of forces operating on land to delay a decision, even though they are inferior, is infinitely greater to affect the outcome than that of a similarly inferior naval force.

#### CONCLUSIONS [Cited in full]

20. Having in view the considerations discussed above and more especially the doubt which must exist as to possibility of ensuring with reasonable certainty our national security by naval means in the event of war with Japan, I am of opinion that:-

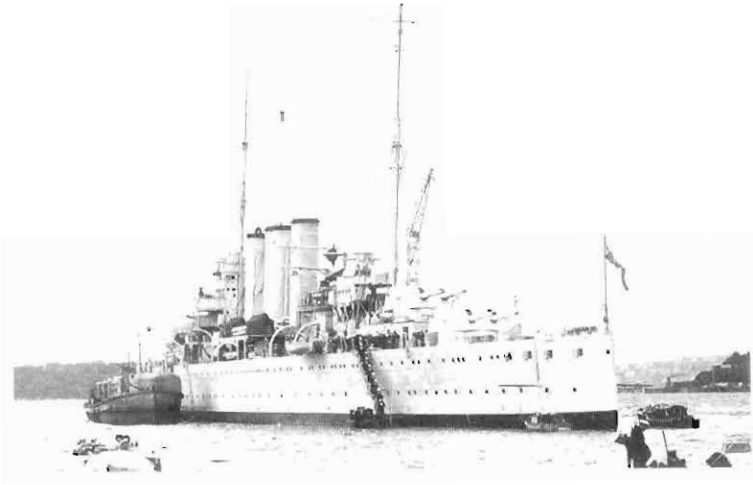
- (a) The defence of Australia, notwithstanding the superficial aspects of the case, cannot in existing circumstances be regarded as being primarily a naval problem.
- (b) The maintenance of an Australian Fleet unit, valuable though it might be in certain eventualities, cannot rightly be regarded as the first consideration in the problem of Australian defence.
- (c) The best results, having in view our limited financial and economic capacity, can be achieved by regarding the Army and the Air Force as the essential arms of our defence force, in this regard, these two services must be bracketed together as one strategical entity even though their administration is carried on independently.
- (d) The organisation of the Army should not be allowed to go below the present establishment of five Divisions and two Cavalry Divisions with additional essential non-divisional troops such as tanks, non-divisional artillery, &c.

The Air Force should be developed to an organisation appropriate, in due proportion, to the composition of the Army, having in view all requirements and not merely Army co-operation units so called.

- (e) The development of munitions production to ensure maintenance of the Army and the Air Force is an essential and concurrent need.
- (f) That, if it is not possible on financial grounds to maintain all three services to the extent which is desirable, it is the naval unit rather than in either of the other services in which economies can be effected with the least danger to the ultimate interests of Australian national security.

21. In view of the above I desire earnestly to urge that, before effect is given to the proposed re-allocation of defence expenditure, the views expressed in this memorandum be given thorough consideration.

The reaction of Mr Trumble to Major General Sellheim's letter has not been traced.



*HMAS Canberra with her seaplane embarked, moored in Sydney Harbour (J. Straczek).*

## **Part II**

### **The Decision not to Purchase a Light Fleet Carrier - 6 June 1945**



*General Douglas MacArthur, Supreme Commander Allied Forces South West Pacific Area and Australia's Prime Minister, the Rt Hon John Curtin chat during a meeting of the Advisory War Council (AWM 42774).*



# 1 Aspects of Wartime Defence Machinery

Australian cabinets have twice decided to equip the Royal Australian Navy with warships designed primarily to operate aircraft at sea. In 1925, in a decision analysed by the present writer in a previous paper, the First Bruce-Page Cabinet provided for the construction of a seaplane carrier, HMAS *Albatross*, at Cockatoo Island Dockyard. The second instance occurred in 1947 when, in a decision to be examined in a subsequent paper, the Second Chifley Cabinet agreed to purchase from Great Britain two *Majestic* class light fleet aircraft carriers, later named HMA Ships *Sydney* and *Melbourne*. Between those two decisions, the Second Curtin War Cabinet decided on 6 June 1945 not to proceed with the acquisition from Britain of a light fleet carrier, HMS *Ocean*, as a war project.<sup>1</sup> The aim of this paper is to examine that decision and its origins, but first the machinery then devoted to the formulation of war, defence and naval policy will be outlined briefly.

The following general account of the main features of wartime government and administration pertinent to this paper is indebted to the major pioneering work of Paul Hasluck on the political and social history of Australia in the war of 1939–45.<sup>2</sup> The broad characteristics here presented of the working of institutions are his. How those institutions interacted when generating one particular decision is, of course, the subject of this paper.

The War Cabinet, established by R.G. Menzies on 15 September 1939, stood at the centre, if not at the formal peak, of the wartime governmental structure. In Hasluck's words:

For the greater part of the war, both under the Menzies and Curtin Governments, the War Cabinet did, in effect direct policy although the full Cabinet was customarily called together for discussion of major contentious issues affecting party platforms or national welfare in a broader way than the actual conduct of the war.<sup>3</sup>

During the Second Curtin Ministry (21 September 1943–6 July 1945) the following were members of the War Cabinet: John Curtin (Prime Minister and Minister for Defence); F.M. Forde (Army); J.B. Chifley (Treasurer and, until 2 February 1945, Post-war Reconstruction); H.V. Evatt (Attorney-General and External Affairs); J.A. Beasley (Supply and Shipping to 2 February 1945, then Vice-President of the Executive Council); N.J.O. Makin (Navy and Munitions and, from 2 February 1945, Aircraft Production); A.S. Drakeford (Air and Civil Aviation); and J.J. Dedman (War Organisation of Industry to 19 February 1945; from 2 February 1945 Post-war Reconstruction). The eleven ministers not

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<sup>1</sup> War Cabinet Minute (WCM) 4241, 6 June 1945. Begun on 8 November 1942, the *Ocean* was completed on 30 June 1945.

<sup>2</sup> Paul Hasluck, *The Government and the People 1939–1941* (Canberra, 1952) and *The Government and the People 1942–1945* (Canberra, 1970), hereafter cited as Hasluck, 1939–1941 and Hasluck, 1942–1945 respectively. See especially the earlier volume, Chapter 11, 'A Digression on Wartime Administration'.

<sup>3</sup> Hasluck, 1939–1941, p. 423.

members of the War Cabinet were co-opted when matters affecting their departments were under consideration. Likewise, the Chiefs of Staff—Admiral Sir Guy Royle, Lieutenant General J. Northcott and Air Vice Marshal G. Jones—and the Commander-in-Chief Australian Military Forces, General Sir Thomas Blamey, were summoned when their advice was required. Other senior officers, experts, higher public servants, distinguished visitors and representatives of Allied Governments were also invited into the cabinet room, some to address the War Cabinet, during the discussion of particular items. The Secretary of the Department of Defence (Department of Defence Coordination, 13 November 1940–14 April 1942), Sir Frederick Shedden, was Secretary to the War Cabinet and attended its meetings. He was 'a highly capable public servant and one of the few outstanding men on the civil side of the Australian war effort. Discretion, orderly arrangement and careful groundwork were so large a part of his training and his method that his achievement was often hidden.'<sup>4</sup> Under Shedden's direction the War Cabinet Secretariat 'became one of the most efficient instrumentalities in the whole of the Commonwealth Public Service and its system of minutes with supporting agenda and documents proved a notable aid to the administration at the heart of the Government'<sup>5</sup>.

The War Cabinet was assisted in the determination of policy by the Advisory War Council which Menzies had established in October 1940 after the failure of his efforts to form a national government.<sup>6</sup> In response to a memorandum from him canvassing Labor participation in either a national government or 'some form of National or War Council', the Federal Parliamentary Labor Party expressed a preference for the latter. The compromise that the Council represented, and its purpose, were well caught in a resolution of the Labor Caucus:

Labor's proposals for an Australian War Council enable the Government and the Parliament to strengthen the war effort and give substantial effect to the requirements for internal security and post-war preparation. The Australian War Council should be representative of all parties and empowered to investigate, advise and assist the Government in its war efforts. The Labor Party will also place the services of individual members of the party at the disposal of the Government to assist Ministers occupied on war and defence efforts. It will not take political advantage, as an Opposition, of its numerical strength to embarrass the Government in its war efforts.<sup>7</sup>

The Council was constituted on 28 October 1940 under Statutory Rule No. 235 of 1940. The Prime Minister was Chairman and its other members were in effect his nominees and held office at his pleasure.<sup>8</sup> Initially, the Council had eight members, four from the Government parties and four representing the Opposition (Curtin, Forde, Makin and Beasley). During the period of the Second Curtin Ministry covered by this paper, namely March 1944 to July 1945, these four and Evatt represented the Labor Party and A.W. Fadden, P.C. Spender, W.M. Hughes, J. McEwen and Earle Page the United Australia and Country Parties.

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<sup>4</sup> *ibid.*, p. 444.

<sup>5</sup> *ibid.*, p. 422.

<sup>6</sup> For an account of the origins of the Advisory War Council see *ibid.*, pp. 264–71.

<sup>7</sup> *ibid.*, p. 270 citing a resolution of the ALP Federal Parliamentary Caucus, 23 October 1940.

<sup>8</sup> National Security (Australian Advisory War Council) Regulation, Statutory Rules 1940, No. 235. Regulations 2 and 3.

In discharge of its advisory function, the Council was empowered to render advice unasked:

The Council shall consider and advise the Government with respect to such matters relating to the defence of the Commonwealth or the prosecution of the war as are referred to the Council by the Prime Minister and advise the Government with respect to such other matters so relating as it thinks fit.<sup>9</sup>

From December 1941 onwards, the Council dealt with reviews of the international situation, *strategical appreciations, reports of operations, progress reports from the Chiefs of Staff* and major questions of policy determined by the Prime Minister. Significantly, two months after Curtin became Prime Minister, the War Cabinet decided on 11 December 1941 that if the Government members of the Council concurred in a Council recommendation it would be accepted as a decision of the War Cabinet.<sup>10</sup> On quite a number of occasions this meant in practice that an agreement reached in the Council was recorded as a minute of the War Cabinet of the same date.<sup>11</sup> The Council's regulations specified that the Secretary to the Council 'shall be the person who is Secretary to the War Cabinet' who was, as related, Sir Frederick Shedden. However, for some of the period covered by this paper, Lieutenant-Colonel A.J. Wilson, Assistant Secretary, Department of Defence, performed the duties of Council Secretary and Secretary to the War Cabinet.

We have seen that each Service was politically represented in the War Cabinet and the Advisory War Council, and that the Prime Minister was also Minister for Defence. At the outbreak of war, however, there had been a Minister for Defence responsible for all three Services: the separate Service ministries had then been established on 13 November 1939, as had a Department of Defence Co-ordination (from 14 April 1942 again named Department of Defence). The Service Departments had direct access to the War Cabinet on major questions of general policy and on matters relating to the administration of their own Services but were subsidiary to the Department of Defence, however named, in matters of higher policy. That Department was responsible for the co-ordination of defence activities, including all matters of defence policy and the activities and requirements of the three Service Departments in the administrative sphere. In Hasluck's estimation, which nothing in the present paper will belie, the Department of Defence was 'the central and, in some respects, the supreme component of the machinery for the higher direction of the war'<sup>12</sup>: the Prime Minister was its Minister, it provided the Secretariat for the War Cabinet and the Advisory War Council, and its organisation embraced the Defence Committee and the Chiefs of Staff Committee, for both of which it provided the Secretariat. From 1942, and again in Hasluck's words:

It occupied a position unique and unrivalled among Commonwealth departments. The special wartime conditions which required the Prime Minister to be the leader and director of the nation in a sense unknown in peacetime also elevated the Defence Department to a singular position in the administrative organisation. The Australian wartime Prime Ministers did not

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<sup>9</sup> *ibid.*, Regulation 9.

<sup>10</sup> WCM 1570, 11 December 1941.

<sup>11</sup> Hasluck, *1939-1941*, p. 424.

<sup>12</sup> *ibid.*, p. 443.

surround themselves with a personal corps of confidants or advisers and, therefore, in those matters relating to the conduct of the war which were handled by the War Cabinet ... the Defence Department, acting in correct public service tradition, filled the role.

The influence of the Defence Department on important decisions on wartime policy was mainly exercised (a) by initiating action for the review of important aspects of war policy and, (b) by examining all agenda submitted for consideration by the War Cabinet and preparing notes on them for the information of the Prime Minister and Minister for Defence, who presided over the War Cabinet meetings. A close examination of the papers submitted to the War Cabinet on major matters, especially during the time of the Curtin Government, leaves no doubt of the influential role of the Defence Department both as an initiator and moulder of decisions.<sup>13</sup>

Within the Defence Department organisation, the Defence Committee, formally constituted by regulation on 8 March 1929,<sup>14</sup> had been established in 1926 at the direction of Major General Sir Neville Howse, then Minister for Defence. Composed of the three Chiefs of Staff and 'An Officer of the Secretariat of the Department of Defence ... appointed by the Minister'<sup>15</sup> the Committee was 'an advisory and consultative body' charged with advising the Minister on 'the initiation and maintenance of a consistent Defence policy directing the common action of the Naval, Military and Air Services' and with providing 'the technical co-ordinating link between the Naval, Military and Air Boards and the Minister'.<sup>16</sup> Specifically, their functions included advising the Minister on 'the Defence policy as a whole', that policy's financial requirements, 'and the allocation to the respective Services of the funds made available'.<sup>17</sup> As well as investigating and advising on matters referred to them by the Minister, the Committee could on their own initiative investigate and offer advice to the Minister on any matter arising out of their functions.<sup>18</sup> The Defence Committee functioned throughout the war, preparing matters to go before the War Cabinet and examining questions referred to them by that body.

With respect to the Navy, the Naval Board was 'charged with the control and administration of all matters relating to the Naval Forces, upon the policy directed by the Minister' for the Navy who was its President and exercised the general direction and supervision of all business.<sup>19</sup> The Board also enjoyed executive command of the Naval Forces but from 18 April 1942 until 2 September 1945 all combat sections of the Australian forces within the Australian area were under the command of the Supreme Commander, South-West Pacific Area, General Douglas MacArthur.<sup>20</sup> Admiral Sir Guy Royle was the First Naval Member of the Board and the Chief of the Naval Staff from 18 August 1941

<sup>13</sup> *ibid.*, pp. 443–4.

<sup>14</sup> Statutory Rules 1929, No. 26, Defence Committee Regulations. Amended in 28 July 1938 by Statutory Rules 1938, No. 81.

<sup>15</sup> *ibid.*, (1929), Regulation 4 (1).

<sup>16</sup> *ibid.*, Regulation 2.

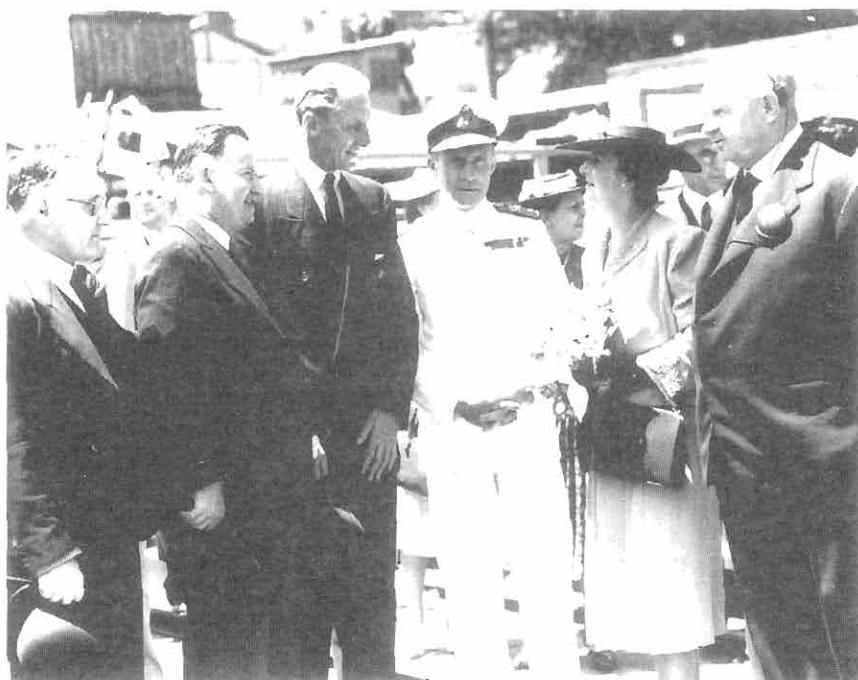
<sup>17</sup> *ibid.*, Regulation 3 (a) and (b).

<sup>18</sup> *ibid.*, Regulation 8 (a) and (b).

<sup>19</sup> Statutory Rules 1920, No. 249, Regulations 2 and 11A.

<sup>20</sup> See G. Hermon Gill, *Royal Australian Navy 1939–1942* (Canberra, 1957), *passim* and *Royal Australian Navy 1942–1945* (Canberra, 1968), pp. 34 and 682, hereafter cited as *RAN 1939–1942* and *RAN 1942–1945* respectively.

until 28 June 1945. An officer of the Royal Navy, he brought to his post considerable staff, sea and naval aviation experience. He had also been exposed in Britain in peace and war to the vagaries of life on the interface of politics and the Service. Before going in 1934 to the Admiralty for three years as Naval Secretary to the First Lord, Sir Bolton M. Eyres-Monsell, Royle had commanded the aircraft carrier HMS *Glorious*. After Whitehall, he had served for two years as Vice Admiral, Aircraft Carriers, before returning in November 1939 to the Admiralty as Fifth Sea Lord and Chief of Naval Air Services, a post he had held until April 1941.



*At the launching of HMAS Warramunga in 1942. Left to right: the Minister for the Navy, Mr N.J.O. Makin; the Deputy Prime Minister, Mr F.M. Forde; the High Commissioner for the United Kingdom, Sir Ronal Cross; Chief of Naval Staff, Vice Admiral Sir Guy Royle; Mrs Rode; Chairman of Directors, Cockatoo Docks, Sir G. Davis (AWM 011592).*

## 2 The Context of the Initial Proposal

The Navy submission rejected by the War Cabinet on 6 June 1945 had proposed the purchase of a light fleet aircraft carrier. It had evolved from an earlier proposal which the Chief of the Naval Staff had sprung on the Advisory War Council on 21 March 1944.<sup>21</sup> Royle had then sought support for an increase of 4000–5000 in the personnel strength of the Navy so that it could man up to nine additional warships (one or two cruisers, six destroyers, and a light fleet carrier) which Britain had, or would soon have, but could not man, and which she could make available to Australia for service with the Royal Australian Navy, probably as gifts.<sup>22</sup>

Royle's proposal, it seems, was the first attempt to secure a landing-on aircraft carrier for the Navy. The statement by Gillison, writing in 1962, that during a visit to London in May 1942 the Minister for External Affairs, Dr H.V. Evatt, sought 'an aircraft carrier for, or to serve with, the R.A.N',<sup>23</sup> appears to misinterpret Evatt's purpose. This was to secure the allocation of at least one aircraft carrier, either American or British, not for the Royal Australian Navy, but to serve in the South-West Pacific Area alongside the Navy and under the command of MacArthur. This is a view of Evatt's purpose shared by Milner,<sup>24</sup> Butler,<sup>25</sup> Gill,<sup>26</sup> and Hasluck.<sup>27</sup> None of the last three named, though publishing after Gillison, explicitly challenge his interpretation: their disagreement is implicit in that they do not extend Evatt's purpose to include the acquisition of a carrier for the Navy. Nor do the traceable records support Gillison's view, indicating instead that Curtin, whose agent Evatt was, and MacArthur, acting in concert but through separate channels, were seeking a carrier or carriers for service under the latter's command. Curtin had accepted MacArthur's argument:

The Naval Force in the Southwest Pacific is not a balanced one, as it does not possess air striking power. Its value is thus greatly reduced. If an aircraft carrier were provided the force would be able to undertake offensive operations against the Japanese in this area. Opportunities for this frequently arise by reason of the enemy's long and exposed lines of communication.<sup>28</sup>

Neither the American nor the British Government would then permanently allocate a carrier to MacArthur's command,<sup>29</sup> so that in this respect at least Evatt's mission did not meet with success.<sup>30</sup>

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<sup>21</sup> Advisory War Council Minute (AWCM) 1322, 21 March 1944.

<sup>22</sup> loc. cit. and Defence Committee Minute (DCM) 89/1944, 21, 24 and 25 March 1944.

<sup>23</sup> Douglas Gillison, *Royal Australian Air Force 1939–1942* (Canberra, 1962), p. 563.

<sup>24</sup> Samuel Milner, *Victory in Papua* (Washington, 1957), pp. 27–32.

<sup>25</sup> J.M.A. Gwyer and J.R.M. Butler, *Grand Strategy, Volume III, Part II* (London, 1964), pp. 492–8.

<sup>26</sup> *RAN 1942–1945*, pp. 55–6.

<sup>27</sup> Hasluck, *1942–45*, pp. 162–3.

<sup>28</sup> Telegram No. 287, Curtin to Churchill, 28 April 1942.

<sup>29</sup> See Telegram ET.30, Evatt to Curtin, 28 May 1942 and Milner, op. cit., p. 27–32.

<sup>30</sup> For a sympathetic assessment of Evatt's mission see Roger J. Bell, *Unequal Allies Australian-American Relations and the Pacific War* (Melbourne, 1977), pp. 83–5.

We now return to Royle's proposal and briefly examine the British and Australian contexts from which it arose. By March 1944 victory was not yet in sight, but it could be foreseen that the Allies would eventually win the war: first in the West, for Roosevelt and Churchill had agreed in January 1942 that defeat of Germany should precede the main attack on Japan. On 12 April 1944 the British Joint Planning Staff produced a paper entitled 'War Against Japan—Alternative Proposal' considering the shape of the main British effort against Japan during 1945. It envisaged that fighting short of the Japanese mainland could last until the end of 1946, depending upon the plan adopted.<sup>31</sup>

Also by March 1944 the demand for manpower was greatly straining the human resources of Britain and Australia. In Britain, by the end of 1943, the population was nearing the limit of its capacity to support the Allied offensive. The mobilisation of manpower for the Armed Forces, Civil Defence and industry had reached a peak during the previous September, but the Armed Forces were not to attain their maximum strength until D-Day.<sup>32</sup> Churchill summarised the situation on 1 November 1943:

The problem is no longer one of closing a gap between supply and requirements. Our manpower is now fully mobilised for the war effort. We cannot add to the total; on the contrary, it is already dwindling. All we can do is to make within that total such changes as strategy demands. If we had to carry on the war against Germany and Japan for several more years, the scale of our war effort in terms of man-power would have to decrease progressively.<sup>33</sup>

Two months earlier the Combined (Anglo-American) Planning Staff had informed the Combined Chiefs of Staff that 'no additional operational requirements for British naval personnel, over and above that at present planned up to 1 May, 1944, can be met, except at the expense of some other operational undertaking'.<sup>34</sup> Not surprisingly, therefore, from June 1943 onwards it became 'increasingly difficult to man the fleet. Throughout 1943–44 no subject caused the Admiralty greater anxiety, nor was more frequently discussed, than the shortage of manpower'.<sup>35</sup> In August 1943 the shortage of officers alone was 1000 and was expected to increase at the rate of 85 per month thereafter.<sup>36</sup>

Men and ships were required in the Atlantic, to fight the Arctic convoys through, to reinforce the combined offensives in the Mediterranean, to build up the Eastern Fleet, and to help mount the new combined operations. Amongst the vessels under construction to assist in meeting these requirements were aircraft carriers. By early 1944 this type of warship had more than proven its effectiveness and flexibility in both offensive and defensive roles. On both sides, carrier-borne aircraft had sought out and slowed or sunk principal naval units at sea and in harbour; attacked land targets; protected fleets and convoys against surface, submarine and air attack; and covered landings. The Admiralty's 1942 main and

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<sup>31</sup> John Ehrman, *Grand Strategy, Volume III* (London, 1956), pp. 459–62.

<sup>32</sup> H.M.D. Parker, *Manpower: A Study of War-time Policy and Administration* (London, 1957), pp. 210–11.

<sup>33</sup> Cited in Ehrman, *op. cit.*, p. 44.

<sup>34</sup> *ibid.*, p. 25.

<sup>35</sup> Captain S.W. Roskill, *The War At Sea 1939–1945, Volume III, Part 1* (London, 1960), p. 8.

<sup>36</sup> War Cabinet Agendum (WCA) 80/1944, Supplement 1, Annex B.



supplementary building programmes provided for the construction of sixteen light fleet carriers. These were specially designed and fully equipped aircraft carriers suitable both for escort duty and for service with the fleet. Smaller than the fleet carriers they were easier and speedier to build, their construction taking about two rather than five to six years. Of the sixteen in the 1942 programmes, ten had been laid down by January 1943 and were expected to begin coming into service in late 1944.<sup>37</sup> Ultimately, only five light fleet carriers from the 1942 programmes were completed before the end of the war, and another eight postwar,<sup>38</sup> but from the standpoint of early 1944 that outcome was not apparent.

The light fleet carriers under construction, together with other warships—a fleet carrier, escort carriers, flotilla leaders and destroyers, submarines, frigates, corvettes, mine-sweepers and trawlers—included in the Admiralty's 1942 and 1943 programmes, if completed, would all require manning. But already by early 1944, certain older ships were being paid off due to crew shortages.<sup>39</sup> This led the newly-appointed First Sea Lord, Admiral of the Fleet Sir Andrew B. Cunningham, to approach Canada's Chief of the Naval Staff, Vice Admiral P.W. Nelles, for assistance with manning. Subsequently, a series of agreements were reached between the two Governments which resulted in the Royal Canadian Navy manning two destroyers (February 1944) and two cruisers (October 1944 and April 1945) and partly manning two escort carriers (September 1943 and May 1944). All these vessels were transferred to and, except the carriers, commissioned into the Royal Canadian Navy, but the terms of the transfers varied. The Admiralty's intention had been to present the destroyers as a 'free gift', but the Canadian Government preferred to accept them as 'reverse mutual aid' since they were being transferred as a result of the Admiralty's manning difficulties and Canada's offer of assistance. No such formula was contrived to cover the free transfer of the two cruisers. Like the destroyers, the cruisers were gifts but the latter were described as such. This was an 'example of the fact that manning ships and getting them into service had become much more important than any question of their money value'.<sup>40</sup> The terms of transfer of the escort carriers were less straight forward. These vessels had been built in the United States and moved to Canada for completion for the Royal Navy to Admiralty standards. American law precluded their sale to any foreign power, but they could be leased and the Admiralty had obtained a number in this way. What Canada did was to accept two of these on loan from Britain and operate them, providing their crews, apart from aircrew, to 'a total of about 1800 personnel'.<sup>41</sup> The carriers remained RN ships.

In early 1944 then, while British military planners considered that the war against Japan could last at least until late in 1946, the Admiralty had under construction ships due for completion from late 1944 onwards which they might not be able to man. In this situation exchanges concerning the transfer of warships to Australia occurred between the Commonwealth Naval Board and the Admiralty that resulted in Royle's proposal of 21 March 1944. Exchanges of this sort were a traditional feature of the close relationship between the two navies. They permitted the professional exploration of a wide range of

<sup>37</sup> M.M. Postan, *British War Production* (London, 1952), pp. 289–90.

<sup>38</sup> Captain S.W. Roskill, *The War At Sea 1939–1945, Volume II* (London, 1956), Appendix B.

<sup>39</sup> Memorandum, 'The Australian War Effort', 26 May 1944, by the First Sea Lord, Admiral of the Fleet Sir Andrew B. Cunningham.

<sup>40</sup> Gilbert Norman Tucker, *The Naval Service of Canada: Its Official History Volume II* (Ottawa, 1952), p. 94.

<sup>41</sup> *ibid.*, pp. 92–9

matters without commitment by either Government. Political leaders on both sides accepted them as legitimate, though Australian instructions provided not without ambiguity that all communications on matters affecting Government policy or on important questions of principle should be transmitted through the established channels, Government to Government. As we shall see later, Curtin was to be greatly vexed by what he deemed a breach of these instructions from within the Department of the Navy. In the case of the March proposal, the records of the original exchanges have not been traced in the Australian records though later, less sensitive, documents establish by implication but beyond reasonable doubt that they occurred.

With respect to manpower, the Australian situation into which Royle injected his proposal was similar to that prevailing in Britain: early in 1944 Australia faced a general manpower shortage. On 1 October 1943 the War Cabinet had reviewed 'the nature, extent and balance of the war effort in the light of the manpower position'.<sup>42</sup> It then decided, subject to certain conditions, on the release by June 1944 of 40 000 persons from the Army (20 000) and the munitions and aircraft industries (20 000). From these releases, first priority was to be given to the provision of 15 000 men for the rural sector.<sup>43</sup> At the same time, a tentative limit of 5000 (3000 men and 2000 women), subject to further review in December 1943, was placed on the monthly intake of the Services. The 'December' review, several times deferred, did not vary that allocation,<sup>44</sup> which the Services had not been able to fill: their actual intake during the four months November 1943 to February 1944 being not 20 000 but 16 273.<sup>45</sup>

The total personnel strength of the Navy on 1 October 1943 was 35 326, of whom 3404 were serving 'overseas' (outside Australian waters) with the Royal Navy: 2285 manning six destroyers and thirteen corvettes of the British Eastern Fleet with a further 1119 serving in various other categories afloat and ashore. The Navy was also manning a further seven Admiralty corvettes stationed in Australian waters. At the 1 October 1943 review, the War Cabinet decided in principle that the Navy should receive no monthly intake of recruits and that its strength should be limited by its capacity to replace wastage by the gradual return of the 3404 personnel serving 'overseas'. This decision did not hold, however, and the Navy was later allotted 100 and then 150 recruits monthly, which more than covered its current wastage of less than 100 a month. The monthly intakes of the Army and the Air Force then stood at 1475 and 3375 respectively.<sup>46</sup>

The War Cabinet further decided at the October review that Curtin should raise with Churchill the gradual return of the 3404 naval personnel. He did so in a cable on 12 October 1943, asking for Churchill's 'observations' on the question.<sup>47</sup> Curtin also set out the general principles which the War Cabinet had determined should govern the overseas commitments of the Australian Services. These were:

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<sup>42</sup> WCM 3065, 1 October 1943.

<sup>43</sup> On the difficulties experienced in the implementation of these decisions see Hasluck, 1942-45, pp. 414-22.

<sup>44</sup> WCM 3065, 3 May 1944.

<sup>45</sup> Letter, Shedden to Wilson, 1 April 1944, attachment on 'Intake into the Services'.

<sup>46</sup> loc. cit.,

<sup>47</sup> Cablegram, No. 267, Curtin to Churchill, 12 October 1943.

- a. It is of vital importance to the future of Australia and her status at the peace table in regard to the settlement in the Pacific, that her military effort should be concentrated as far as possible in the Pacific and that it should be on a scale to guarantee her an effective voice in the peace settlement.
- b. If necessary, the extent of this effort should be maintained at the expense of commitments in other theatres. In the interests of Australia and the British Empire in the Pacific, it is imperative that this view should be accepted by the United Kingdom and the other Dominions, especially New Zealand and Canada.<sup>48</sup>

To Curtin's growing vexation, Churchill had not responded to the withdrawal proposal before Curtin arrived in London on 29 April 1944 to attend the Conference of Prime Ministers and Representatives of the Commonwealth.

The difficulties confronting the Royal Australian Navy early in 1944 were not confined to the manning of existing vessels. Again like its British counterpart it also faced the prospect of finding crews for vessels under construction, including, in October 1943, a destroyer, nine frigates, five corvettes and seventeen launches.<sup>49</sup> Furthermore, on 10 January the Naval Board sought War Cabinet approval for additional construction on the grounds that existing programmes were either nearly completed or had reached a stage when fresh orders had to be placed to ensure the continuity of naval shipbuilding in Australia, thereby avoiding the breakup of experienced shipbuilding teams. The Board sought approval in principle for a longterm programme of cruiser and destroyer construction costing £(A)21.5 million: three cruisers and four destroyers for completion within 10½ and 10 years, respectively, of the date of approval.<sup>50</sup> Though ostensibly intended to keep the Cockatoo Island and Williamstown Dockyards employed, the programme clearly also had significant implications for the structure of the postwar forces but these were not explored in the submission. Simply put, had immediate approval been given and if, improbably, there had been no delays in construction, the last cruiser and destroyer would not have been launched until 1954, with normal life-of-type keeping the cruiser fit for service up to 1974.

Three days before the submission of the proposal Curtin, as Minister for Defence, had issued a standing instruction to the Defence Committee initiating at the joint service level planning for the postwar forces. He required the Committee: to keep constantly in mind the question of post-war Defence Policy from the following angles:

- i. The experience of this war in relation to the principles of Australian and Empire Defence, and to the nature, strength, and organisation of the Australian Forces.

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<sup>48</sup> *ibid.*, and WCM 3065, 1 October 1943. Conditions governing the manning of Admiralty vessels were: Australia met the pay and allowances of the crew; the Admiralty provided the ships and retained entire liability for their maintenance; they were commissioned as HMA Ships: see *RAN 1939-1942*, pp. 412-13.

<sup>49</sup> *RAN 1942-1945*, p. 466.

<sup>50</sup> WCA 18/1944, submitted by Makin on 10 January 1944.

- ii. As and when any progress is made in regard to the principles and nature of the collective system, either on a world or regional basis, their implications in regard to Australian Defence should be considered.<sup>51</sup>

The Committee, once it had established a firm basis under either i. or ii. for the expression of a view, was to submit it to Curtin. Not unexpectedly, therefore, when on 21 January 1944 the War Cabinet considered the shipbuilding submission, it was referred to the Committee for an assessment of 'its relation to the nature, strength and organisation of the forces that Australia should maintain after the war'. Recognising that a final decision might be delayed, the War Cabinet in effect then offered guidance by remarking that the Committee might find it possible 'to state a basis for commencing a ship or two of each class without prejudice to the adoption of the full programme'.<sup>52</sup> Without adding perspective to the Navy submission this the committee duly did, recommending the construction of a cruiser at Cockatoo Island and of a destroyer at Williamstown at a total estimated cost of £(A)6 500 000.<sup>53</sup> The War Cabinet approved this recommendation on 4 April 1944, together with a new Naval Board proposal that because of the reduction in the Allies' future requirement for escort vessels ten of the twenty-two frigates approved for construction should be cancelled and three tank landing ships, of which type there was a shortage, built.<sup>54</sup>

By then, in addition to Curtin's direction to consider postwar defence policy, the Defence Committee had been charged by the War Cabinet on 22 February to review 'the war effort in the light of the present strategical situation', distinguishing between what was necessary to meet operational requirements in the South-West Pacific Area and for the defence of the mainland. The review was to cover the strength of the forces and their supporting works, supply and other programmes. The Service representatives on the Committee were instructed to ensure 'the fullest consultation' with their respective Ministers regarding both the information submitted by them to the Committee and its conclusions.<sup>55</sup>

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<sup>51</sup> Defence Committee Agenda (DCA) 9/1944, containing a minute of 7 January 1944 from Shedden to the Committee conveying Curtin's instruction.

<sup>52</sup> WCM 3276, 21 January 1944.

<sup>53</sup> DCM 61/1944, 23 February 1944.

<sup>54</sup> WCM 3439, 4 April 1944.

<sup>55</sup> WCM 3334, 22 February 1944.

### 3 Royle Proposes: 21 March 1944

Within a month of the War Cabinet's instruction to the Defence Committee to review the war effort of the Services Admiral Royle had struck hard, seeking in effect to persuade the Advisory War Council to anticipate the Committee's findings regarding the Navy, at least in certain respects. He was *certainly anxious to state the Navy's case to leading members* of the Government, including Curtin, and to the Opposition for, as we shall see, the Committee was experiencing acute difficulties in reaching agreement on recommendations concerning the allocation of manpower to the Services. Royle's timing must also have been influenced by Curtin's impending departure for Washington and London. By itself his proposal was attractive and Royle could have entertained hopes of pushing it through in the fortnight before Curtin left. Failing that, its inclusion on the Australian side's agenda for the London discussions was a reasonable objective. In those exchanges, the Admiralty, primed or not, could with little doubt be relied upon to provide the northern pincer to the austral one of Royle who was to press his case over the next sixteen months with *single-mindedness* and tenacity, though not always with strength and subtlety of argument. His advocacy and methods were to raise ministerial, Air Force and senior civilian hackles. Those angered bit back, but whether they also consequently entertained significant prejudices against the proposal, rather than considering it solely on its 'merits', is beyond proof. It remains a possibility to which we should be alert, however.

Royle broached the proposal to the Council by speaking to it, thereby possibly catching most of his listeners unawares, forewarned neither by an agendum in support nor by an item on an agenda list. Strictly speaking, unless invited by the Prime Minister or the Council, he had no authority to submit matters for its consideration. The minutes do not reveal how the proposal was raised but Royle possibly took the opportunity of doing so when speaking on another matter. Following the meeting he summarised his remarks and interpretation of the Council's views on them in a draft minute of the proceedings which he passed the next day to Lieutenant-Colonel A.J. Wilson who was acting as Secretary of the Council.<sup>56</sup> The draft summary of the arguments was incorporated in the final version of the minutes, subject only to minor amendments which in no degree varied its sense.<sup>57</sup> Read with his submission on the same day to the Defence Committee regarding the war effort of the Navy,<sup>58</sup> Royle's arguments to the Council afford a clear statement of the Navy case in favour of making an offer to Britain to man up to a further nine British warships, including an aircraft carrier which, were the proposal agreed to and wartime precedent followed, would have been commissioned into the Royal Australian Navy.

Royle began by pointing out that the defence of mainland Australia was provided for primarily by the Allied (almost wholly American) Fleet in the Pacific and the British Eastern Fleet in the Indian Ocean. Together these fleets constituted an ample deterrent to any Japanese overseas operation against the mainland. Though the Australian Chiefs of Staff declared themselves unable to indicate the nature of future operations in the South-West

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<sup>56</sup> Teleprinter message M.1356. Royle to Wilson, 22 March 1944.

<sup>57</sup> AWCM 1322, 21 March 1944.

<sup>58</sup> DCM 89/1944, pp. 21, 24 and 25 March 1944.

Pacific Area, that being MacArthur's responsibility, Royle was confident that Australia's lines of sea communications would be continually lengthening, necessitating the employment on escort duty of increasing numbers of warships. Similarly, as the Allied advance progressed, Australian naval personnel would be required to establish and man new bases. Though Royle conceded that his ignorance of the extent of MacArthur's intended offensive operations prevented him from giving particulars of the Australian naval forces those operations would require, he stressed the naval character of the Pacific War and concluded that 'the maximum Naval forces which can be provided will be required', citing in support a recent letter from the British Naval Liaison Officer with the United States Pacific Fleet.

Royle further pointed out that MacArthur, who desired to secure additional naval forces for his command, had expressed the hope that the projected British Pacific Task Force of capital ships, aircraft carriers, cruisers and destroyers would operate in the South-West Pacific Area. Though Royle did not say so, the Council would have understood that MacArthur's remarks had been directed at the American Joint Chiefs of Staff, particularly the Chief of Naval Operations, Admiral E.J. King, whom MacArthur felt had long denied him adequate naval forces. King, moreover, was also reluctant to concede to the Royal Navy the significant role (significant from the British perspective) in the Pacific War which it would soon and increasingly be capable of playing, and which Churchill and Curtin desired it to play.<sup>59</sup> Indeed, early in 1944 MacArthur reportedly entertained doubts as to whether the United States Navy would ever agree to the entry of the Royal Navy in force into the Pacific.<sup>60</sup> The official British historian has tactfully explained King's attitude:

The view that King was anti-British, though very prevalent at the time, is certainly an over simplification ... {rather King} was determined that it {the Royal Navy} should not deprive the United States Navy, in whose creation he himself had played such a great part, of the glory of the victories which he felt to be its right.<sup>61</sup>

From his general characterisation of the war in the Pacific and the Allies' likely future requirements there, Royle concluded that 'Australia's best and simplest contribution to the allied offensive as the war moves further into the Pacific, and away from the Australian mainland, would be an increase in her naval strength'. This could be achieved relatively quickly without the significant lag entailed by initiating new construction and vessels Australia could not readily build obtained, because crew shortages had recently compelled the Admiralty to place several warships out of commission. He thought it probable that Britain 'would readily make available for service in this area a number of warships if Australia would undertake to man them'. Canada, he stated, had recently added to its Navy two aircraft carriers, two cruisers and a destroyer flotilla. But in fact, as related, only two destroyers had been transferred and the carriers were of the escort type. Royle did not explicitly dilate on the terms of the transfer, but his statement to the Council that Australia's naval strength could be increased substantially at the cost of only a comparatively small increase in personnel suggests that he expected the transfer would be as a gift and it is likely that the Council understood this from the beginning. By early in May he

<sup>59</sup> See John Ehrman, *Grand Strategy Volume V* (London, 1956), pp. 519-24 for an example of King's attitude.

<sup>60</sup> Shelden to Curtin, 23 March 1944.

<sup>61</sup> Captain S.W. Roskill, *The War at Sea 1939-1945, Volume III, Part I*, p. 6.

had certainly made it clear that such was his expectation.<sup>62</sup> To the Defence Committee Royle spoke of the transfer of three cruisers and a flotilla of destroyers, requiring an increase in naval personnel of 4000, or less than the then combined allocation to the Army and the Air Force of 4850. To the Advisory War Council and on the same day, the number of additional personnel he mentioned was 4000–5000, sufficient to man one aircraft carrier of unspecified type, one or more cruisers, and six destroyers. To secure these personnel without an increase in the monthly quota of the Services of 5000, would have required a monthly allocation to the Navy of 1000 over four or five months: as related, its monthly quota was then 150. Royle concluded by suggesting to the Council and in Curtin's presence that it would be 'a very appropriate gesture' for the Prime Minister during his forthcoming visit to London to offer to man for service in the Pacific area a force like that mentioned—one including an aircraft carrier.

While Royle's draft minute of his remarks to the Council was incorporated into the issued minute with only trivial amendments, his recollection of the Council's response to the proposal and particularly that of the Prime Minister was shared by neither Wilson nor Curtin himself. The first two paragraphs of the draft were confined to the summary of the case. In the third Royle stated:

3. The proposal of the Chief of Naval Staff was agreed to as very desirable in principle and it was decided that the Department of the Navy should be directed to investigate forthwith what additional vessels could be manned and the date manning could be effected, on the basis of an intake of 1000 personnel (800 males and 200 females) per month from April 1944. The Prime Minister stated that he would hold a meeting at an early date with General Blamey and the Chiefs of Staff to decide upon the re-adjustment of (sic) manpower allocation.<sup>63</sup>

On the same day, Wilson demurred:

2. Re paragraph 3. You will be aware that the Prime Minister stated he was not prepared to take a decision in this matter in advance of the review being undertaken by the Defence Committee and that he would endeavour to have a consultation with the Commander-in-Chief and the Chiefs of Staff, formulate views and inform the Council.
3. Your paragraph 3 conveys to me the impression that you consider it was decided that the Department of the Navy should be directed to investigate forthwith what additional vessels could be manned ... without awaiting the decision of the Prime Minister following the discussions proposed to be held. This was not so. Any decision on your proposal would have to await the results of the consultation. The Prime Minister confirms the above.<sup>64</sup>

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<sup>62</sup> See, for example, CNS Memorandum, 'Reallocation of Service Personnel', 1 May 1944.

<sup>63</sup> Teleprinter Message M.1356, Royle to Wilson, 22 March 1944. WCM 3382, 20 March 1944 records that Wilson would act as Secretary, Department of Defence; Secretary, War Cabinet and Secretary, Advisory War Council while Shedden was preparing data for the Prime Minister in Melbourne and during the visit abroad.

<sup>64</sup> Teleprinter Message CS.1323, Wilson to Royle, 22 March 1944.

The Notes of the meeting support this view revealing that both Curtin and Forde urged that the transfer of vessels should be considered by the Defence Committee in its review. But members also expressed strong support for Royle's proposal. Spender agreed with Curtin on reference to the Committee, but thought Royle right in principle, believing there was 'a lot' in his argument. Curtin later agreed that was so and also accepted Fadden's view that the tenor of the whole discussion favoured Royle's proposal.<sup>65</sup> Not surprisingly, therefore, Wilson's recollection of the proceedings prevailed over Royle's and the final minute stated:

3. After discussion, the Prime Minister said that, as the proposal made by the Chief of the Naval Staff had a direct bearing on the question of the strength at which each of the Services was to be maintained, he was not prepared to take a decision pending submission by the Chiefs of Staff of the review requested by War Cabinet (Minute 3334). He would endeavour to arrange a consultation with the Commander-in-Chief, Australian Military Forces, and the Chiefs of Staff before he left Australia and, in the light of such discussion, he would formulate views and inform the Council.<sup>66</sup>

Next, Curtin directed the Defence Committee to submit to him by 27 March that portion of the overall review of the war effort of the Services ordered by the War Cabinet on 22 February 1944 dealing with the strength of the forces. He wished to consider their findings before his consultations with Blamey and the Chiefs of Staff.<sup>67</sup> Before the Prime Minister received the report, however, he was advised by Shedden on 23 March in a forceful minute against deciding on Royle's proposal before leaving for London.<sup>68</sup> This minute is of more than passing interest, for Shedden did not confine his advice to procedural and technical considerations, which alone could have been deployed to sustain a delaying brief, rather he peppered the minute with observations on inter-Service rivalry, the role of the Permanent Head, and postwar defence policy.

The Secretary began by revealing to Curtin 'the background of this move' by Royle who had reportedly mentioned to Shedden on 20 March that the Defence Committee 'was facing a problem' in responding to the charge of the War Cabinet. Shedden was not surprised:

it has been the traditional attitude of successive generations of Chiefs of Staff for them to fail to agree to any adjustments in the strength of the Forces where they result in reductions in the strength of their own particular Service. This is, of course, understandable. The differences can only be resolved by the Minister for Defence, after considering the advice of the Permanent Head of his Department, ...

As in the case of the Ten-year Naval Construction Programme, Royle had sought 'to get a flying start by making a break ahead' of the other Chiefs, this time by proposing an

<sup>65</sup> Notes on Advisory War Council Meeting 21 March 1944, minute 1322.

<sup>66</sup> AWCM 1322, 21 March 1944.

<sup>67</sup> DCM 89/1944, 21, 24 and 25 March 1944.

<sup>68</sup> Shedden to Curtin, 23 March 1944.



increase in the personnel strength of the Navy. This request involved the competing interests of the other Services and Shedden expressed strong opposition to the initiation of proposals affecting major aspects of war and defence policy in the manner employed by Royle. In his view, Royle had sought by design to commit Ministers who had not had the opportunity to consider the matter in all its aspects. Governments permitting this practice had reached bad decisions in peace and war, Curtin was warned, but offered no instances. Whatever the general validity of Shedden's view, he did reveal in this case a pointed lack of confidence in the ability of those ministers most concerned with the conduct of the war to recall unaided the broad aspects of the manpower problem and the nature of the review underway. The notes on the proceedings of the Council cited above indicate that Curtin and Forde, as well as Spender, were capable of doing so.

Nonetheless, this element in Shedden's advice soon bore fruit. Within a week Curtin asked the Service Ministers to remind their respective Chiefs of Staff, as well as Blamey in the case of the Army, that the orthodox procedure for the submission to Government of policy matters was to forward them to the Minister concerned who would consult with Curtin on the course to be followed to obtain a decision by War Cabinet. Curtin described it as 'quite incorrect' for Service Advisers to raise matters of policy directly in the War Cabinet or the Council. The procedure of the former was for Ministers to submit agenda. In the case of the Council, Curtin chose to cite that portion of the regulations requiring it to deal with matters referred by the Prime Minister. He did not cite the provision allowing the Council to consider and advise the Government on other matters relating to the defence of Australia and the prosecution of the war as the Council itself thought fit.<sup>69</sup> For this provision to have life it had to imply the power to summon persons or written evidence which, by reasonable extension, would have included the power to permit persons in attendance on the Council to raise matters other than those for which they were called. By permitting Royle to speak and particularly by issuing a minute, the Council appears to have been exercising such a power, willy-nilly.

To return to Shedden, he continued his minute by reminding Curtin of the reviews underway. He strongly urged against giving any encouragement to the expansion of the Navy before the fullest consideration could be given to all aspects of the manpower position and the War Cabinet had taken the reports they had ordered. Shedden further recalled primary industry's continuing manpower shortage and that Australia faced the prospect of maintaining and feeding 'large British Forces', while MacArthur's declared intention to employ Australian divisions in the spearhead of his advance required careful consideration of the country's capacity to maintain those formations. Now, the Navy was seeking additional manpower for use in the Pacific when forces were already available elsewhere—the British Eastern Fleet in the Indian Ocean was gradually being built up to serve there. Moreover, 'from the aspect of post-war policy, we cannot overlook the fact that the best service we can render to the future of Australia is to build up the RAAF to the maximum degree of our capacity'.

Shedden concluded:

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<sup>69</sup> Curtin to Makin, Forde and Drakeford, 29 March 1944.

I would strongly urge that you should not seek to take a decision on this matter on a partial review of what is a very wide question of far-reaching importance. It is the customary practice for the Minister for Defence never to give decisions on questions of policy at conferences with the Service advisers and, if you proceed with your proposed conference, I would most strongly urge that you reserve any decision until there has been an opportunity to study the matter. In view of the pressure of work in other directions, I do not see any point in deciding this matter before you leave. If, ultimately, it is found there are strong reasons in support of it, they can be studied during the journey and discussed with the Admiralty in London, any necessary consultations being carried out with the Government by cablegram.

The recommendations on the war effort and the manpower strength of the Services submitted to Curtin by the Defence Committee<sup>70</sup> confirmed Shedden's scepticism over the Committee's capacity to submit unanimous advice on priorities when inter-Service rivalries were involved. The report contained no weighing of competing demands leading to an agreed recommendation: instead, each Chief of Staff restated the manpower claims of his Service, purportedly deriving these from a joint strategical appreciation that Australia was well past any risk of invasion or serious attack but that measures necessary for the defence of Darwin and Fremantle should be maintained, offensive action by enemy submarines against shipping and all parts of the coast of the mainland was possible, the chances of any landing or attack by surface forces on the east coast might be discounted and there was no longer any danger of air bombing on this coast: the chances of an enemy landing on the west coast were remote: the mainland area north of 20 degrees south was the most vulnerable area.

This appreciation was of limited assistance to those having to decide on Royle's proposal. Nor could the Chiefs reach unanimous agreement in discussions held outside the committee. In these, Blamey, Northcott and Royle, subject to Britain making available to the Navy additional ships, supported a reallocation of the manpower intake so that the Navy could recruit an additional 700 personnel monthly—300 and 400 from the quotas of the Army and the Air Force respectively. But the Chief of the Air Staff, Air Vice Marshal George Jones, proposed instead that any additional allocation to the Navy should come wholly from the Army so as not to prejudice the Air Force's operational effectiveness and approved expansion by the end of 1944 to 53 squadrons, at most, the Air Force should be required to give up 200 recruits if the Navy's quota were increased by 700.<sup>71</sup>

Before Curtin discussed the proposal with Royle on 1 April 1944 Shedden reiterated orally his earlier advice to the Prime Minister and later summarised it in a letter to Wilson designed to assist the latter in keeping 'the matter in the right lines':<sup>72</sup> it would be quite wrong to take a hasty decision accepting additional liabilities for any Service until the whole manpower position was clear. In conversation with Shedden, Curtin had attached great importance to his 8 October 1943 cablegram to Churchill, to which Churchill had yet to

<sup>70</sup> DCM 89/1944, 21, 24 and 25 March 1944.

<sup>71</sup> Memorandum initialled by the C-in-C, AMF, the CNS and CG, 30 March 1944; Jones to Royle, 30 March 1944; and note by Shedden on 'Discussion with the Prime Minister on the Re-allocation of personnel between the Services', 30(?) March 1944.

<sup>72</sup> Shedden to Wilson, 1 April 1944.

reply. Curtin declared that if Churchill failed to do so then he was not going to adopt such a humble attitude as to offer Churchill gifts by manning new ships. The Prime Minister had also stressed the importance of an overall examination of the war effort so that he could decide, for example, whether food production would be the most effective Australian contribution to the Allied cause once her military effort had reached a certain (unspecified) size. Were that so, the shortage of manpower in primary industry would have to be overcome. Before receiving Royle, Curtin 'promised' Shedden that he would not take a decision. None was taken. In his turn, Royle sought to keep the proposal alive: all that he asked Curtin was not to rule out taking up the matter in London.

To Shedden, Royle shortly confided:

I do hope you will be able to persuade the PM to make an offer to man some ships—1 cruiser, 1 carrier 6 DDs {this being the combination on which the Naval Board was settling}. I really honestly believe that this is our golden opportunity of building up the RAN to something like its proper strength after the ... losses it has had {the *Sydney*, *Perth* and *Canberra*, and the gain of the *Shropshire*}. It is the first opportunity we have had of getting ships transferred to our area and ... Canada is taking full advantage of the opportunity. We shall be left at the post. Surely we have much more right to a sizeable Navy than Canada!! It will also enable Australia to be well represented in the 'Pacific Final' which is being played off on the Japanese home ground and off their coast where our Navy may be the only player for Australia. We don't want to be standing right back when the bell rings for peace!<sup>73</sup>

Such advocacy was a tribute to Shedden's influence but, perhaps unknown to Royle, it was being cast on stony ground. As related, Shedden's thoughts were turning to the use of land-based air power in the future local defence of Australia. In the Australian and British division of Service labour this largely meant the employment of RAAF, not Naval, aircraft. Shedden was again to express this view, though in a veiled fashion, in the conclusions to a paper on 'Empire and Australian Defence' which he completed in London in May.<sup>74</sup> The first steps in those conclusions would not have troubled a traditional Australian navalist:

The experience of Australia in this war is that sea power is still the fundamental basis of Empire and Australian Defence.

As it is impossible for Australia to provide for a Navy of sufficient size to give her naval protection to the degree required, she must seek this security by co-operation in defence with other members of the British Commonwealth and with the United States in a wider system of collective security.

Australia is responsible for the provision of her own Local Defence. It must be made stronger than in the past in order to ensure against any recurrence of a situation like that which occurred with the capture of Singapore ... The

<sup>73</sup> Royle to Shedden, 3 April 1944.

<sup>74</sup> 'Empire and Australian Defence', 11 May 1944.

risks of this situation were intensified by the heavy initial losses suffered by the United States Fleet ...

Here, and with deliberate emphasis, Shedden then argued:

Air power must play an important part in the strengthening of Australia's Local Defence. The experience of operations in Malaya, the Pacific, the Mediterranean. Greece and Crete has shown the ability of land-based aircraft to command adjacent waters. Another advantage is the great striking power which can be concentrated in a relatively small force. This is of vital importance to a country like Australia with its vast area and small population. The aeroplane is a weapon which can compensate for the deficiency in manpower to defend the island Commonwealth and the approaches to it ... {By its employment} the approaches to it the capacity of the Commonwealth to defend itself can be enormously increased.

In an exposition of the premises of traditional policy that paragraph would have been devoted to the Navy and its pre-eminent role in local defence, but in Shedden's conception the Air Force would clearly come first and only then the Navy and the Army:

Australia would, of course, still have its Naval forces to protect trade in Australian waters and to share in safeguarding the ocean trade routes. An Army would still be essential to provide for the defence of vital centres, ports and aerodromes, and it would include a mobile striking force to deal with landings should they manage to penetrate the naval and air defences.

Shedden did not develop, even in the sketchiest form, any force structure alternatives from his assumptions which, in any event, were too general to provide more than minimal guidance with respect to individual equipment proposals. But the emphasis in favour of the Air Force was unmistakable. In short, while Shedden was probably a necessary ally of Royle's cause, his commitment to it was open to doubt.

Royle's successor, Vice Admiral Sir Louis Hamilton, who became Chief of the Naval Staff on 29 June 1945, was to recognise this when Shedden in November 1945 passed him a copy of the paper. Royle had read it during the previous November but did not contest Shedden's emphasis.<sup>75</sup> Hamilton did, however, suggesting Shedden had placed 'too much stress ... on "Air Power" to defend Australia from invasion, as we are:-

1. Within measurable distance of countering the aeroplane by gunfire— radar and automatic fuses.

{Moreover, with respect to land-based air power, }

2. US Navy has demonstrated its ability to obtain local air superiority on many occasions in the Island warfare.

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<sup>75</sup> Royle to Shedden. 3 and 7 November 1944.

3. Salerno and later the invasion of Southern France were also cases of local air superiority in the European theatre.

*I still think the best defence against invasion is to keep the enemy's sea-borne forces at a distance. In other words, to maintain Empire sea communications and deny the use of them to the enemy.*<sup>76</sup>

Curtin, accompanied by a party including Blamey and Shedden, left Sydney by sea on 5 April on the way to Washington and London by way of San Francisco. By then, as related, Royle's proposal had been neither approved nor rejected. It had not reached the War Cabinet, but in the Advisory War Council both sides had expressed support and no one had opposed it in principle. The conversion of that support into a decision to implement, supposing Britain were agreeable, depended upon Royle securing a substantial increase in the Navy's monthly intake of recruits for a period of, for example, four or five months from 150 to approximately one fifth of the total Service monthly intake of 5000. This equalled an increase in the manpower strength of the Navy, then about 36 000, of 11 to 14 per cent, but it was also well under one per cent of the total strength of the Services. The new crews would not come, however, from that huge pool of committed manpower, but from the recruit intake, so that in a time of continuing manpower shortage, the War Cabinet had to be persuaded drastically to revise its marginal priorities in favour of an increase in the Navy to the detriment of the Army and the Air Force. Alternatively, the Service allocation would have to be increased at the cost of industry and agriculture.

The proposed transfer, by early in April involving an aircraft carrier of unspecified type, one cruiser and six destroyers, would affect the Navy in two ways: first, by increasing the number of cruisers, vessels the Navy had long operated, from four to five, including the ageing *Adelaide*, and of destroyers, which had been phased out after the First World War and later reintroduced, to fourteen from the existing eight, six of which were serving with the Royal Navy in the Indian Ocean. Secondly, the acquisition of an aircraft carrier would involve mastering a new weapons system. The experience gained in operating the seaplane carrier, HMAS *Albatross*, early in the nineteen thirties would contribute nothing of value to this. The unspoken and realistic assumption was that the Royal Navy would provide whatever assistance was required, that would certainly be considerable. In arguing for the transfer, Royle had echoed the War Cabinet's view that *Australia should concentrate its war fighting in the Pacific*, identified what he regarded as an Allied requirement there, and suggested a means whereby Australia could contribute to meeting the need. He had gone no further. Admittedly, Australia's leaders hardly needed reminding of the striking power and versatility of carriers, but in the light of Royle's considerable naval aviation experience, both as doer and planner, the absence from his oral and written submissions of any exploration of the implications for Australia of a carrier acquisition was remarkable. It is not known whether this omission was an oversight arising out of haste and circumstances, or whether it derived from a calculation that their exploration might give rise to considerations which might lead to the further deferral of a decision, if not to the quick death of the proposal. Royle would have been well aware that deferral alone could mean a lingering death, for the nearer the end of the war came the less would be the reason for increasing Australia's military contribution. Unexplored, for example, were the cost of maintaining a carrier in operation, the viability of a single carrier, and the aircraft, aircrew and maintenance

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<sup>76</sup>

Hamilton to Shedden, 19 November 1945.

personnel and supporting vessels required for carrier operation. Then, there was also the question of the existence of alternative methods for the projection of Australian military power, one raised by Shedden.

## 4 War Cabinet and Advisory War Council: Curtin and Churchill April–June 1944

During the London discussions Curtin intended to explore with Churchill the transfer of additional ships and to raise pointedly Churchill's failure to reply to the cable of 8 October 1943 broaching the gradual return of the more than 3400 Royal Australian Navy personnel then serving with the Royal Navy. Before he could do either, the Australian War Cabinet and Advisory War Council considered in his absence a series of reports: the Defence Committee on the war effort of the Services in the light of the strategical position,<sup>77</sup> the War Commitments Committee on the manpower position<sup>78</sup> and the responses of certain Ministers to the latter report.<sup>79</sup>

*The War Commitments Committee recommended no change in the upper limit of the Services' monthly intake of 5000 (3000 men and 2000 women). Within this limit, however, the Minister for the Navy sought War Council support and War Cabinet approval for increases in the Navy's monthly allocation of 150 (100 men and 50 women). He did so for two reasons: first, to meet the manning requirements arising from the approved building programme and to replace wastage, he requested an additional monthly allocation of 200 men over the eleven months, February to December 1944. Without this increase, he explained, ships nearing completion would not be manned and certain essential services would have to be abandoned or reduced. Secondly, Makin again raised the transfer, being 'certain that a proposal from Australia for the transfer ... would be welcomed by the United Kingdom Authorities', thereby indicating that the matter had been well explored, Service to Service. To man the new ships—one aircraft carrier, one cruiser and six destroyers—Makin sought between 4000 and 5000 additional recruits at a monthly rate of 450 (400 men and 50 women), presumably for up to eleven months. In all, therefore, he requested an increase of 650 (600 men and 50 women) in the Navy's monthly intake for a period of eleven months.*

When, on initial consideration, the War Cabinet on 19 April 1944 deferred a decision on the first request, Makin insisted that his concern at the ensuing delay be noted in the minutes.<sup>80</sup> In the Council the following day Royle pressed hard for a decision but Forde, who in Curtin's absence was Acting Prime Minister, would not agree because the War Cabinet was to consider the manpower question at its next meeting.<sup>81</sup> Later that day, Forde advised Curtin by cable of the Navy's submissions.<sup>82</sup> Simultaneously, he acknowledged Curtin's explicit guidance, issued earlier from San Francisco, that if the War Cabinet reached any conclusions varying the future strength of the Forces or the nature of the war effort, 'No public reference should be made to any such conclusions until my concurrence has been received'.<sup>83</sup> Clearly, Curtin sought not control of the mere promulgation of such

<sup>77</sup> WCA 215/1944 (DCM 89/1944).

<sup>78</sup> WCA 80/1944.

<sup>79</sup> WCA 80/1944, Supplement 1.

<sup>80</sup> WCM 3466, 19 April 1944.

<sup>81</sup> AWCM 1344, 20 April 1944.

<sup>82</sup> Telegram No. 12, Forde to Curtin, 20 April 1944.

<sup>83</sup> Telegram No. 4, Curtin to Forde, 19 April 1944.

conclusions, but was asserting the right to veto, or to override them. In doing so, he had emphasised his authority by stating that the guidance/instruction had been issued by him as Prime Minister and Minister for Defence.<sup>84</sup>

After lengthy consideration and having heard the views of the Chiefs of Staff, the War Cabinet on 3 May 1944 decided to give modified approval in principle to Makin's first request: from May to December 1944 the male quotas of the Army and Air Force were to be reduced in favour of the Navy by 130 and 70 respectively, providing Makin with 1600 of the 2000 men he had sought. The Navy's new ceiling was to suffice for all commitments, including construction already approved save for the cruiser and destroyer authorised by the War Cabinet on 4 April 1944. The decision was subject to review both in the light of any arrangement made by Curtin with Churchill for the return of the by then 3009 Royal Australian Navy personnel, and at the end of October 1944.<sup>85</sup>

Forde promptly sought from Curtin early approval of this decision, which he described as a 'proposal', the War Cabinet having deferred its implementation pending consultation with the Prime Minister who had arrived in London on 29 April. In pressing for an early reply, Forde explained the need to begin recruiting the additional sailors soon.<sup>86</sup> Lacking a reply eight days later, he despatched a hastener on 12 May.<sup>87</sup> After a further delay of five days Curtin replied that he had no objection to the increase, but on the presumption that the residual quotas for the other Services would meet their 'essential' requirements.<sup>88</sup> In such an instance, of course, essentiality was a matter for judgement and the War Cabinet could hardly be expected to concede as a body that a Service was to be denied an 'essential' requirement as a direct result of a War Cabinet decision. Neither of the other two Services was content with the readjustment, however. Drakeford had informed the War Cabinet it would prevent the Air Force fulfilling the expansion programme already approved by that body.<sup>89</sup> As for the Army, when Forde informed the Advisory War Council of the decision, Northcott declared that if the Army's existing allocation were not maintained it would be unable to meet its projected strategic requirements. Later, he urged Blamey by cable to take up the matter with Curtin, pointing out that it would be impossible after September 1944 for the Army to supply reinforcements to the offensive corps without reducing or disbanding certain brigade groups.<sup>90</sup> Royle, too, sought to influence the Prime Minister, cabling to Shedd an appeal which probably crossed Curtin's reply to Forde:

The Navy is getting restive.

We have now been without our fair and necessary quota of personnel since October 1943. It is becoming increasingly difficult to keep faith with the parents who had every reason to (? expect) that their boys would be accepted.

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<sup>84</sup> loc. cit.

<sup>85</sup> WCM 3523, 3 May 1944.

<sup>86</sup> Telegram No. 40. Forde to Curtin, 4 May 1944.

<sup>87</sup> Telegram No. 54. Forde to Curtin, 12 May 1944.

<sup>88</sup> Telegram No. 28, Curtin to Forde, 17 May 1944.

<sup>89</sup> WCM 3523, 3 May 1944 and Memorandum handed by Drakeford to Wilson, 3 May 1944.

<sup>90</sup> Telegram ML 2238, Northcott to Blamey, 15 May 1944.



Perhaps you would draw attention of Prime Minister to these facts.<sup>91</sup>

Having received Curtin's approval, the War Cabinet agreed on 23 May to implement the decision earlier reached in principle.<sup>92</sup>

Makin's second request, that concerning personnel for the proposed transfer, had also been considered by the Council and the War Cabinet on 2 and 3 May. Immediately before these meetings Royle, whose project it really was and who was unwilling to see it peter out in a susurration of tactful murmurs, vigorously canvassed support by circulating a statement to their members not, it appears, through the Secretariat but directly. He began with two charged questions which he thought of vital importance to the future of the Navy.<sup>93</sup>

1. Does the Commonwealth Government wish to replace some of our naval losses incurred during this war?
2. Does the Commonwealth Government wish to insure that Australia is appropriately and adequately represented in the Naval actions which will be fought off the coast of Japan in the final phase of the Pacific War?

To answer 'Yes', he reminded his readers, would 'do much' to implement the War Cabinet resolution of 1 October 1943:

It is of vital importance to the future of Australia and her status at the peace table in regard to the settlement in the Pacific, that her military effort should be concentrated as far as possible in the Pacific and that it should be on a scale to guarantee her an effective voice in the peace settlement.<sup>94</sup>

The personnel required to man the transferred vessels could, he suggested, be readily obtained by a slight reduction in the recruit intakes of the other Services. Blarney and Northcott had accepted one for the Army on 30 March and it was not unreasonable to expect the same of the Air Force whose strength was 'quite out of balance' with those of the Army and Navy. Next, after conceding that the drawing of comparisons between the air forces of different countries was not a simple matter, he stated that the strength of the RAAF was between one quarter and one third of Japanese air strength. With an implicit appeal to equity he pointed out that on the same proportions the Australian Army would have 19 to 25 divisions and the Navy 2 to 3 battleships, 3 to 4 aircraft carriers, 7 to 9 cruisers and 20 destroyers.

That Royle resorted to such a simple and emotive argument, if that is the word, revealed how strongly he felt about the transfer as did his ensuing references to his position as the Government's Chief Naval Adviser and to his duty. The use of these last involved a direct appeal to his professional status, knowledge and authority, all of which he exercised whenever he acted as Chief of the Naval Staff. But such formulas are not regularly nor lightly explicitly invoked when advice is offered; rather, they are reserved to special

<sup>91</sup> Telegram 566, Royle to Shedden, 18 May 1944.

<sup>92</sup> WCM 3550, 23 May 1944.

<sup>93</sup> CNS Memorandum, 'Reallocation of Service Personnel', 1 May 1944 and note thereon by Wilson.

<sup>94</sup> WCM 3065, 1 October 1943

occasions, to signal deep concern, to alert recipients that the views they adorn deserve close and, hopefully, favourable attention; and the more so when they are used in writing. Their use lends 'political' weight to a case but by themselves alone they do not constitute an argument in the narrower sense of contributing to the discussion of the 'merits' of the matter in hand.

Royle felt it his duty to press to the utmost the opportunity presented by the transfer of achieving a stronger Navy: more ships steaming and fighting side by side with those of the United States would be highly tangible evidence of Australia's active participation in the war to the very end and would increase her prestige. An addition of strength would also bolster the morale of the Navy, many of whose members had been discouraged in the last six months, first by the decision to stop naval recruiting and then by that to re-open it, but only in a minor way. In conclusion, Royle referred again to his duty and suggested acceptance in principle of the re-allocation of manpower that the transfer would require; then Curtin should be so informed so that if he decided to make an offer to Churchill he would know it could be met in Australia 'without further discussion'.

Royle's tactics and advocacy proved telling. He very nearly attained his objective. As Forde informed Curtin when seeking his views on the proposal, the non-Government members of the Advisory War Council had recommended adoption, with the proposed increase in naval personnel being provided in addition to those serving with the Royal Navy.<sup>95</sup> In the War Cabinet, however, no decision was recorded because of the consideration being given the matter in London. But while the War Cabinet did not break, it did bend, and right over, recording its opinion that adoption could definitely advantage Australia provided modern ships were transferred and this, as we shall see, was the Admiralty's intent. The War Cabinet further thought a re-allocation of manpower could be devised to provide the additional personnel without requiring the return of those serving overseas provided the transfer were made as a gift.<sup>96</sup> This was an understandable but incongruous juxtaposition for, as related, it was Royle's expectation that the Admiralty would transfer the vessels free of charge.

Given Curtin's previously expressed attitude on the link between the return and the transfer, the views of the Council and the War Cabinet can hardly have been as music to his ears. After a fortnight's delay he told Forde he would inform him of his views at a later date.<sup>97</sup> During the London discussions, which involved consideration of the Australian war effort, Curtin pressed Churchill both orally and by letter for a response to the cable of 8 October 1943. Certain of his remarks to Forde suggest that he had commented, or intended to comment, to Churchill on 'the tardy manner in which War Cabinet's decision of 1 October on naval overseas commitments has been handled in certain quarters and the urgency with which additional commitments have been pressed'.<sup>98</sup> Churchill softened that blow by assuring Curtin that the British side had not proposed additional commitments: 'I am assured by the First Sea Lord that no such proposal emanated from the Admiralty'.<sup>99</sup> In Cunningham's own words: 'On an unofficial basis, the Admiralty understood that the

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<sup>95</sup> AWCM 1357, 2 May 1944 and Telegram No. 40, Forde to Curtin, 4 May 1944.

<sup>96</sup> WCM 3523, 3 May 1944 and Telegram No. 40, Forde to Curtin, 4 May 1944.

<sup>97</sup> Telegram No. 28, Curtin to Forde, 17 May 1944.

<sup>98</sup> Telegrams Nos 11 and 28, Curtin to Forde, 8 and 17 May 1944 respectively, and telegram, Curtin to Churchill, 14 February 1945.

<sup>99</sup> Letter, Churchill to Curtin, probably 27 May 1944 and cited in Curtin to Makin, 13 July 1944.

Australian authorities might offer to find crews for one small aircraft carrier, one or two cruisers'.<sup>100</sup> This was consistent with Royle's formulation to the Defence Committee: 'It is probable that the United Kingdom Government would readily make available ...'.<sup>101</sup> Clearly, the professionals in London and Melbourne were working together towards an agreed goal. Cunningham wanted ships manned, Royle was eager to man them. Doubtless both sides were 'pressing'.

Churchill and his advisers went on to argue strongly against the gradual withdrawal of the Royal Australian Navy personnel manning twenty-six Royal Navy ships. In May 1944, five of the six destroyers so manned were serving in the Indian Ocean with the Eastern Fleet, as were thirteen of the twenty minesweepers. The sixth destroyer was refitting at Sydney and the other seven minesweepers were in Australian waters. In a memorandum passed to Curtin by Churchill Cunningham stated that the manpower shortage in the Royal Navy was so acute that old ships were being paid off and later in the year new ones might be left unmanned. The return of Australian personnel to Australia would have 'a direct adverse effect' on the Admiralty's fulfilment of its strategic commitments at a time when the war against Japan was about to require the maximum possible effort by naval forces. Cunningham held out the promise that if a British Pacific Fleet were formed the six destroyers would be the first ships transferred to Australian waters. This would slightly ease the pressure on Australian naval manpower by allowing reductions in the Australian office and drafting pool at Colombo.<sup>102</sup> Churchill spoke and wrote to Curtin in similar vein, stressing that withdrawal of the men would present 'the Admiralty with a most serious *manning problem*'.<sup>103</sup> *These entreaties and promises carried the day. Curtin did not press his request and informed Forde that 'the future employment of the (RAN-manned) ships in the Indian or Pacific Oceans would not warrant the withdrawal of the crews merely for manning other ships or our own'.*<sup>104</sup>

When the two Prime Ministers considered the transfer Curtin stated that Australia was already at the limit of her resources and could undertake new responsibilities only by reducing her effort elsewhere. He was particularly wary of accepting further commitments involving the expansion of any of the Services, fearing that the Government would then never extricate itself from its manpower difficulties.<sup>105</sup> Moreover, during the discussions Curtin learned in some detail that Australia faced the near prospect of a significant increase in the demands on her manpower and other resources after the defeat of Germany, the current planning assumption being that this would occur by 1 October 1944. It was planned that large British forces, to be based in Australia, would then begin to enter the war in the Pacific theatre, provided the United States agreed. The implications for Australia's already straining war economy were daunting. The plan for the so-called 'Middle Strategy' provided for a phased build-up of British forces based in Australia, Between autumn 1944 and 1 July 1945 the Royal Navy element would increase from two to four battleships, four fleet carriers to ten fleet and light fleet carriers and 18 escort carriers, 10 to 12 cruisers, 24

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<sup>100</sup> Memorandum, 'Manning of Additional Ships by the Royal Australian Navy', by the First Sea Lord, Admiral of the Fleet Sir Andrew B. Cunningham, 26 May 1944.

<sup>101</sup> DCM 89/1944, 21, 24 and 25 March 1944.

<sup>102</sup> Memorandum, 'The Australian War Effort', by the First Sea Lord, 26 May 1944.

<sup>103</sup> Letter, Churchill to Curtin, 27 May 1944 cited in part in WCM 4044, 9 February 1945 and in Telegram No. 40, Curtin to Churchill, 14 February 1945.

<sup>104</sup> Telegram No. 44, Curtin to Forde, 4 May 1944.

<sup>105</sup> Telegram No. 28, Curtin to Forde, 17 May 1944.

to 60 destroyers, 150 to 1000 carrier-borne and 15 to 300 shore-based aircraft etc. It was further envisaged that by May–June 1945 five British infantry divisions and two armoured or tank brigades would be based in Australia, and by the end of 1945, 78 RAF squadrons. The support of this influx would require new construction, itself involving a labour force of 13 500 in October 1944 and rising to a peak of 26 000 in the following February. In addition, the Royal Navy would eventually need another 20 000 men and the Army some 82 000 for skilled repairs, base operations, transport and administration. It was hoped that Australia would provide at least 12 000 of these. In all, the planners proposed, some 675 000 British men and women equal to almost one-tenth of Australia's total population, would arrive by the end of 1945. The details of the expected British requests were not settled until August 1944, by when they had been much whittled down, but that they would be substantial was amply clear in May.<sup>106</sup>

In the light of Australia's manpower shortage and its prospective aggravation, Curtin had to consider Royle's proposal which now enjoyed the support of the Advisory War Council and the War Cabinet and which Churchill and Cunningham were eager to accommodate, though in a modified form as to types. If Curtin could find the men, Churchill would provide the ships: 'If the Australian Government could see their way to provide the personnel, the Admiralty would be most willing to turn over to Australia an aircraft carrier and one or more cruisers'.<sup>107</sup> Their manning, said Cunningham, 'would be a real contribution to our manpower problem and could provide a foundation of modern ships on which to build up Australia's post-war fleet'. There would be no difficulty in turning over in Australian waters those ships that the Australian Government agreed to man. The most suitable types were the *Colossus* class light fleet carrier and the improved *Fiji* or *Tiger* class cruiser. The former type had a displacement of approximately 13 000 tons, a design top speed of 25 knots and carried 39 to 44 aircraft in contrast with the displacements of the *Implacable* and *Illustrious* classes of fleet carrier of 23 000 tons, their top speeds of over 30 knots and aircraft complements of over 60. Building, were two *Ark Royal* class fleet carriers with displacements of nearly 37 000 tons, design top speeds of 30 knots and aircraft complements of probably 100 or more. Three ships of the *Colossus* class were expected to complete by the end of 1944 and of these Cunningham suggested transfer of the last, the *Venerable*, due in December. Four of the cruisers would be ready by April 1946. Cunningham suggested the transfer of the middle two, the *Defence* (September 1945) and the *Blake* (October 1945). With a displacement of 8000 tons, this type had a heavy armament of nine six-inch guns and a design top speed of 31.5 knots. The crews of the three proposed vessels, including a desirable drafting margin of 15 per cent, would amount to about 3700, including up to 850 for the war complement of each of the cruisers, 700 for the ship's company of the *Venerable* and 800 for her flying crews, air maintenance and aircraft handling parties. The nucleus of the air personnel could be gradually provided by withdrawing Australian flying and maintenance personnel serving with the Fleet Air Arm. To provide experience before the *Venerable* became available an escort carrier could be loaned to the RAN and RN personnel would serve in the *Venerable* after the transfer until RAN reliefs could be trained.<sup>108</sup>

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<sup>106</sup> John Ehrman, *Grand Strategy*. Volume V (London, 1956), pp. 469–78.

<sup>107</sup> See footnote 103.

<sup>108</sup> Memorandum, 'Manning of Additional Fighting Ships', 26 May 1944 and *Jane's Fighting Ships 1946–47 and 1947–48, Jubilee Edition*.

Curtin was not persuaded, but neither were Churchill's offer and Royle's proposal rejected: instead, deferral again carried the day. The Prime Minister justified his view that no decision should be made on the proposal until all aspects of the war effort had been simultaneously reviewed by referring to the implications for that effort of British contingency plans to base substantial forces in Australia for use in the Pacific theatre, a course he strongly favoured.<sup>109</sup> Conveying to Forde what was in effect a War Cabinet decision, Curtin commented point by point on the case for the transfer which in his absence Makin had made to that body. Their views are juxtaposed below, first Makin's pro, then Curtin's contra:

It is considered that increased Naval forces such as that mentioned are more than justified for the following reasons:-

- a. Admiral Nimitz' opinion that more and more Naval vessels of all types are required in the Pacific in order to carry out a non-stop offensive.
- b. General MacArthur's recently expressed desire for additional naval forces in this area.
- c. The desirability of maintaining the highest possible effort by Australia in the Pacific. Additional vessels would permit more adequate Australian representation in the final phases of the war against Japan. Such representation can be provided most readily and appropriately by Naval forces.
- d. The prestige of Australia in the Naval effort vis-a-vis that of Canada.
- e. These vessels would be a replacement of the heavy losses which the RAN has sustained.
- f. The increase could be obtained at such a modest additional requirement in manpower, readily obtainable by a very slight re-allocation of the manpower now allotted to the Services.
- g. It would be an appropriate Empire gesture at the present time.<sup>110</sup>

Curtin responded thus:

- a. In regard to this point the ships are a mere fraction of the strength of the British ships that will shortly be available for co-operation against Japan. The US and Royal Navies will have a preponderating superiority over the Japanese.
- b. In this case there is a tag on the ships in regard to their strategical control.

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<sup>109</sup> Telegram No. 45, Curtin to Forde, 29 May 1944.

<sup>110</sup> WCA 80/1944, Supplement 1.

- c. The reference to the maintenance of the highest possible effort by Australia is already provided for by the established policy of the Government which I have outlined here. The extent of our naval effort must be considered with those of the land and air forces and our present and prospective commitments in other directions as well.
- d. Canada has a population which is fifty per cent greater than that of Australia. The correct comparison between the two Dominions is their total war effort in the light of this factor.
- e. Notwithstanding the loss of ships the personnel has apparently been absorbed in manning other vessels, for the personnel of the Navy has trebled since 1939.
- f. As stated in the remarks on c, this matter must be considered in relation to the maintenance of the strengths of the other services and other commitments.
- g. An opinion such as this can only be expressed in the light of the discussions of the subjects referred to in paragraph 3 (proposals for closer Empire co-operation, Curtin's cable of 8 October 1943 and the plan to use British forces in the Pacific) and is a matter for judgement by me.<sup>111</sup>

Forde acknowledged Curtin's decision and later conveyed it to the Advisory War Council.<sup>112</sup> Records revealing the part played in its formulation by the defence advisers accompanying Curtin have not been traced. In London, he could have secured advice not only from Shedden and Blamey, both of whom had travelled with him from Australia, but also from Admiral Sir Ragnar Colvin, who had served as Chief of the Australian Naval Staff from 1937 to 1941 and was then Naval Adviser to the Australian High Commissioner in London, and Air Vice Marshal H.N. Wrigley, then commanding RAAF Overseas Headquarters, London.

Mention was made earlier of the closeness of the relationship between the Admiralty and the Commonwealth Naval Board. During the London discussions Curtin was angered to discover that the British side knew of the Australian War Cabinet's support for Royle's proposal, knowledge which he believed had 'been communicated to the Admiralty through Naval channels'. There was an 'explicit instruction' against such communications. In conveying to Forde his decision on the proposal Curtin asked him to prevent the leakage of the contents of that cablegram.<sup>113</sup> The instruction provided that 'all communications on matters affecting Government Policy or an important questions of principle should be transmitted' Government to Government, not through Service channels. The seeming breach of the rule would have revealed to the British side Curtin's 'isolation' in deferring a decision on the transfer, even in principle: little wonder that he was annoyed. In bringing the leakage to Makin's notice, Forde reminded him that the Department of the Navy had

<sup>111</sup> Telegram No. 45, Curtin to Forde, 29 May 1944.

<sup>112</sup> Telegram, Forde to Curtin, 7 June 1944 and AWCM 1379, 9 June 1944.

<sup>113</sup> See footnote 111.

breached the instruction on other occasions also but Makin was left free to take such action as he felt necessary over the recent breach and asked to ensure compliance with Curtin's request that there be no repetition.<sup>114</sup> Evidence of Makin's subsequent actions has not been traced.

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<sup>114</sup> Teleprinter message, Forde to Makin, 2 June 1944. The original instruction was conveyed in SS.1934, Shedden to Nankervis, 17 October 1940.



*Admiral Sir Guy Royle, Chief of the Australian Naval Staff, chats with General Sir Thomas Blamey, CinC Australian Military Forces and Allied Land Forces South West Pacific Area, at a dinner held in Melbourne in 1943 (AWM 050476).*



## 5 Deferral July 1944–January 1945

On returning to Australia, Curtin reported to the Advisory War Council and the War Cabinet on the Australian war effort in the light of his discussions in Washington and London and with General MacArthur in Brisbane immediately on his return. The War Cabinet approved his recommendation that the Defence Committee, Production Executive and War Commitments Committee should report on the strength of the Services and the personnel required to maintain the Army at six divisions and two armoured brigades, the RAAF at the 53 squadrons to be achieved by the end of 1944, and the Navy at its current strength plus the additions arising from the Australian naval construction programme. These force levels represented the commitments which Curtin had undertaken to the American and British authorities to maintain. With respect to the Navy the Defence Committee were also to report on:

Navy (Supplementary)(No approval of these proposals is implied).

- v. The additional personnel required to man a Light Fleet Carrier of the Colossus Class in December 1944, or as soon thereafter as possible, and the monthly rate of entry of same.
- vi. The additional personnel required to man a Tiger Class cruiser in September 1945 ...
- vii. The additional personnel required to man a second Tiger Class cruiser in September 1945 ...<sup>115</sup>

The Production Executive, in consultation with the War Commitments Committee, were to report on the allocations of manpower and womanpower necessary:

To maintain the needs of the Australian Forces.

To provide an appropriate contribution to the needs of the United States Forces.

To provide an appropriate contribution to the needs of the United Kingdom Forces which may be based in Australia.

To provide for the essential needs of the civilian population on standards appropriate to the present stage of the war, and the civilian standards of the countries whose forces will be supplied from Australian sources.

To provide for the maintenance of food exports to the United Kingdom at the level agreed upon.

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<sup>115</sup> WCA 342/1944 and WCM 3655, 5 July 1944.

To provide for the production of such goods as may otherwise be approved for export.<sup>116</sup>

The Defence Committee reported to Curtin on 24 July that to man the three additional ships the Navy would require an increase in its monthly intake of 300 men from August 1944 until May 1945 and 100 men a month thereafter until the 800 Fleet Air Arm personnel which the Royal Navy would initially provide had been replaced. But a decision was again deferred because the Committee also sought an increase of 1130 in the Services' monthly intake of 3000 men.<sup>117</sup> This recommendation 'disappointed' Curtin, who had already been advised by the War Commitments Committee of 'a gap of at least 39,000' between manpower resources and the civilian male labour requirements of high priority industries for the six months ending 31 December 1944. Early in August, therefore, he instructed the Defence Committee to undertake a further review immediately, this time with provision by 30 June 1945 for reductions in the Army and Air Force of 30 000 and 15 000 men respectively. Meanwhile, the monthly intake of men was to remain at 3000!<sup>118</sup>

While carrying out the review the Defence Committee also had before them a further attempt to air the aircraft carrier proposal, on this occasion in the form of a submission by the Naval Board recommending 'that favourable consideration be given by the Government to the provision of Aircraft Carriers for the Royal Australian Navy'.<sup>119</sup> The submission had been designed to comply with the instruction of Curtin already mentioned that the Committee, in the light of wartime experience, were to keep constantly in mind the question of postwar defence policy, including 'the nature, strength and organisation of the Australian Forces'. Having established 'a firm basis' for the expression of their views, they were to submit them to Curtin.<sup>120</sup>

'A firm basis' had been established, the Board suggested, for an expression to the Committee of its views on the value to the Navy of the aircraft carrier. This type had proved itself a necessary part of any task force, providing not only fighter protection for the remainder of the force and itself, but also a powerful offensive striking force. In the war, carrier-borne aircraft had been used with great effect against land targets and naval targets at sea and in harbour. Their importance was such that in battles between task forces containing carriers the result might well be decided by aircraft before the forces were in gun range. Nonetheless, carriers could not operate unaccompanied by cruisers and/or capital ships and destroyers, these being necessary to provide protection against attack from other surface vessels or submarine and to provide additional anti-aircraft gun support. Thus the future fleet would be moulded round the carrier.

The Board furnished examples of the important and varied uses of carriers: against naval targets at sea (the sinking of the *Bismarck* and the Coral Sea and Midway Island battles) and in harbour (Taranto, Pearl Harbor and Kaa Fjord against the *Tirpitz*); against land targets (Tokyo, the Carolines and the Marshall Islands, and the Mariannas); in anti-submarine operations, particularly in the Atlantic; against long-range bomber aircraft (the

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<sup>116</sup> WCM 3655, 5 July 1944.

<sup>117</sup> DCM 224/1944, 19 and 24 July 1944.

<sup>118</sup> WCA 342/1944, Supplement 1, 3 August 1944 and WCM 3691, 4 August 1944.

<sup>119</sup> Memorandum, 'Aircraft Carriers in the Royal Australian Navy', Naval Board, 17 July 1944 which became DCA 156/1944, 1 August 1944.

<sup>120</sup> DCA 9/1944.

Russian and Malta convoys) and to cover landings (North Africa, Salerno and Hollandia). Carriers could also be used to attack ocean trade, but Allied opportunities for this had been few. The submission stressed the 'strategical ubiquity' of the carrier, describing it as a mobile air station with a complement of three to five squadrons of aircraft complete with fuel, maintenance facilities, bombs and torpedoes, and capable of shifting its position 600 miles in a day. Squadron for squadron, the Board claimed, carrier aircraft constituted a greater force than land-based aircraft, whose activities were limited by a definite operational radius. The value of sea-based air power had been recognised by Australia's major naval allies: Britain planned to have 53 carriers by the end of 1944 and the United States 108, while Canada had two. The Board concluded by recommending the provision of carriers for the Navy beginning, by clear implication, with the light fleet carrier on offer from Britain.<sup>121</sup> The Deputy Chief of the Naval Staff, Captain Roy Dowling, RAN, thought it an 'extremely interesting paper with no apparent flaws'. He could see no reason why the Defence Committee could do other than forward it to Curtin.<sup>122</sup>

Dowling was proved correct. The Defence Committee recorded the following views:

- a. They agree that a balanced Naval Task Force should include Carriers and that provision should be made for this type of ship in the Royal Australian Navy.
- b. The provision of an ample number of carrier-borne aircraft will be required in the Pacific for the ultimate defeat of Japan. Whilst the bulk of what is required will no doubt be supplied by the United Kingdom and the United States, it is essential that the Australian Task Force should itself be balanced. Two carriers are considered to be necessary for this purpose. At this stage, it is desirable that provision should be made for one Carrier, and subsequently, in determining the ultimate postwar defence policy, consideration should be given to the provision of a second Carrier.
- c. They note that the number of personnel immediately required from Australian resources to man the Light Fleet Carrier offered by the Admiralty is about 800. The Fleet Air Arm complement for this ship (700) would be provided, initially, by the Royal Navy but gradually replaced by Australian personnel. To do this will involve the setting up of a Small Fleet Air Arm organisation in Australia.
- d. They recommend that if the Government decided to implement the policy suggested in War Cabinet Agendum No. 342/1944 paragraph A(v) of taking over from the Royal Navy and manning a Light Fleet Carrier of the 'Colossus' type, the question of the provision of the necessary personnel should be considered along with that of the

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<sup>121</sup> DCA 156/1944, 1 August 1944.

<sup>122</sup> DCNS, manuscript minute, 4 August 1944.

reallocation of manpower following discharges by the Army and Air Force.<sup>123</sup>

While the Committee had recommended that the Navy should ultimately have two carriers, and had done so without any exploration whatsoever of Australia's overall post-war defence requirements but solely upon the effectiveness of the carrier as a weapon and its essentiality to a particular form of naval organisation, paragraph (d) reveals that the Chiefs of Staff were unable to agree under what priority the personnel for the first carrier were to be provided, and manning was crucial to the acquisition. What they did recognise, and for the first time, was that carrier operation requires the development of a shore organisation of a special sort. By implication the Fleet Air Arm element, both equipment and personnel, would be provided by the Navy. Incidentally, the numbers given in paragraph (c), 800 for the ship's company and 700 for the air complement, were the reverse of those given by Cunningham.<sup>124</sup> Curtin, as Minister for Defence, would have been advised of the Committee's recommendations but he did not then place them before the War Cabinet even when it considered the Committee's resubmission of its Service manpower review.<sup>125</sup> Like its predecessor, the resubmission did canvass the manpower aspects of the proposed transfer but the War Cabinet decided to maintain the Navy's monthly quota at 300 and ordered the Committee to undertake a further review at the end of 1944.<sup>126</sup> Thus was a decision on Royle's proposal again deferred.

Undeterred, Royle resumed the attack on 8 September, arguing for the transfer in two notes which Makin forwarded to Curtin only to earn a rebuff. During July Curtin had sent to Makin copies of Cunningham's memoranda, 'The Australian War Effort' and 'Manning of Additional Ships by The Royal Australian Navy'. Drawing on the latter and the recently expressed views of the Defence Committee, Royle 'strongly recommended' that the Naval Board be authorised to man the three vessels.<sup>127</sup> When forwarding Royle's notes to Curtin, Makin explained that Royle had been anxious to raise the matter at the last meeting of the Advisory War Council but had deferred to Makin's request to submit a note to him instead. Makin unambiguously endorsed the carrier proposal, but expressed reservations about the cruisers, the Admiralty having abandoned construction of further ships of the *Tiger* class pending the development of a 15 000-ton cruiser.<sup>128</sup>

In reply and on Wilson's advice, Shedden being on sick leave, Curtin tartly reminded Makin that the Production Executive, which was considering the overall manpower position, was seized of the possible additional manpower requirement involved in the proposal. When the Executive's report was received the Advisory War Council and the War Cabinet would review the total war effort. It would then be opportune to consider the proposal. Curtin emphasised that final responsibility for the decision rested with the Government which would decide after weighing the Council's recommendation. The report

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<sup>123</sup> DCM 269/1944, 18 August 1944.

<sup>124</sup> For Cunningham's memorandum see footnote 100.

<sup>125</sup> WCA 342/1944, Supplement 2, 21 August 1944.

<sup>126</sup> *ibid.*, DCM 268/1944, 8 and 18 August 1944 and WCM 3740, 23 August 1944.

<sup>127</sup> Memoranda, Royle to Makin, 8 and 15 September 1944.

<sup>128</sup> Letter, Makin to Curtin, 18 September 1944.

was expected from the Executive at an early date: until then, he did not wish the matter to be raised at the Council.<sup>129</sup>

The Production Executive's comprehensive 'Review of the Australian Industrial war Effort' revealed that during 1944-45, 155 350 men and 37 700 women would be required for essential purposes, while only 117 650 men and 26 000 women would be available.<sup>130</sup> What was more, these estimates made no provision for Australian servicing of British forces. Agreement on their participation in the main naval and air operations against Japan in the Pacific had just been reached at the Second Quebec Conference where it had also been decided to plan for the end of the Japanese war eighteen months after the defeat of Germany.<sup>131</sup> Curtin had urged such a British involvement on Churchill both during his visit to London and subsequently:

{The participation of a British Naval Task Force} is the only effective means for placing the Union Jack in the Pacific alongside the Australian and American flags. It would evoke great public enthusiasm in Australia and would contribute greatly to the restoration of Empire prestige in the Far East ... the forces should be made available at the earliest possible date.<sup>132</sup>

Having received from Churchill a broad outline of the main requirements of the British Pacific Fleet Curtin replied: 'You can rely on our complete co-operation in regard to the provision of facilities in Australia to enable the main British fleet to operate against Japan'.<sup>133</sup>

To overcome the anticipated manpower deficit of nearly 50 000 the Production Executive made a series of recommendations which the War Cabinet approved on 19 October, including one that any increase in Navy recruitment to man additional ships should be met from the longstanding monthly quota of 3000 male recruits for all Services. The War Cabinet further decided that the reallocation of this quota would be considered in the review of Service manpower due at the end of 1944.<sup>134</sup> Royle had earlier expressed his continuing disappointment in a letter to Shedden: 'We haven't got much further with our additions to the Royal Australian Navy ... On the other hand, the Air Force seems to get what they want ... From the discussions I listen to at the War Council there appears to be very little recognition of the Naval side of the war'.<sup>135</sup>

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<sup>129</sup> Letter, Curtin to Makin, 20 September 1944, designed to prevent Royle taking 'the bit in his teeth again'. Wilson to Curtin, 20 September 1944.

<sup>130</sup> WCA 473/1944.

<sup>131</sup> John Ehrman, *Grand Strategy. Volume V* (London 1956), pp. 505-24.

<sup>132</sup> Telegram, Jochu 78, Curtin to Churchill, 4 July 1944.

<sup>133</sup> Telegram, Winch 11, Churchill to Curtin, 25 September 1944 and telegram, Curtin to Churchill, 26 September 1944.

<sup>134</sup> WCM 3858, 19 October 1944.

<sup>135</sup> Letter, Royle to Shedden, 4 October 1944.



## 6 The February 1945 Manpower Review

Early in 1945 Allied planners did not foresee that Germany (9 May) and Japan (14 August) would surrender well before the end of 1945. The British War Cabinet decided on 25 January 1945 to plan for war against Germany ending between mid-June and early in November 1945. On 29 March this date was advanced to 31 May. As related, Roosevelt and Churchill had agreed that for planning purposes the end of the war against Japan should be set for eighteen months after the defeat of Germany which meant that in January 1945 the earliest planning date for the surrender of Japan was December 1947. In the Pacific itself, Admiral Raymond A. Spruance, Commander, United States Central Pacific Force and Commander, US Fifth Fleet, writing to his wife on the last day of 1944 saw the war lasting 'for the next two or three years'.<sup>136</sup> In Australia, in a paper submitted to Curtin on 27 January 1945 dealing with 'The War and Some of its Problems' Shedden reminded the Prime Minister that in earlier reviews no attempt had been made to forecast the duration of the war and suggested that in the Pacific it would last until 1946 or 1947.<sup>137</sup> It was not until 16 July 1945 that an atomic bomb was exploded in a test at Alamogordo.

Against such relatively distant horizons the War Cabinet on 9 February considered the Defence Committee review of Service manpower<sup>138</sup> together with an overall manpower review by the War Commitments Committee.<sup>139</sup> Forwarding the latter report, the Minister for War Organisation of Industry, John Dedman, emphasised its finding that the commitments 'undertaken in the military, indirect war and civilian aspects of the Australian war effort are beyond the capacity of our manpower to carry out': nor could any significant provision of manpower for high priority purposes be expected from further austerity measures in low priority civilian tasks. The Government must bridge the 1945 manpower gap of 89 000 men and 27 000 women either by curtailing production and other programmes, including Service recruitment, or by further release of Service personnel and a smaller reduction in production and other programmes. A balance had to be struck by the Government between the direct military effort and the indirect war effort in the light of its war and postwar objectives. Dedman warned that an immediate decision was required regarding the direct military effort or Australia would be committed in a way which would prejudice any subsequent re-balancing of the war effort for an indefinite time to come. The War Cabinet declined to grasp this nettle, calling instead for further reports from the Production Executive in consultation with the War Commitments Committee and from a Ministerial Committee, while a recommendation on the politically sensitive issue of hours of work was referred to the Full Cabinet.<sup>140</sup>

Confronted by this overall manpower problem the War Cabinet had also to consider the Defence Committee's review of the strengths of the Services as at 31 December 1944 and their recommendations on recruitment and the allocation of recruits among the Services

<sup>136</sup> Thomas B. Buell, *The Quiet Warrior* (Boston 1974), p. 331.

<sup>137</sup> Memorandum, Shedden to Curtin, 27 January 1945.

<sup>138</sup> WCA 55/1945.

<sup>139</sup> WCA 52/1945.

<sup>140</sup> WCM 4045, 9 February 1945.

in the period 1 January to 30 June 1945.<sup>141</sup> The Committee's report also dealt with progress on compliance with the War Cabinet's direction that by 30 June 1945 the strengths of the Army and the RAAF were to be reduced by 30 000 and 15 000 respectively, in addition to discharges for normal wastage; and the release of an additional 40 000 men from the Services at the earliest possible date. A further constraint was that any increase in Navy recruiting to provide crews for additional ships should be met from within the monthly quota of 3000 male recruits for all Services. Of these, the Navy's share was then 300, that of the Army, 420, and of the Air Force 2280.<sup>142</sup>

The Defence Committee met on five occasions between 10 January and 1 February 1945 before they could agree on the terms of their report which finally took the form of recommendations 'reconciling' the competing bids of the three Chiefs of Staff and warding off blows from without the Services. For the Navy, Royle sought more ships and more men.<sup>143</sup> A graph he submitted showed the growth of the Services since 1939 and 'made it perfectly clear' that the allocation of manpower to the Navy had been proportionately much less than to the other Services. By September 1944 the Navy had increased fourfold, the Army ninefold and the Air Force nearly fortyfold. Moreover, despite the Navy's growth in manpower, its 'actual fighting strength' had not increased commensurately, for this quality depended upon 'the number and types of efficient fighting ships', a category from which the numerous escort vessels, minesweepers etc. were excluded. By Royle's measure, the Navy was weaker in January 1945 than in 1939, possessing three cruisers (two eight-inch, one six-inch) to six (two eight-inch and four six-inch) then, and eight to five destroyers. He excluded two destroyers from the 1945 'actual fighting strength' because they were 'no longer used for other than escort duties'.

The survival of the cruiser squadron, whose maintenance had been a settled principle of prewar naval policy, was jeopardised, Royle argued, by the failure to replace all losses, the age of the surviving vessels, and the prospect of further losses 'as enemy attacks become increasingly violent as we approach the Japanese homeland'. Of the four six-inch gun cruisers, the *Sydney* had sunk after an action against the German raider *Kormoran* in November 1941 and the *Perth* after one against Japanese cruisers and destroyers in the Java Sea on 28 February–1 March 1942. The *Canberra*, one of the two eight-inch gun cruisers, had been sunk by Allied torpedo and gun fire in August 1942 after sustaining very heavy damage in the Battle of Savo Island, off Guadalcanal. Soon after the loss of the *Canberra*, the British Government had presented the *Shropshire*, also an eight-inch gun cruiser, to Australia, she had commissioned in April 1943 and reached Fremantle on 24 September 1943. Early in January 1945, Royle pointed out, hits by four suicide dive bombers had put the *Australia* out of action for 'several months', so that until repairs were completed on the *Hobart*, which had been out of action since June 1943 following torpedo damage, the Squadron was reduced to a single operational cruiser, the antiquated *Adelaide* having been taken out of full commission. Without reinforcements, Royle warned, the Squadron would soon become a non-operational unit, losing its identity as an Australian Squadron under its own Flag Officer, then Commodore J.A. Collins. Even if no further losses were suffered and the war finished in 1947 it would by then consist of ships aged 18, 17 and eleven years when the life of a cruiser was twenty years.

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<sup>141</sup> DCM 24/1945, 10, 16, 22 and 24 January and 1 February 1945, which became WCA 55 1945.

<sup>142</sup> WCMs 3740, 23 August 1944 and 3858, 19 October 1944.

<sup>143</sup> DCM 24/1945, Attachment A.



The case for carriers was then stated in a series of blunt assertions:

The R.A.N. must include Aircraft Carriers. Today a Carrier is as necessary to the Navy as tanks and land-based air cover are to the Army. Sooner or later a Carrier will have to be obtained. Now is obviously the time to do so, in order that R.A.N. personnel may obtain training in Naval Air operations under war conditions.

To man the three vessels he sought on transfer would require an increase of 300 men for twelve months in the Navy's monthly quota of 300 men and 50 women. In addition, 100 men monthly for six months and 50 women monthly for twelve months were sought to man existing ships and those about to be completed in Australia, ie, establish a drafting and reinforcement pool of effective personnel, compensate for an increased wastage rate from the WRANS and allow for the increased substitution of women for men in mainland bases.

Royle had not argued his case as well as he could have done. He took too much for granted: for instance, his concern with the relative growth of the Services since 1939 implied that on equity grounds the Navy should have been bigger in 1945 but no argument was advanced why this ought to have been so. He further assumed that the cruiser squadron should be retained because maintaining one had been the settled policy prewar, but beyond that he did not go. Nor did he relate the retention of the squadron to the carrier acquisition. Finally, no mention was made of the submarine.

Like Royle, Northcott and Jones sought increases in their monthly quotas of recruits. The proposed and approved quotas are set out in the accompanying Table (II.1). Northcott and Jones also argued, the former very strongly, against the release of an additional 40 000 men from the Services. The previous release of 45 000 was falling two-thirds on the Army and one-third on the Air Force. Were the prospective release implemented and the same ratio applied, the Air Force would have to be reduced by five squadrons and in June 1945 the Army would be 41 000 deficient in men.<sup>144</sup> Two factors, Northcott argued, weighed heavily against further releases from the Army: first, no British land forces were assigned to the South-West Pacific Area. The Royal Navy was to be well represented in the Pacific, however, by a large surface and air force. Together with American naval forces this would provide an overwhelming preponderance that was not militarily necessary. The British naval contribution would enhance British, but not Australian, prestige: nor would the use of Australian civilian manpower in support of the British Pacific Fleet. Australian prestige would be served, however, by the Army taking its place with the American forces in accordance with existing commitments. The prospective releases would jeopardise this, reducing the expeditionary force from two divisions to one and bringing it 'to approximately the same dimensions as that of New Zealand'. Secondly, there had been much American and Australian criticism of lack of Australian participation in recent land operations and Australian prestige had suffered badly. The Army must be capable of playing its part in subsequent operations, thereby restoring itself to its former high standing at home and in the Allied armies.

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<sup>144</sup> *ibid.*, Attachments B and C.

Collectively, as the Defence Committee, the Chiefs of Staff strongly recommended that the proposal to release an additional 40 000 men from the Services should not be implemented. They also endorsed the proposal of each service that its allocation of recruits be increased, recommending a total increase in recruitment of 907 monthly, but realistically recognised that the War Cabinet might maintain the intake at its current level. Were that to happen, the Committee recommended increases in the monthly intakes of the Navy (300 men) and the Army (1080 men) and a compensating reduction in that of the Air Force. The provision of the increase for the Navy from within the approved quota derived from the Committee's acceptance of the view that 'the proposal to man ships from the Royal Navy with R.A.N. personnel should be implemented in order to preserve the existence and identity of the Australian Squadron': victory at last—at least at Defence Committee level.

On 3 February, when circulating the reports of the War Commitments and Defence Committees to the War Cabinet, Curtin offered no written indication of his views on the matters they raised.<sup>145</sup> But on 9 February, the day on which the War Cabinet met to consider the two reports, Shedden circulated a nine-page note of his own on 'the Australian War Effort and the Manpower position generally' to Curtin, Chifley and Dedman.<sup>146</sup> He had prepared this note alone, without advice from other Departmental officers, because of the late receipt in Canberra of draft notes prepared in Melbourne by Wilson.<sup>147</sup> Shedden succinctly placed the reports in their broad context, emphasising Australia's commitments to the American and British Governments and the undertakings given to General MacArthur, though he doubted the wisdom of certain of the latter. The crucial question, he said, was whether it was now 'feasible and opportune' to direct further releases from the Forces. After reference to opportunities missed to effect reductions or avoid commitments, he advised:

If the Government were to make any reduction in the Army strength at this stage, it would be open to severe criticism from General MacArthur, the American and the Combined Chiefs of Staff. When the information became public, it would probably provoke considerable public criticism of the Government both at home and abroad.

{However} As the War Effort is still in a state of disequilibrium, the earliest opportunity should be taken to rectify it as soon as the operational situation will permit. In the meantime, there should be consultations on the highest level with General MacArthur regarding his operational plans as they affect the Australian Forces, with a view to determining the stage at which appropriate reductions can be made and the future strengths which should be maintained. The position would be reviewed again on 30 June ...

Regarding recruitment, Shedden recommended against an increase in the total intake suggesting instead a reallocation of the existing quota as set out in the table. It differed from the Committee's alternative, or fall-back, recommendation. For the Navy, Shedden proposed a total quota of 500 (400 men and 100 women), making no additional provision for the transfer. On its desirability, the overall tenor of his remarks could be described as

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<sup>145</sup> WCAs 52 and 55/1945.

<sup>146</sup> Note by Shedden, 9 February 1945.

<sup>147</sup> Minute, Shedden to Wilson, 10 February 1945.

'balanced against'. He conceded the Navy's grievous losses, but pointed to its much greater complement of smaller ships compared with before the war. Furthermore, the United States Navy was now greatly superior to that of Japan. The creation of the British Pacific Fleet, by implication militarily redundant, had further increased Allied naval strength as well as placing an additional strain on Australian resources and manpower. In such a situation, was Australia justified in increasing her naval strength when the primary aim of the Government was to reduce the military effort in order to ease the manpower position? If the answer were no, and the tenor implied it ought to be, then a decision could be deferred until after the consultations with MacArthur. Shedden did not raise a suggestion mooted by Wilson of which he was cognisant: that of securing the men to crew the additional ships by rebalancing the Navy's existing manpower by, for instance, reducing the allotment of 11 428 men to escort vessels.<sup>148</sup> Such a reduction would have required discussions with both American and British authorities before it could have been implemented because of the obligations to provide escort services which Australia had accepted.

The War Cabinet approved the Defence Committee's recommendation opposing further releases from the Services and accepted Shedden's advice that Curtin consult with MacArthur on the prospect of a reduction in his future requirements for Australian military personnel. Briefly, MacArthur was to respond: 'In categorical reply to your basic question, I would state that my plans contemplate the use of all the Australian Forces now assigned to the Southwest Pacific Area'. Subsequently, War Cabinet concurred in Curtin's decision that there should be no reduction in the Army's operational strength of six divisions and two armoured brigades.<sup>149</sup>

The Defence Committee's recommendation of an increase in recruitment was not approved. The monthly intake of men was maintained at 3000 but that of women was reduced by 320 to 700, it being recognised that without compulsion the Services could not fill their female quotas. The average intake for the past six months had been only 473. The Navy's share of the monthly quota of men was increased by 300 to 600. Of the gain, 100 were to sustain existing and approved commitments, while the balance of 200 was to man 'one or two modern cruisers and one light fleet carrier'. Curtin was to reopen their transfer with Churchill on the following basis:

- a. Any ships manned should be transferred without payment to the Royal Australian Navy. This course was favoured by War Cabinet (Minute No(3523)) and the Advisory War Council (Minute No(1357)), when the question was previously considered by them. It is understood that transfers of ships have been made to the Royal Canadian Navy.
- b. As previously suggested by War Cabinet (Minute No(3523)), the ships should be modern. The Admiralty memorandum furnished to the Prime Minister suggested one or two cruisers of the "Tiger" class (ship's company—850), and a light fleet carrier of the "Colossus" class (ship's company—700, Naval Air Arm—800 total 1,500).

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<sup>148</sup> Wilson, 'Notes on War Cabinet Agendum No. 55/1945', 8 February 1945.

<sup>149</sup> WCA 115/1945 and WCM 4116, 20 March 1945.

- c. A decision on the number of cruisers to be manned is dependent on the offer of the United Kingdom Government and the Australian manning programme. A final conclusion will be reached later.<sup>150</sup>

These War Cabinet decisions involved Curtin in consultations with Churchill and MacArthur, and the Prime Minister ordered that the minute recording them should be given the most restricted circulation to safeguard against leakages. Ministers were informed that the Prime Minister, and he alone, would make public statements on the matters decided.<sup>151</sup>

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<sup>150</sup> WCM 4044, 9 February 1945.

<sup>151</sup> Letter, Shedden to Chifley *et al.*, 13 February 1945.

Table II.1 Review of service recruitment, February 1945

	Navy <sup>1</sup>			Army <sup>2</sup>			Air Force <sup>3</sup>			Totals		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Grand
Approved level as on 31/12/44 <sup>2</sup>	300	50	350	420	500	920	2280	470	2750	3000	1,020	4020
Sought by Services and supported by Defence Committee <sup>3</sup>	700	101	800	2000	377	2377	1500	250	1750	4200	727	4927
Defence Committee fall-back level <sup>4</sup>	600 <sup>7</sup>		720	1500 <sup>7</sup>		1850	1200 <sup>7</sup>		1450	3300 <sup>7</sup>		4020
Sheddin's advice <sup>5</sup>	400	100	500	1450	350	1800	1150	250	1400	3000	700	3700
War Cabinet reallocation <sup>6</sup>	600	100	700	1500	350	1850	900	250	1150	3000	700	3700

1. Strengths of the Forces on 31 December 1944: Navy - 34 520; Army - 411 321; Air Force - 179 544; Total - 625 385.

2. WCM 3740, 23 August 1944.

3. DCM 24/1945.

4. *ibid.*

5. Note by Sheddin, 9 February 1945.

6. WCM 4044, 9 February 1945.

7. The Defence Committee Recommended that the number of men recruited be not less than these numbers.



*HMAS Australia showing the damage sustained at Lingayen Gulf, January 1945 (RAN).*

## 7 Curtin Approaches Churchill: Cranborne Replies to Chifley February–May 1945

Curtin now raised the question of the transfer with Churchill, informing him of the completion of the War Cabinet's review of the Australian war effort whose conclusion had been that manpower commitments remained in excess of resources. Churchill was reminded, nonetheless, of his offer of 27 May 1944, Curtin explaining that a decision on it had been deferred until the possibility of manning the ships could be more accurately determined.<sup>152</sup> (On the copy of the cable passed by Shedden to Royle, this explanation of the delay is understandably annotated with sidelining and a heavily pencilled question mark executed in Royle's recognisable hand.)<sup>153</sup> War Cabinet had decided, said Curtin, 'that an increase in Australian naval strength is one of the most effective ways in which we can maintain a satisfactory fighting effort in the advance against Japan', though the minute of the War Cabinet recorded no such reasoning. Indeed, Curtin had once been of the view that an increase in Australia's naval commitment in the Pacific would be militarily redundant, but then his statement to Churchill was not the opposite of that proposition, rather, it was a being-in-at-the-kill argument. One favoured by Royle, it was an element in the contemporary Australian politico-strategic conventional wisdom and would therefore probably have been aired in the War Cabinet.<sup>154</sup>

Churchill was asked, as the War Cabinet had agreed, whether his Government would transfer to the Royal Australian Navy, 'without payment', a light fleet carrier of the *Colossus* class and one or two *Tiger* class cruisers. Their transfer, said Curtin, would not only strengthen the Navy for future operations against Japan but would also provide 'a foundation of modern ships on which to build-up Australia's post-war fleet' (a proposition which Royle sidelined, underlined and ticked). Curtin also held out the prospect of Australian participation in a postwar scheme of Empire naval defence in the Eastern Hemisphere.

In the light of his opening allusion to Australia's manpower shortage, Curtin could not fail also to observe that manning the ships would impose a very considerable strain on Australia's already depleted manpower resources but one which could be borne because it involved a contribution to 'the necessary naval forces for the defeat of Japan' and to securing the future of the Navy. These were grounds which Curtin had hitherto not found compelling. Before concluding, he reminded Churchill that, since formally requesting it during his visit to London, he had not pressed for the return of the 3000-odd Royal Australian Navy personnel serving with the Royal Navy. The cable's conclusion presumed success, Curtin suggesting that the details of the transfer could be arranged between the Admiralty and the Commonwealth Naval Board.

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<sup>152</sup> Telegram No. 40, Curtin to Churchill, 14 February 1945.

<sup>153</sup> Letter, Shedden to Royle, 14 February 1945 and attached telegram.

<sup>154</sup> See, for instance, the editorial headed 'Vital Role of the Navy', *The Age* (Melbourne), 11 December 1944.

The British reply was delayed for nearly three months and then came not from Churchill but from the Secretary of State for Dominion Affairs, Lord Cranborne, heir to the Marquis of Salisbury.<sup>155</sup> Cranborne was not a member of the British War Cabinet and his cable was addressed to Chifley, who had become Acting Prime Minister on 30 April, Curtin being ill and Forde leading Australia's delegation to the San Francisco Conference, Beasley was acting as Minister for Defence. Both the delay and the office of the signatory were ill omens. The British War Cabinet were prepared to transfer a light fleet carrier and two cruisers but felt, 'having regard to all the {unstated} circumstances', that they 'must ask for reimbursement of the value of the ships' whose cost might be up to roughly nine million pounds sterling, dependent upon the cruisers selected. If, however, it were convenient to the Australian Government to offset that charge against the cost of the facilities and services being provided to the British Pacific Fleet and for which the Admiralty were to pay, this was acceptable to Britain. By 14 February 1945, the Australian War Cabinet had approved commitments in support of the British Pacific Fleet to the amount of £(A)26 186 100 and Curtin had drawn this to Churchill's attention, perhaps unwisely, when taking up the offer.<sup>156</sup> He had done so presumably not to stress Britain's potential indebtedness to Australia, but to emphasise the extent of one aspect of Australia's contribution to the Pacific War. The implication was that Australia was making possible the presence of a large British naval force in the Pacific even though her human and material resources were under great pressure.

The request for payment not only conflicted with Curtin's proposal for a free transfer, but also contrasted with the gift of the *Shropshire*, though admittedly that was a special case. Of more relevance, was the contrast with the gift to Canada of two cruisers and two destroyers. Though agreed in January 1944, that had not been completed until April 1945 with the handover of the second cruiser, the *Ontario*, a *Uganda* class cruiser. The request for payment conflicted also with Royle's longheld expectation, first implied when he raised the matter in March 1944, that the vessels could be acquired free of charge. Of interest, but of uncertain significance, however, is Royle's single reference in a submission to the Defence Committee to the loan of the vessels. Shedden had noticed this and in his advice to the three Ministers suggested that the ships should be sought as gifts, not on loan.<sup>157</sup>

Whether Royle's use of the term 'loan' resulted merely from an uncorrected drafting error of a staff officer or of Royle himself, or had some other explanation, is unknown to the present writer, as are the calculations underlying the British request. Their elucidation would require reference to British Cabinet and Admiralty records. What can be said, however, is that as early as January 1945, following protracted negotiations, the Admiralty had offered to lend two light fleet carriers to the Royal Canadian Navy to replace the two Lend-Lease escort carriers. After further discussions lasting into early May it was agreed that Canada should man and commission the *Warrior* (*Colossus* class) and the *Magnificent* (*Majestic* class), with the option of buying them later.<sup>158</sup> Knowledge of these negotiations could explain Royle's use of the word loan, but more importantly they reveal that by January the Admiralty were not prepared to give light fleet carriers to Canada, a significant precedent. By then and more so by May, when Cranborne replied, the view from London

<sup>155</sup> Telegram No. 150, Cranborne to Chifley, 5 May 1945.

<sup>156</sup> Telegram No. 40, Curtin to Churchill, 14 February 1945.

<sup>157</sup> DCM 24/1945, Attachment A and note by Shedden, 9 February 1945.

<sup>158</sup> Gilbert Norman Tucker, op. cit., p. 104



was much changed since early in 1944. Britain's manpower problem was now chronic rather than acute and, of greater significance, in strict military terms the requirement to get more ships to sea was very much reduced. On the day of Cranborne's cable, the surrender to Field Marshal Montgomery of the German forces on the northern sector of the western front had taken effect and two days later Germany was to surrender unconditionally and simultaneously on the western and eastern fronts. Moreover, though planning was continuing for the invasion of the Japanese Home Islands (in May 1945 it was envisaged that British forces would participate in the invasion of Honshu in the northern spring of 1946) it was known to Churchill that an atomic bomb would be ready by August and might then be used against Japan. Leaving aside the question of the use of the atomic bomb, for few were privy to its development and the general expectation remained that Japan would surrender only after invasion, it could well have been held in London that the slight increment in Empire prestige, influence, power, or whatever, consequent upon the significant enlargement of the Australian Squadron and modestly therefore of the Empire presence in the Pacific, was not worth nine million pounds sterling to Britain. The main striking force of the British Pacific Fleet then consisted of four fleet carriers, two battleships and five cruisers. It was dwarfed by the American Fifth (Third) Fleet of Admirals Spruance (and Halsey) which at the time of the attack on Okinawa included the eleven fleet carriers, six light fleet carriers, seven battleships and fifteen cruisers of Vice Admiral M.A. Mitscher's Fast Carrier Task Force and the ten battleships, twelve cruisers and eighteen escort carriers of the Expeditionary Force under Vice Admiral R.K. Turner.

Finally, it was of course one thing for Cunningham in mid-1944 to portray the free-acquisition of vessels as contributing to the foundation of the postwar Australian fleet when he sought to get ships manned and to sea against the enemy, it was clearly another altogether to contemplate providing them free when that need was no longer felt. In addition, the gift of ships at a time when they were less likely to be lost might well preclude the postwar conclusion of sales by private British shipbuilders or naval dockyards.

Cranborne informed Chifley that should Australia agree to the purchase, the *Colossus* class light fleet carrier *Ocean*, which was due to complete in July 1945, could be made available. But regarding the cruisers there were difficulties. The first ship of the *Tiger* class, the *Defence*, was now not expected to complete until late in 1946, while her successor was unlikely to be ready before 1947. Recognising that RAN crews might be available much sooner, Cranborne offered the temporary transfer of two fully modernised six-inch gun cruisers to be replaced by two *Tigers* or, alternatively, one modernised cruiser and one *Tiger* could be transferred and the former later replaced with a *Tiger* if Australia wished. Modernised cruisers were expected to become available as follows: *Liverpool* (July 1945), *Mauritius* (August 1945), *Sheffield* (November 1945), *Kenya* (December 1945), *Newcastle* (January 1946) and *Birmingham* (February 1946). Finally, Cranborne sought an assurance that any vessels transferred would operate under the orders of the Commander-in-Chief, British Pacific Fleet, until the end of the war against Japan.

In recommending to Makin acceptance of the British offer Royle described it as 'quite reasonable'. He had no objections to the cost, which he described as 'satisfactory from a purely financial aspect', nor to the proposed method of payment. Of the cruiser options he favoured the transfer of the modernised *Kenya* and the *Defence*, with the former to be replaced by a *Tiger* when one became available. The carrier could be manned in August 1945 and, if recruiting of the increased intake were approved by the end of May, the

*Kenya* early in 1946 and the *Defence* that October. The acquisition of these three ships, Royle concluded would bring the Navy up to strength, ensure Australia's adequate representation in the final Pacific battles and provide an essential part of her postwar fleet.<sup>159</sup> In forwarding Royle's recommendation to Chifley, Makin expressed his general concurrence.<sup>160</sup>

Later in May, after Makin had told the DCNS, Captain D.H. Harries, RAN, that he thought 'the question of the Carrier might go through' the War Cabinet but he was not optimistic about securing approval for the two cruisers, Royle again wrote to Makin. Stressing the age of the existing cruisers, he warned that if no more were lost and the war ended in 1947 the Australian Squadron would then be at its lowest ebb ever. Serving officers and men recognised this—there were constant enquiries concerning the future of the Navy—and good officers and men could be lost to the Service. Failure to obtain the two cruisers would mean the end of the Australian Squadron and the Royal Australian Navy.<sup>161</sup> Insistent, Royle pressed his case to Makin yet again on 4 June having heard from Shedden 'the other day' that the War Cabinet had yet to discuss the transfer: it had done so on 28 May. The question facing that body was, he thought, 'Is it the Government policy to maintain a Royal Australian Navy after this war or not?' If it were, the acquisition of the three ships was an absolute essential. Because construction of a ship took three to four years, the Navy must be in existence to meet emergencies. Unlike the Army and to a lesser extent the Air Force, a Navy could not be improvised in a few months. Royle did not fail to call upon the authority of the ailing Prime Minister. With Admiral Sir Bruce Fraser, Commander-in-Chief, British Pacific Fleet, Royle had visited Curtin at the Mercy Hospital and there learned of his intention to have 'a larger Navy after the war than before', a sentiment Royle repeated to Makin. Royle again referred to the anxieties of some of 'our excellent young officers' about the size of the postwar Navy and ended by stating how important it was 'that no decision should be made on some side issues such as finance or manpower'.<sup>162</sup>

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<sup>159</sup> Minute, Royle to Makin, (?) May 1945.

<sup>160</sup> Letter, Makin to Chifley, 14 May 1945.

<sup>161</sup> Minute, Royle to Makin, 24 May 1945.

<sup>162</sup> Letter, Royle to Makin, 4 June 1945.

## 8 Rejection: 6 June 1945

By the time Royle wrote to Makin on 4 June the die was almost cast. The War Cabinet had considered the transfer on 28 May, apparently without benefit of an agenda and certainly without subsequently issuing a formal minute. Nor has any trace been found by the present writer of advice on the transfer rendered to the War Cabinet by the Secretariat. Notes taken during the discussion by a member of the Secretariat reveal, however, that Makin opened, suggesting acquisition of the carrier, even if payment were involved and further negotiation with either Churchill or the Admiralty over the cruisers. While Makin believed Australia ought to maintain an effective cruiser squadron he also held that the two cruisers might be obtained more cheaply after the war. Nor, in his view should the availability of finance for the Naval Board's postwar plan for the local construction of twelve destroyers over ten years at a cost of £(A)30 million be jeopardised by the commitment of funds to the cruisers. The War Cabinet then turned to a review of the Australian war effort before, as the notes record, it 'Decided not to accept ships and submit to Advisory War Council'.<sup>163</sup>

Chifley duly referred the transfer to the Council, explaining that the War Cabinet had arrived at an 'opinion' on it, but before taking 'a firm decision' had agreed to invite the views of the Council.<sup>164</sup> This not unusual practice was in this instance also prudent, for it recognised the desirability of involving the non-governmental members of the Council who had strongly favoured the transfer during 1944, in its rejection. Chifley conveyed the War Cabinet's 'opinion that the proposal should not be proceeded with as a war project'. The 'considerations' informing this opinion related to postwar policy and to the current situation. The latter included doubts concerning the desirability or necessity of an additional Australian naval commitment to the Pacific War in view of the overwhelming strength there of the American and British navies and the desirability of increasing naval recruitment when special releases of at least a further 50 000 personnel were to be made from the Army and the Air Force by the end of the year: this last despite the War Cabinet's earlier decision in principle in favour of just such a course.

The British request for payment was not directly advanced as a reason for rejecting the offer. After Makin in writing had generally concurred in Royle's recommendation that the British offer should be accepted, Navy had sought the views of the Treasury at the official level on 'the suggested financial adjustment'.<sup>165</sup> Chifley's 'general view', as conveyed by a Treasury official, was that 'no proposal on the basis of cash payment during the war should be entertained'.<sup>166</sup> On its face, this formulation would not have ruled out payment by offset as proposed by Cranborne. Chifley also expressed the intention of discussing the matter with Curtin, but a record of what transpired, if they discussed it, has not been traced. Where the War Cabinet did have financial reservations was over the total cost of the proposals then under development for the postwar Navy: the Defence

<sup>163</sup> Notes on War Cabinet Meetings by Mr Port, Volume 15, pp. 4710–12.

<sup>164</sup> AWCA 24/1945, 31 May 1945.

<sup>165</sup> Minute, Secretary, Department of the Navy, A.R. Nankervis, to FAS, Defence Division, Treasury, G.P.N. Watt, 16 May 1945.

<sup>166</sup> Letter, Watt to Nankervis, 22 May 1945.

Committee was examining the Naval Board's £(A)30 million plan for the local construction of ten destroyers. Had the three ships been free, their capital cost would not have been an additional element in the equipment costs of the postwar forces.

There were also doubts about the need to acquire cruisers and Royle's anxiety over the viability of the ageing squadron was not shared. The age of the existing cruisers was not construed as arguing for their replacement or supplementation but rather as evidence that 'all three have some years to go before they become over age'. Regarding the carrier, it was noted that a light fleet carrier could not operate alone, though it was not clear whether this was a reference to the need for supporting vessels or to that for more than one carrier, and probably three, if one were to be kept operational. It was also observed that the value of the carrier type to postwar defence had yet to be weighed against that of land-based aircraft operating from the northern arc of islands. War Cabinet was therefore of the opinion that a decision should be deferred, particularly as the Defence Committee was preparing a report on the nature, strength and organisation of the postwar Defence Force.

When, on 6 June, the Advisory War Council considered the matter in Fadden's absence, Spender, Hughes and Page opposed payment, Dedman favoured deferral on a decision, Makin expressed doubts about the modernity of the *Tiger* class, which he said was too small to house all the latest equipment, and like Chifley was of the opinion that the three ships would not be available in time to contribute to winning the war. The final consensus regarding payment, however, was that Australia could not withstand the demand for payment by offset,<sup>167</sup> and the following recommendations, making no reference to financial considerations, were recorded in the formal minute:

- (a) In view of the overwhelming American and British naval strength in the Pacific and the acuteness of the Australian manpower position generally, the proposal should not be proceeded with as a war project.
- (b) In regard to the post-war Naval Defence aspect, the Defence Committee is at present considering the nature, strength and organisation of the Post-War Defence Forces. This will largely be determined by the amount of the Defence Vote that can be provided to cover not only the strength of Forces but also the resources required for the maintenance of production capacity for munitions, aircraft and naval shipbuilding. The Council was of the opinion that it would be prudent to defer any decision until the post-war position could be more accurately determined.<sup>168</sup>

These recommendations were taken on the same day as a decision of the War Cabinet<sup>169</sup> and formally conveyed to Royle by Shedden on 16 June<sup>170</sup> after Chifley had cabled Churchill, by now head of a Caretaker Government, declining the British offer but indicating that the matter might again be raised when further progress had been made on the formulation of postwar defence policy.<sup>171</sup> The British reply came on 6 August from Clement

<sup>167</sup> Notes on Advisory War Council Meetings by Mr Quealy, 6 June 1945, pp. 2458-67.

<sup>168</sup> AWCM 1548, 6 June 1945.

<sup>169</sup> WCM 4241, 6 June 1945.

<sup>170</sup> Letter, Shedden to Royle, 16 June 1945.

<sup>171</sup> Telegram No. 157, Chifley to Churchill, 16 June 1945.

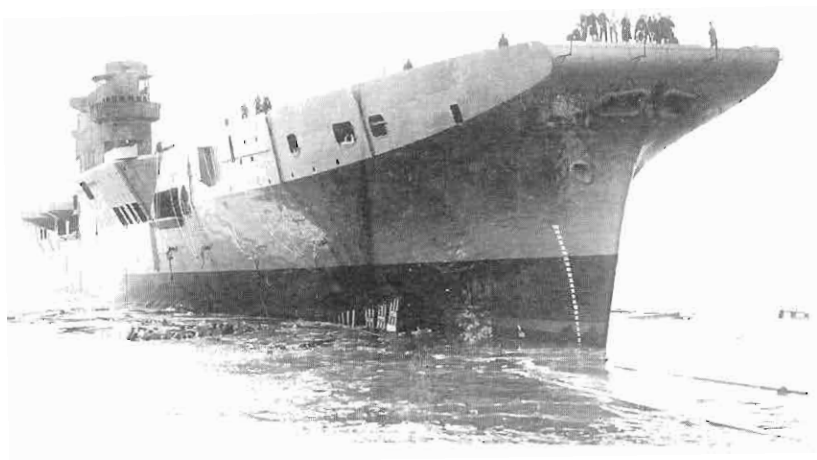
Attlee, who had become Prime Minister on 26 July, following a General Election. Its recipient was Chifley, now himself Prime Minister, Curtin having died on 5 July. After a brief interregnum under Forde, Chifley had been elected by Caucus to its leadership on 12 July and had assumed office the next day. Attlee noted the Australian decision with regret, expressed his appreciation of the difficulty involved, and said that he would be glad to discuss the matter further when the situation became clearer. He concluded, very probably on Admiralty advice: 'No doubt the Defence Committee ... will take into consideration the prominent part which aircraft carriers play in the modern balanced fleet especially in the waters of the Pacific Ocean.'<sup>172</sup>

Could a Pacific nation affirm it would not acquire a modern and balanced fleet? Royle's successor as Chief of the Naval Staff, Admiral Sir Louis Hamilton, who assumed office on 29 June 1945, was to argue that 'no' was the proper answer to that question. The outcome of his reply is the subject of the final paper in this series of three.

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Telegram No. 262, Attlee to Chifley, 5 August 1945.



*The launch of the light fleet carrier HMS Majestic at Barrow-in-Furness on 28 February 1945 (RAN).*

## **Part III**

### **The Decision to Purchase two Light Fleet Carriers - 2 June 1947**



*HMAS Vengeance with Sydney ahead (RAN).*



# 1 Aspects of Defence Machinery 1945–1948

The Second Chifley Cabinet decided in June 1947 to purchase from Great Britain two light fleet aircraft carriers (CVLs). Both ships were then incomplete. Within six weeks the Admiralty had informed the Naval Board not only of an increase in their construction cost but also that the carriers, if they were to be capable in the mid-1950s of operating the most modern British naval aircraft, would require modernisation, which would again increase their cost. Not until December 1948 did Chifley decide that one of the carriers would be modernised while under construction. The aim of this paper is to examine the policy process leading up to the Cabinet decision and culminating in the modernisation decision, but first the main features of the machinery then devoted to the formulation of defence and naval policy are described briefly.

Until early in 1946 the wartime organisation, which was examined in the second paper in this series, continued to function, though with expanded joint service machinery. On 18 December 1945 the War Cabinet decided to abolish itself after its next meeting, which occurred on 19 January 1946, and to reconstitute the Council of Defence as the Government's senior advisory body on defence policy and organisation. This role had been performed since 28 October 1940 by the Advisory War Council whose members included representatives of the Government and the Parliamentary Opposition. From 19 January, matters requiring governmental approval were again to be referred to the Cabinet which during the existence since 15 September 1939 of the smaller War Cabinet had been called the Full Cabinet. The three separate Service departments that had been established on 13 November 1939 were not reabsorbed into the Department of Defence. The War Cabinet endorsed the following views of the Minister for Defence, J.A. Beasley, expressed after consultation with the Prime Minister:

... from the short-term aspect, it is desirable to maintain the present set-up of a Defence Department responsible for Defence Policy, and the Joint Service Machinery, and Service and Supply Departments responsible for their separate spheres of administration within the defined Defence Policy.

The Prime Minister has a reservation regarding the long-term view when Departments will have reached their ultimate post-war footing, and he is of the opinion that the matter might then have to be reviewed again. The Defence Department view, which is also shared by the highest Service opinion, is that the experience of the war has indicated a definite trend towards the closer relation of the Services through the Joint Service Departmental machinery which has had its counterpart in the operational sphere ... The closer integration of the three Services and their unified command and employment has involved a new conception of co-operation and strategical employment. Another important feature has been the development of machinery to provide a link between the Commander of the unified Forces and the Government. This trend does not apply in the same

degree in the realm of the internal administration of the Services in which the feature of separation is more marked.<sup>1</sup>

The Treasury remained responsible for the financial coordination and review of all Defence expenditure. At the end of 1943 that responsibility, hitherto discharged by an Assistant Secretary and Section within the Department of Defence/Defence Co-ordination had passed to the Treasury. There, a Defence Division had been established by the transfer from Defence of the Finance and Staff Sections. The functions of the new division, which was located in Melbourne, were to examine and co-ordinate major financial and accounting proposals affecting the Service Departments and to consult with the Services and advise them on the financial aspects of matters of joint service interest.

The function of the reconstituted Council of Defence was to consider and advise upon any questions of defence policy or organisation referred to them by the Prime Minister or the Minister for Defence. As Chifley emphasised, all decisions on recommendations of the Council rested with the Government.<sup>2</sup> If the discharge of their functions required the investigation of any matter, the Council could appoint sub-committees composed of such persons as they wished, but all executive action had to be taken through existing official channels. The holders of fifteen offices were Council members: the Prime Minister\*, the Treasurer, the Ministers for Defence\*, External Affairs, Navy, Army, Air, Munitions, Aircraft Production and Post-War Reconstruction, the Leader of the Government in the Senate, the three Chiefs of Staff\* and the Secretary, Department of Defence. Those members marked with an asterisk, with the addition of another minister, constituted a quorum.<sup>3</sup> During the war Curtin had told the House of Representatives that he intended, if Prime Minister when the Council of Defence was reconstituted, to invite the Opposition parties to be represented on it. When Leader of the Opposition he had been at a definite disadvantage in the formulation of a defence policy owing to a lack of the information on which he considered that policy must be based. Because Australia's government functioned on the basis of parties, Curtin believed that the leaders of both the Government and the Opposition should enjoy full access to that information.<sup>4</sup> The Chifley Cabinet decided, however, to leave implementation of Curtin's intention 'in abeyance for the time being'.<sup>5</sup> The new Council of Defence Regulations, like those prewar, made no specific provision for Opposition representation.

The Minister and Department of Defence were responsible for Defence Policy, including co-operation in Empire Defence and the defence aspect of the Charter of the United Nations; the Supply aspect of Defence policy, including the review of production programmes and capacity; matters of policy or principle and important questions having a joint Service or inter-departmental Defence aspect: the organisation and machinery for co-operation in Empire Defence, regional security, higher direction in war and of the Services; the strength and organisation of the forces and the administration of inter-Service organisation such as the Joint Intelligence Bureau and the Defence Signal Branch.<sup>6</sup> The main organs of the joint service advisory machinery were the Chiefs of Staff Committee,

<sup>1</sup> War Cabinet Minute (WCM) 4594, 18 December 1945 but see also WCM 4593 of the same date.

<sup>2</sup> Press Statement by the Prime Minister, 19 January 1946.

<sup>3</sup> Council of Defence Regulations, Statutory Rules 1946, No. 38 of 27 February 1946.

<sup>4</sup> CPD, vol. 170 (23 March 1945), p. 888.

<sup>5</sup> WCM 4593, 18 December 1945.

<sup>6</sup> The capitalisation is that then employed.

whose primary functions were to deal with operational matters and prepare strategic appreciations, and the Defence Committee. The latter were to advise the Minister for Defence with respect to:

- a. The defence policy as a whole;
- b. Matters of policy or principle and important questions having a joint Service or inter-departmental defence aspect; and
- c. Such other matters having a defence aspect as are referred to the Committee by or on behalf of the Minister.<sup>7</sup>

Significantly, they could also advise the Minister on their own initiative on any matter falling within their functions. The Committee was composed of the three Chiefs of Staff and a civilian officer of the Department of Defence appointed by the Minister, who also appointed the Chairman and could co-opt other members. The Committee's Secretary, or Joint Secretaries, were provided by Defence, whose Secretary conveyed to the Committee and the relevant departments the Minister's decisions on the Committee's advice.

Of the main committees sub-ordinate to the Defence Committee, that pertinent to this paper—the Joint Planning Committee (JPC)—was also responsible to the Chiefs of Staff Committee. Assisted by sub-ordinate bodies—the Joint Intelligence Committee, the Joint Operations Staff, the Defence Communications Committee and the Chemical Defence Board—the JPC were responsible for the development of inter-service operational plans and appreciations, joint intelligence, and strategic appreciations relating to the planning of the postwar forces. It was comprised of representatives of the Navy, Army and Air Force and, like the other committees, was serviced by a combined staff of civil and Service officers responsible to and controlled by the Secretary, Department of Defence.<sup>8</sup>

Immediately before abolishing itself the War Cabinet directed that matters originating within the Service and Supply (Munitions, Aircraft Production, and Supply and Shipping) Departments and falling within the scope of the functions of the Department of Defence should continue to be submitted on the ministerial or departmental level for consideration and decision, including where necessary reference to the Defence Committee, the Council of Defence, or Cabinet. To ensure effective co-ordination, copies of agenda submitted directly to Cabinet by Service Departments and of those of Defence interest from Supply Departments were to be furnished to Defence in the same manner as that department had always forwarded to Treasury copies of War Cabinet agenda having any financial implication.<sup>9</sup>

Late in 1945 Defence had firmly and successfully repelled an attempt by Treasury to secure a significantly greater say in the formulation of defence policy. Specifically, Beasley had hotly rejected the underlined elements of the following Treasury claims:

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<sup>7</sup> Defence Committee Regulations, Statutory Rules 1946, No. 39 of 27 February 1946.

<sup>8</sup> *CPD*, vol. 170 (23 March 1945), p. 888.

<sup>9</sup> WCM 4594, 18 December 1945.

Treasury must be represented directly, or in its view adequately represented by Departmental financial officers, at all stages of Defence planning, from the formative stages of policy through to the internal organisation plans and the administrative aspects.

That the Defence Division {of Treasury} be organised to ensure an effective Treasury voice at all important stages of Defence planning and organisation including policy, organisations plans within approved policy, administration (works, supplies and services proposals for expenditure), budgetary, and for Treasury surveillance of Departmental planning and accountancy procedure through a strong Investigation Section.<sup>10</sup>

In replying, Beasley distinguished between: '(i) The formulation of Defence Policy in accordance with the functions and responsibilities of the Defence Department' and '(ii) The administration of the Service and Supply aspects of Defence Policy in accordance with the functions of the Service and Supply Departments'.<sup>11</sup> He then argued from first principles: the Department of Defence was the statutory authority under Section 64 of the Constitution responsible for defence policy. As the minister concerned, his duty was to formulate policy for the approval of the Government and to administer approved policy. For this purpose there existed a department, with a permanent head and associated staff, and a Defence Committee, while in peace a Council of Defence advised on the governmental level. Subject to possible exceptions regarding Treasury representation on certain Defence administrative sub-committees, Beasley declared himself 'quite unable' to accept Treasury representation in Defence in order to give it 'an effective voice at all important stages of Defence planning and organisation, including policy'. In his opinion, this would have conflicted with the statutory responsibilities of the Minister for Defence, the permanent head and the Defence Committee.

The basis of defence policy, Beasley explained, was the strategic appreciation of certain risks which had to be provided for and the military capacity of the Commonwealth to do so having regard to other considerations such as co-operation in Empire Defence and the measure of security afforded by the United Nations Organisation. Military capacity was a matter of resources, including financial capacity, but while the Government's Service Advisers had to recognise they were advising on Australian defence policy based on Australian resources, it was important 'that the full and free expression of the views of the Service Advisers should be untrammelled by the influence of "an effective Treasury voice" in the initial stage of technical military advice. To do otherwise would give the Treasury view undue weight in the determination of Defence Policy'. It was for the Government 'to decide the amount of the Defence Vote after having considered the technical military advice and weighed the views of the Treasury on the Vote' that could be provided. The Treasurer, as a member of the Full Cabinet—as it then was, the War Cabinet and the Advisory War Council (Council of Defence), would have ample opportunity to examine and express views on Defence recommendations.

If, said Beasley, the Treasury's intention was to exercise 'an effective voice' in 'Defence Policy' in the 'Defence Machinery' while reserving ultimate rights of review and

<sup>10</sup> Letter, Chifley to Beasley, 4 September 1945 and Attachment, paragraphs 35 and 36.

<sup>11</sup> Letter, Beasley to Chifley, 19 November 1945

decision, this weighting of the scales in favour of the Treasury against 'Defence Policy' could not possibly be accepted. It would involve the exercise of power without responsibility. Defence views on defence policy and the amount of the vote must be weighed in Cabinet with those of other ministers, including the Treasurer. This was the position in regard to any aspect of Government policy and the funds to be devoted thereto. Beasley cited as the correct principle one expressed by the Treasury itself in 1939:

It is not proposed that there shall be any interference, on the part of Treasury, with Defence Policy. The desire of the Treasury is to assist to the greatest possible extent in the implementing of the approved Defence Policy and to support the efforts of the Department of Defence in ensuring that there will be no extravagance or wasteful expenditure.

Since then, separate Service and Supply Departments had been created and the latter responsibility now rested primarily on them.<sup>12</sup>

With respect to the Navy, the Naval Board was 'charged with the control and administration of all matters relating to the Naval Forces, upon the policy directed by the Minister' for the Navy. He was its President and exercised the general direction and supervision of all business. The Board also enjoyed executive command of the naval forces.<sup>13</sup> During most of the period covered by this paper, mainly that of the First (13 July 1945 to 1 November 1946) and Second (1 November 1946 to 19 December 1949) Chifley Ministries, Vice Admiral Sir Louis Hamilton was First Naval Member and Chief of the Naval Staff (CNS) (29 June 1945 to 23 February 1948). His successor was Vice Admiral Sir John Collins (24 February 1948 to 23 February 1955). Other offices, ministerial, Service and civil, were held as follows: Chifley was both Prime Minister and Treasurer. J.A. Beasley (6 July 1945 to 14 August 1946), F.M. Forde (15 August 1946 to 1 November 1946) and J.J. Dedman (1 November 1946 to 19 December 1949) were Ministers for Defence. Forde was defeated in the 1946 General Election, while Beasley had earlier retired from active politics to become Australian High Commissioner in London where he had been Resident Minister since early in 1946. Forde, then Minister for the Army, was also Acting Minister for Defence from 20 December 1945 to 14 August 1946. Like Beasley, N.J.O. Makin, who was Minister for the Navy from 7 October 1941 to 15 August 1946, retired from active politics to assume diplomatic responsibilities, becoming Ambassador to the United States. After acting as minister for twelve days, A.S. Drakeford succeeded him (15 August to 1 November 1946) and so held two Service portfolios simultaneously, being Minister for Air from 7 October 1941 to 19 December 1949. After the election, Drakeford gave way at Navy to W.J.F. Riordan (1 November 1946 to 19 December 1949). F.M. Forde (7 October 1941 to 1 November 1946) and C. Chambers (1 November 1946 to 19 December 1949) were Ministers for the Army. Throughout the period, Sir Frederick Shedden (Defence), A.R. Nankervis (Navy), F.R. Sinclair (Army) and M.C. Langslow (Air) were permanent heads. Lieutenant Generals J. Northcott (10 September 1942 to 30 November 1945) and V.A.H. Sturdee (1 March 1946 to 16 April 1950) were Chiefs of the General Staff (CGS), and Air Marshal G. Jones was Chief of the Air Staff (CAS) (5 May 1942 to 13 January 1952).

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<sup>12</sup> Loc. cit.

<sup>13</sup> Statutory Rules 1920, No. 249.

The Navy proposal to acquire aircraft carriers, whose progress through the Defence machinery is the subject of this paper, grew out of an earlier proposal to procure a single carrier which had been rejected by the Second Curtin War Cabinet on 6 June 1945. That decision was examined in detail in the second paper in this series. The later proposal was first submitted to Defence on 23 February 1946 for consideration by the Defence Committee. Its progress was strongly influenced by the progress and outcome of the then uncompleted and evolving deliberations regarding the nature, strength and organisation of Australia's postwar defence forces. For this reason, before the aircraft carrier proposal is examined in detail, the development of the overall planning process up to the lodging of the proposal is discussed. Then the fortunes of both from February 1946 onwards are examined.

## 2 Postwar Defence Policy: Preliminary Planning 7 January 1944–18 November 1946

The first significant initiative with respect to joint service planning for the postwar defence of Australia took the form of a standing instruction to the Defence Committee. Shedden issued it on 7 January 1944 at the instance of John Curtin, then Prime Minister and Minister for Defence. It stated, in part:

3. The Minister wishes the Defence Committee, as the advisory body on Defence Policy, to keep constantly in mind the question of post-war Defence Policy from the following angles:—
  - (i) The experience of this war in relation to the principles of Australian and Empire Defence, and to the nature, strength, and organisation of the Australian Forces.
  - (ii) As and when any progress is made in regard to the principles and nature of the collective system, either on a world or regional basis, their implications in regard to Australian Defence should be considered.
4. The Minister desires this minute to be viewed as a standing instruction to the Defence Committee so that, when a firm basis for the expression of its views has been established under either 3(i) or (ii), the Committee will submit them for his consideration.
5. In view of the Minister's responsibility for Defence Policy, he is particularly anxious that the developments relating to the principles of Australian Defence, Co-operation in Empire Defence and the relation to Australian and Empire Defence, of the collective system, whether universal or regional, shall be constantly before the Defence Committee so that he may be kept acquainted with its views.<sup>14</sup>

Subsequently, because of their evident implications for postwar defence policy, the War Cabinet deferred consideration of, or decision on, part or all of certain matters submitted by the Service and Supply Departments and referred them to the Defence Committee. These included: Naval Construction Programme (January 1944) and Naval Construction in Australia (May 1945);<sup>15</sup> Aircraft Production Policy, Preparation for the Postwar Period (December 1944) and Manufacture in Australia of Lincoln and Tudor

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<sup>14</sup> Defence Committee Agendum (DCA) 9/44, containing Minute by Shedden dated 7 January 1944, and Defence Committee Minute (DCM) 25/1944, 18 January 1944. For a discussion of the principles of Australian and Empire Defence as these were perceived by Commonwealth Governments between the wars see the first paper in this series.

<sup>15</sup> WCMs 3276, 21 January 1944 and 4175, 1 May 1945.

Aircraft (March 1945);<sup>16</sup> and Munitions Production Capacity (February 1945).<sup>17</sup> Over a year after the issue of Curtin's instruction the Defence Committee had done little to implement it. This was understandable, given the demand on their collective time and that of individual members of urgent business concerning the conduct of the War and the fact that as late as January 1945 the Allies' earliest planning date for the surrender of Japan was December 1947. Such progress as had been made was confined to a few recommendations of varying degrees of specificity: for instance, with respect to postwar aircraft production the Committee had concluded:

- (a) That it agreed in principle with the maintenance in Australia in peace time of a nucleus production of training and operational aircraft.
- (b) That the scale of this nucleus production would have to be determined by reference to the following considerations:
  - (1) The approved post-war strength of the RAAF.
  - (2) The requirements of the RAAF for expanded production in time of war and the capacity of Australia to meet such requirements.
  - (3) Any plan that might be agreed upon for the co-ordinated production of military aircraft throughout the British Commonwealth.
- (c) That any more detailed examination of the proposals could not be made in advance of a determination of the post-war strength of the RAAF as part of the balanced forces for the defence of Australia.<sup>18</sup>

Another recommendation was more specific and bore directly on the carrier question. During the fifteen months of deliberations in 1944 and 1945 over the Navy's original and unsuccessful carrier proposal the Committee recorded the following views:

- (a) They agree that a balanced Naval Task Force should include Carriers and that provision should be made for this type of ship in the Royal Australian Navy.
- (b) ... At this stage, it is desirable that provision should be made for one Carrier, and subsequently, in determining the ultimate postwar defence policy consideration should be given to the provision of a second Carrier.<sup>19</sup>

Significantly, these conclusions were reached in response to a Navy initiative advancing the proposal as falling within the terms of paragraph 3(i) of Curtin's instruction

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<sup>16</sup> WCMs 3929, 7 December 1944 and 4110, 20 March 1945.

<sup>17</sup> WCM 4059, 27 February 1945.

<sup>18</sup> DCM 14/1945, 10 January 1945.

<sup>19</sup> DCM 269/1944, 18 August 1944.



of 7 January 1944.<sup>20</sup> Later, when ultimately rejecting the wartime acquisition proposal, the War Cabinet deemed it 'prudent to defer any decision' on the procurement of a carrier for the postwar Navy 'until the post-war position could be more accurately determined'.<sup>21</sup>

Confronted in March 1945 by the War Cabinet's reference to them of a proposal from the Minister for Munitions concerning production capacity postwar, the Defence Committee noted there was a growing number of questions awaiting decision where the strength of the postwar forces was a factor to be taken *increasingly into account*. They decided, therefore, that this broad issue should receive preliminary joint service consideration. The Joint Planning Committee were ordered to discuss the subject with the Defence Committee and then to submit a report.<sup>22</sup> The War Cabinet noted these decisions.<sup>23</sup>

In the preamble of their charge to the JPC, the Defence Committee asserted that while it was then possible to formulate advice regarding 'the nature and functions' of the postwar forces that on their 'strength and organisation' could not be prepared until the Government had given 'some indication' of the annual amount likely to be available postwar for expenditure on defence.<sup>24</sup> The only financial guidance then to hand was a remark of Chifley's that the likely amount was £(A)60 million annually, but this was not considered authoritative. Accordingly, the JPC were instructed that their report should contain an appreciation relating war experience to the principles of Australian and Empire Defence, from this appreciation, recommendations on 'the nature and functions' of the postwar forces were to be derived. The report was also to state that before the Defence Committee could make a recommendation on their 'strength and organisation' the Government would have to endorse the conclusions on 'nature and functions' and advise whether £(A)60 million, or any other sum, could be assumed for planning purposes 'to be the present estimate of the annual post-war expenditure on defence'. The JPC also were to assume that 'some system of general service would continue in force in Australia after the war'.<sup>25</sup> The assumptions and calculations underlying the approach of the Defence Committee to force planning merit comment. They are examined below after consideration of the Committee's report to the Minister for Defence.

Like the report of the JPC to the Defence Committee,<sup>26</sup> the latter's report<sup>27</sup> was confined to a consideration of 'the nature and functions' of the postwar forces. As submitted to the Minister, the report was divided into five parts: I - Review (of prewar policy of Imperial and Australian defence); II - War experience; III - Considerations affecting the nature and functions of the postwar forces; IV - Summary of major requirements; V - Recommendations. In Part I, the Defence Committee characterised Australia's prewar defence posture: its basic premise had been that unaided Australia could not ensure control of her sea approaches and sea communications. Her defence policy had been based primarily, therefore, on the adequacy of British naval power in the Pacific and the presumed strength of Singapore. The possibility of invasion and serious enemy air attack

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<sup>20</sup> DCA 156/1944, 1 August 1944.

<sup>21</sup> WCM 4241, 6 June 1945.

<sup>22</sup> DCM 102/1945, 27 March 1945.

<sup>23</sup> WCM 4197, 28 May 1945.

<sup>24</sup> DCM 152/1945, 4 May 1945.

<sup>25</sup> Loc. cit.

<sup>26</sup> JPC Report No. 47, which became DCA 107/45 Supp. 1.

<sup>27</sup> DCM 234/1945, Appendix A, 19 June 1945.

on mainland objectives had not been provided against: in fact, no action had been taken in this regard until 1942 when invasion had appeared imminent. It had been an assumption of imperial strategy that Australia would provide sufficient forces to secure herself against raids until imperial naval superiority had been asserted.

In Part II, the Defence Committee derived thirteen 'major lessons' of varying generality from the experience of the war: all were not discrete. The first lesson was that 'the Imperial force' had not afforded adequate protection to British possessions and interests in the Pacific and Southeast Asia because of heavy and vital commitments elsewhere. There was no certain guarantee that in a future war this would not happen again. Secondly, and contrary to prewar assumptions, an enemy might establish military superiority in areas close to Northern Australia and bases for all arms within striking distance of the coast. Thirdly, in the event of war and because of commitments in other theatres, Empire or Allied assistance for the defence of Australia might not be available for some considerable time. Fourthly, the establishment of British or Allied bases at Singapore, in the East Indies, or elsewhere in the West or Southwest Pacific could not, of itself, relieve Australia of the responsibility to provide for her local defence, or preclude the possibility of invasion of her territories.

Prior to 1942, the possibility of invasion had not been a contingency to provide against in the formulation of policy. The war had demonstrated quite conclusively that this assumption was unsound and security against invasion had become a major consideration for the future.

Fifthly, because aircraft could operate independently and in co-operation with sea and land forces, fleets and armies should be shaped to secure the fullest utilisation of air power, whilst the air force should assist the other Services in every possible way. The example was developed at length of the interdependence of the Services in amphibious warfare, such as the mounting of an overseas expedition, where air support could be provided by 'mobile sea aerodromes (carriers) which overcome the limits of range and endurance set upon aircraft', or by shore air bases: 'The outstanding lesson of modern warfare is the importance of maintaining and co-ordinating all arms to a single plan'.

The sixth lesson, proven in both wars, was the validity of 'the cardinal principle' of Imperial strategy: each part of the Empire should both provide for local defence to its maximum capacity and be prepared to contribute also to an Empire pool of resources. Seventh, because in prewar Australia training and provision for the mobilisation of manpower and other resources had been insufficient for her defence against sudden attack by considerable forces, a system of universal service was essential to enable the establishment of trained and readily mobilisable reserves. Lessons eight to twelve were concerned with the direction, control, mobilisation, administration and co-ordination of Australia's military and civil resources. The final lesson was that Australia must maintain basic defence industries—shipbuilding, supply and munitions production, and aircraft manufacture—but in accordance with an Empire-wide plan and division of effort. In any future Pacific war Australia, because of her position and resources, would be an important base for Empire or Allied forces, or those acting under 'the Military Council of a Collective Security Organisation': the United Nations Conference on International Organisation had begun at San Francisco in April 1945 and the Charter of the United Nations was to be signed on 26 June 1945. It was vital, argued the Defence Committee, that Australia develop a

capacity to base, service and repair forces other than her own. Moreover, the industries of Britain, 'the main base of the Empire', were vulnerable to attack, particularly from the air. Although it might be 'somewhat visionary', Britain could be subject in a future war, 'at short or without notice, to such concentration of attack by diabolical forms of destruction, such as electronic developments, bombs and rockets, coupled with gas and bacteriological warfare (including crop destruction) as to cripple its war potential from the outset'.

From these lessons of the war, the Defence Committee turned in Part III to a consideration of certain 'defence weaknesses' inherent in Australia's location and economic condition. To begin with, her isolation, like that of New Zealand, from 'her markets in peace and her Allies in war' meant that in war her lines of communication might be seriously interrupted thousands of miles from her ports by an enemy disposing surface vessels, including aircraft carriers and disguised raiders, and submarines. Carrier-borne aircraft and submarines could also interdict her coastal trade whose flow was necessary to the achievement of maximum industrial output. Were the mainland attacked by large forces, Australia's survival might depend upon the safe arrival from overseas of reinforcements and supplies. It was, therefore, vital to defend main bases against destruction or capture during the period before relief. Fortunately, these vital areas were both small in proportion to the considerable part of the coastline open to invasion and sporadic raids and located furthest from a possible enemy's line of advance. Finally, an enemy established in the screen of islands to the north and north-east would constitute a threat to Australia's safety.

The Committee concluded that the scale of these contingencies was such that defence against them unaided was beyond the capacity of Australia and New Zealand: defence co-operation with the United Kingdom and the United States was essential. In addition, Australia ought to participate fully in the World Organisation for Collective Security and maintain 'highly mobile offensive Naval, Army and Air Forces equipped for extended operations over long distances and with adequately protected bases in and to the north of Australia'. The capacity to reinforce these forces at short notice from trained reserves should be developed by the reintroduction of compulsory military training for all three Services.

In Part IV, 'Summary of major requirements', the Defence Committee elaborated, though still in general terms, upon the capabilities and deployments required for defence against the interruption of ocean and coastal traffic, sporadic raids, and invasion. They assumed that sea communications could be properly defended only by a powerful Empire or Allied Fleet superior to that of any possible enemy in the Pacific and operating from defended bases. To this force Australia should contribute naval units, including aircraft carriers, RAAF reconnaissance and strike squadrons, and defended operational bases. The primary safeguard against sporadic raids on the mainland or the island mandates was naval forces, again including carriers, and air forces. It was additionally necessary to secure bases by permanently stationing land forces in vital areas. To guard against invasion, provision should be made for naval and air forces, deployment to northern bases locally protected by Army garrisons, and amphibious and mobile forces.

In the fifth and final part of their report the Committee indicated the 'function and nature' of the forces needed to meet the capability requirement previously identified. Though again insisting they could not yet submit details regarding 'strength and organisation', the Committee declared that 'in assessing the nature of the forces

contemplated, it was assumed that the total annual defence vote for the three fighting Services would be in the region of £M60'. This implied, of course, that some detailed cost estimation and therefore force structure planning had been undertaken despite the Committee's insistence that they could not do so until informed of the amount of the vote. A further and significant apparent implication was that the capabilities of the forces should be governed *ab initio* by a financial constraint, irrespective of whether the capabilities actually proposed were greater, equal to, or lesser than, those which would have been derived from the contingencies and whose acquisition would presumably have been proposed had there been no financial constraint. This was also an apparent implication of the Committee's request for financial guidance before deriving the force structure recommendations from their own capabilities guidance.

The recommendations of the Committee concerning the nature and functions of the postwar forces were:

#### Naval Forces

18. (a) A balanced Task Force including aircraft carriers, supported by a fleet train, as a contribution to Empire security.
- (b) A sea frontier force of escort, minesweeping, harbour defence and surveying craft.
- (c) The assault shipping required for combined operations.

#### Land Forces

19. (a) The land forces should be so organised and disposed that they can act with the other Services in the protection of areas of strategic importance and in the undertaking of amphibious operations.
- (b) Local mobile forces for the defence of the main vital areas.
- (c) Coast and Anti-aircraft Defence and garrison forces for bases.

#### Air Forces

20. (a) Reconnaissance and striking forces capable of:—
  - (i) Strategic operations.
  - (ii) Tactical operations in support of Naval and Land Forces.
  - (iii) Defence of Sea communications and trade in co-operation with the Navy.
- (b) Forces for the defence of important bases.
- (c) Transport aircraft to ensure flexibility of air forces and airborne troops and to provide air transportation for all Services along Ls. of C [lines of communication].

In submitting their report to the Minister the Committee sought Government endorsement of the foregoing recommendations and others on defence industries, the combination of the forces' administrative services, a combined operations staff and universal service. They also asked the Government what amount would be available in principle for

the total annual expenditure of the three Services. The Defence Committee did not accept the strong advice of the JPC explicitly to represent to the Government that the forces sustainable by an annual expenditure of £A60 million 'would be quite inadequate to ensure the effective defence of Australia against attack by even one first-class power', but the corollary—'the primary importance of Imperial co-operation and giving the fullest support to any system of collective security' was emphasised, and as we have seen a fundamental assumption of the report was that Australia lacked the resources adequately to defend herself.

The assumptions and possible calculations underlying the approach of the Defence Committee to force planning merit comment. Simply put, there are three stages in such a planning process: first, the preparation of a strategical appreciation, or assessment, including where necessary an examination of contingencies: second, the derivation of the capabilities necessary to fulfil the roles and tasks indicated by the assessment: third, the working out of the combination(s) of personnel, equipment and facilities that would confer these capabilities on the forces and the estimation of its/their cost. Clearly, while the Government can intervene at any point in this process, it must ultimately address itself to *the implementation of stage three which constitutes a claim on revenue and the nation's resources*. What the Defence Committee were saying was that they could not proceed to stage three without knowing how much money would be available to flesh out the capabilities requirement identified in stage two, whose findings the Government should endorse. This method differed from that later envisaged by Beasley in his letter to the Treasurer and already referred to in Chapter 1.<sup>28</sup> Implicit in his approach was the assumption that the Government should decide the amount of the defence vote and the strength and organisation of the forces after receiving advice that was based upon military considerations and not constrained by financial ones. Of course, these descriptions of the two approaches greatly simplify both: for instance, the toing-and-froing that could occur between the Advisers and the Deciders at all stages of both methods. Such exchanges need not be 'direct', for Advisers could be influenced by their perceptions of the expectations of the Deciders without direct communication between the two groups. Nor is it suggested that the application to the same situation of one method rather than the other would necessarily generate different stage three findings. What can be said, is that from the stand point of rational planning there are no valid reasons that could be advanced in support of the Defence Committee's insistence that they could not proceed to stage three without knowing what funds would be available.

The reasons for the attitude of the Committee lie in the realm of conjecture. One possible, perhaps even probable explanation, is that they sought thereby to ensure for themselves the greatest effective say over what forces were to be maintained. They could well have been convinced, whatever the hypothetical possibilities, that in practice the best way of attaining that say was to present the Government with a detailed statement of what forces could be maintained for an amount to whose expenditure the Government was in some way committed. The alternative was to present one or more detailed, costed schemes. In principle one, or more of these if more than one were presented, would represent the mix of forces necessary for the complete fulfilment of the admittedly far from specific capabilities requirement. The Government could then weigh risk against cost and select a mix. If it would or could not provide the necessary funds, the broadness of the capabilities

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<sup>28</sup> Letter, Beasley to Chifley, 19 November 1945.

guidance would allow ample scope for differences of opinion as to the degree of risk consequent upon the acceptance of a particular mix. The Chiefs had to contemplate the possibility that their risk assessment and that of the Government would diverge in such a way as to reduce the size or distort the mix of the forces which the Services wished to see maintained. Of course, the effectiveness of the Chiefs' say also depended upon their being able to submit agreed recommendations, so that the Government would not be called upon to adjudicate between their competing demands. In the past, they had not always been able to do so.

On 20 June 1945, the Acting Minister for Defence, J.A. Beasley, asked Chifley, as Treasurer, to provide an estimate of the amount of the postwar defence vote.<sup>29</sup> Not having received a reply, Beasley sent a hastener on 14 August.<sup>30</sup> When, by 4 September, a reply was still awaited, the Defence Committee recorded their concern in a formal minute and sought an early reply. In the meantime, they resorted to an alternative course to advance the planning process, requiring the JPC to report on:

- a. The estimated force and basic organisation, Navy, Army and Air, which should be maintained in peacetime to enable an expansion in wartime to the maximum force Australia can provide.
- b. The estimated annual cost of this force and organisation, under major headings.
- c. The munitions production, aircraft construction and repair, and shipbuilding, which will be required to outfit this peacetime force, having regard to the necessity of preserving nucleus production capacity which would be capable of expansion to meet wartime needs.<sup>31</sup>

The next day, Beasley again sought a reply to his letter of 20 June 1945.<sup>32</sup> When Chifley eventually responded on 7 November he challenged the planning method originally adopted by the Defence Committee, which he described as 'unwise'. He thought they should have gone beyond a statement of 'the functions and nature' of the postwar forces and submitted one covering 'the measures necessary for the adequate defence of Australia': that is, a statement on 'strength and organisation'. The cost of the 'measures necessary' would, said Chifley, be weighed by Cabinet against other demands on Australia's resources, including those for peacetime private consumption and investment. Beasley was to inform the Committee that it would not be possible to determine the financial provision for future defence measures in advance of the Committee's recommendations on their extent. Chifley emphasised the necessity to confine defence expenditure 'to minimum essential needs'. An examination of the budgetary position had revealed a requirement for the maximum practicable economy: in 1946–47, before any provision for defence, the expenditure to be met from revenue would be about £(A)175 million greater than in 1939–40.<sup>33</sup>

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<sup>29</sup> Shedden, 'Postwar Defence Policy: Progress Report,' 14 December 1945, p. 7.

<sup>30</sup> Beasley to Chifley, 14 August 1945.

<sup>31</sup> DCM 365/1945, 4 September 1945.

<sup>32</sup> Beasley to Chifley, 5 September 1945.

<sup>33</sup> Chifley to Beasley, 7 November 1945.

Chifley's letter precipitated a round of discussions involving himself, Beasley, Shedden, Blarney, and the Chiefs of the Naval and Air Staffs. These resulted in the issue by Beasley of instructions to the Defence Committee consonant with Chifley's planning method. *The Committee were informed that their recommendations on the nature and functions of the postwar forces must be submitted with those on future strength and organisation.*<sup>34</sup> The approach underlying their request for financial guidance on annual defence expenditure was:

... not fundamentally sound. The correct procedure is for the Defence Committee, as the Government's Advisers, to examine the matter from the strategical aspect of a defence problem, and to tender their advice of the *strength and organisation of the Forces which, in their opinion, should be provided.* They have for their guidance the elements of the strategical situation as they see it now and in the future. They are aware of the forces that were provided in the pre-war period by a population of 7,000,000 people. They have knowledge of the lessons and experience of the war.

After the Defence Committee have formulated their proposals, which should be co-ordinated as a joint system of defence, the Government will consider them, together with the estimated cost, and decide whether the proposals are approved, and whether the prospective vote can be provided. If necessary, the Government will give any further instructions that may be necessary for the revision of the proposals and the allocation of the vote.

In costing the proposals recommended by the Defence Committee, the Chiefs of Staff will consult the Permanent Heads of their Departments in order to obtain expert financial assistance, and the Permanent Heads are to accept responsibility for the figures ... The residual figures for the Supply group of Departments, which are not included in the cost of munitions, equipment, aircraft and supplies in Service votes, but which would be part of the total Defence vote, will be ascertained by the Department of Defence from the Departments concerned. These residual figures should be supported by appropriate details.<sup>35</sup>

While this work was proceeding there was to be a transition period with an Interim Postwar Force on whose strength, organisations and manpower requirements for the next two years the Defence Committee was instructed also to report.<sup>36</sup> The interim situation was governed mainly by Australia's immediate commitments to the British Commonwealth Occupation Force for Japan and to maintain garrisons on the Pacific Islands under Australian control. The strength of the garrisons was determined by the shipping available for the repatriation of Japanese prisoners, and the strength on the mainland by the administrative and maintenance requirements of the forces in Japan and the islands, and by the then unknown ultimate strength to be maintained postwar. The planning process for the Interim Force is not examined further in this paper.

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<sup>34</sup> Minute by Beasley, 19 November 1945. DCA 107/45, Supp. 2.

<sup>35</sup> Second Minute by Beasley, 19 November 1945, *ibid.*

<sup>36</sup> *Loc. cit.*

On 18 December 1945 the War Cabinet considered a report on the progress of planning for postwar defence. Though formally submitted by Beasley, it had been drafted and then circulated by Shedden in anticipation of the Minister's approval. When informing Beasley of his actions, Shedden made no reference to any previous discussion of the subject between them.<sup>37</sup> In a note for War Cabinet on the report Shedden described the dual task facing the Defence Committee—planning for the interim and the ultimate postwar forces—as formidable. He suggested, nonetheless, that the Committee be instructed to expedite their reports,<sup>38</sup> advice the War Cabinet accepted.<sup>39</sup> The report on the interim forces was completed on 10 January 1946.<sup>40</sup> In respect of planning for the ultimate postwar forces, by 12 February 'an overall appreciation of Australia's strategical position', whose preparation by the JPC had been initiated by the Post Hostilities Planning Committee, was in the final stages of preparation. It had yet to be submitted to the Chiefs of Staff Committee for endorsement. But in the meantime, the JPC were preparing for the Defence Committee the report on the postwar forces on the assumption, concurred in by the Defence Committee, that the appreciation would be approved.<sup>41</sup> The 'Appreciation of the Strategical Position of Australia, February 1946' was completed on 25 February,<sup>42</sup> approved, subject to minor amendments, by the Chiefs of Staff Committee on 4 March, and submitted to Defence for the attention of the Acting Minister on 20 March.<sup>43</sup> By then, however, the Prime Minister had intervened in the planning process and his action is examined very briefly before the appreciation is analysed.

Chifley's intervention took the form of a directive, 'Defence Policy and National Security', issued to the Departments of Defence and External Affairs,<sup>44</sup> followed by an amplifying minute.<sup>45</sup> These documents, which were forwarded to the Defence Committee on 26 February originated in discussions begun in January, initially involving Chifley, Evatt and Shedden, and later including Forde, who was Acting Minister for Defence. Shedden drafted both documents and the draft directive was seen by Evatt before its submission to the Prime Minister. The directive required the Chiefs of Staff Committee to provide for planning purposes an up-to-date and comprehensive strategical appreciation and the Defence Committee were instructed in the amplifying minute to explain their approaches to the determination of the ultimate strength and organisation of the forces. In reply, the Committee reported that their approach now involved three consecutive steps:

- a. An appreciation to determine the role which the Forces will have to fit.
- b. Determination of the types of Forces required to fit the role.

<sup>37</sup> War Cabinet Agenda (WCA) 548/1945.

<sup>38</sup> Shedden, 'Notes on War Cabinet Agendum No. 548/1945', 18 December 1945.

<sup>39</sup> WCM 4590, 18 December 1945.

<sup>40</sup> DCM 482/1945, 26 November 1945 and 10 January 1946.

<sup>41</sup> DCM 54/1946, 12 February 1946.

<sup>42</sup> JPC 6/46, 25 February 1946.

<sup>43</sup> Chiefs of Staff Committee Minutes (CSCM) 9 and 11/1946, 4 and 20 March 1946.

<sup>44</sup> DCA 53/1946.

<sup>45</sup> *Loc. cit.*



- c. Determination of the size of the Forces required in accordance with the conclusions reached under b.<sup>46</sup>

Step a. had been completed with the submission on 20 March of the strategical appreciation for Ministerial approval. Step b. had been included as Part XII of the appreciation, while a submission with respect to c. was under preparation on the assumption that Part XII would be approved.

Shedden did not submit the strategical appreciation to the Acting Minister for Defence, but directly to the Prime Minister. Though he described it as a sound and realistic military planning document Shedden advised against its acceptance and endorsement by the Government.<sup>47</sup> In doing so, he drew a distinction between 'military planning' and the endorsement of certain of the appreciation's conclusions as 'Government policy'. He conceded that the former activity required, for example, the identification of potential threats, the examination of contingencies, and the assessment of both the reliability of actual and potential allies and the dependability of the United Nations as an instrument for collective security. But he opposed the Government's endorsement of certain conclusions regarding these matters, even though he expressed no doubts as to their validity, nor over the recommendations concerning the force structure derived in part from them. For instance, the appreciation referred to the breakdown of the United Nations Organisation if one of the Great Powers (Permanent Members of the Security Council) became an aggressor, designated the Soviet Union as a potential enemy, and warned that implicit reliance must not be placed on the United States automatically coming to Australia's assistance in an emergency—a euphemism for a situation in which Australia deemed she required American military assistance. Shedden thought it reasonable from 'a realistic military viewpoint' for the Chiefs of Staff to formulate such conclusions. But, while the overall security policy of the Government was directed to making the United Nations successful in the collective security role, and admittedly simultaneously providing reinsurance against its failure, it was another matter to 'subscribe' to the prospect of failure in a Departmental document.

Shedden advanced similar and additional reasons for his reservations concerning the reference to the Soviet Union as a potential enemy: first, that 'basic appreciation' ought not to be endorsed 'at this delicate stage of assisting to set the United Nations Organisation on its feet'. Secondly, of the British planning documents Shedden had seen, only those on the official level had so identified the Soviet Union, none on the governmental level had done so. This, Shedden implied, was reason for withholding Government endorsement from the Australian Chiefs of Staff assessment. He also had reservations about the emphasis in the document on the importance for Australia of establishing defence arrangements with Britain and the United States without it being made sufficiently clear, in Shedden's view, that this co-operation was to be developed 'within the framework of the United Nations'.

As well as advising Chifley against endorsing the appreciation Shedden opposed referring it back, proposing instead that the Chiefs of Staff be given for planning purposes a directive 'couched in broader and more discreet terms'. The draft directive submitted by

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<sup>46</sup> DCM 133/1946, 2 April 1946.

<sup>47</sup> Shedden to Chifley, 5 April 1945.

Shedden<sup>48</sup> avoided mention of the matters which troubled him but with respect to the postwar forces it incorporated verbatim the recommendations on 'Australia's Forces To Be Maintained in Peace' presented by the Chiefs of Staff in Part XII of the appreciation. Not surprisingly, it is difficult to discern significant differences between these recommendations and those later submitted by the Defence Committee: both were cast in terms of broad capabilities and undefined organisational entities. Interestingly, what the Chiefs of Staff identified as 'requirements', Shedden described as 'ideal objectives'. As formulated by the Chiefs of Staff they were:

Navy

126. a. A Mobile Task Unit consisting of aircraft carriers with their escorts, capable of forming part of an Empire Task Force and of co-operating with the United States Navy.
- b. A Fleet Train for the maintenance of our mobile Task Unit.
- c. A Sea Frontier Force consisting of escorts for our shipping, and or the seaward defence of our bases.
- d. Amphibious craft for combined operations.

Army

127. a. Standard formations designed for operations in normal terrain, and for amphibious operations, but capable of conversion to meet the conditions of jungle warfare.
- b. Garrison forces for the protection of our bases against raids, and for internal security.
- c. Adequate maintenance provision for the forces under a. and b.

Air Force

128. a. Mobile Task Force, including units for long range missions and transportation, ready to move wherever required for strategic purposes or in support of other services.
- b. Forces for the protection of our bases and focal areas against sporadic raids.<sup>49</sup>

Chifley's response to Shedden's submission has not been traced. The lack of explicit reference to the appreciation or the directive in subsequent Defence Committee deliberations suggests that the appreciation was not endorsed and the directive not issued. Thus the appreciation may not have attained the status of a formal planning document at governmental level, though its assessments and conclusions would necessarily have permeated the thinking of its formal authors, the Chiefs of Staff, and their principal joint service subordinates, the JPC, who had drafted it. Indeed, the JPC later quoted and cited it in a report on Service plans for the postwar forces, a quotation which the Defence Committee repeated but without attribution.<sup>50</sup>

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<sup>48</sup> *ibid.*, attached draft 'Defence Policy and National Security: Directive by the Prime Minister'.

<sup>49</sup> Appreciation, Part XII and draft directive, paragraph 10 (ii).

<sup>50</sup> JPC 60/46, paragraph 8 in DCA 14/1946, and DCM 460/1946, 19 November and 19 December 1946.

Whether Shedden's advice to Chifley concerning the appreciation was prompted by reasons other than those Shedden himself made explicit can only be a matter for conjecture. Perhaps he thought that the exposure of the Cabinet, or at least certain of its highly articulate members, to too much reality would adversely affect the prospective Defence programme and should therefore be avoided. His advice would have accomplished this without challenging the validity of the Chiefs' broad conclusions regarding the strength and organisation of the postwar forces. Shedden had also drawn Chifley's attention to certain assessments and prescription for policy, pointing out that the Prime Minister would 'not be unmindful of the present legislative limitations' on their implementation and of their implications for 'the sovereign control of Australian Policy'. The appreciation identified 'the Fallacy of Isolation':

4. Sound strategy frequently requires that risks be taken, at times with respect even to the security of the homeland, in order to secure strategical necessities elsewhere ...
5. Dispositions of this nature may be required at the initial stages of a future war. Preparations for local defence, if carried out at the expense of the security of strategical focal points (which may be far distant), may not only defeat their object by permitting the enemy to carry the campaign to the homeland, but may well place him in such an advantageous position as to cause the loss of the war.

That was certainly a sensitive proposition to place before a Labor Ministry in 1946.

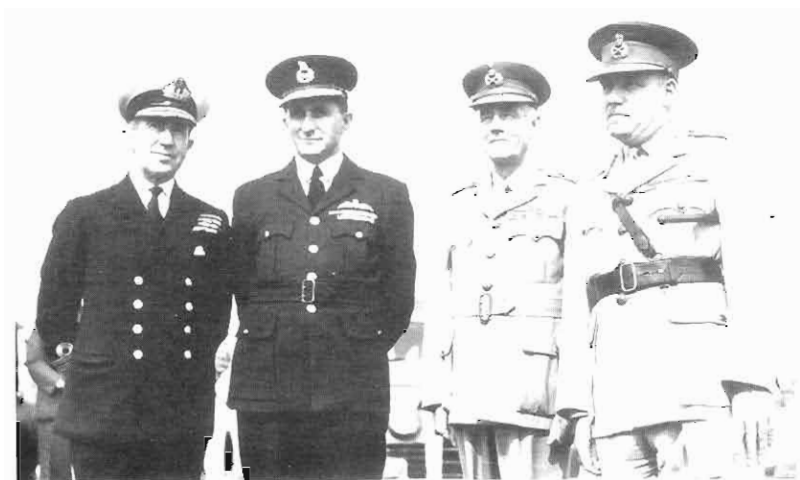
The Chiefs of Staff had also argued:

64. ... It is to Australia's interest, that agreement be reached with other Nations of the Empire on a reciprocal basis, that her forces will be employed in accordance with an agreed over-all plan in an emergency, or when the international situation requires such action as a precautionary measure.
107. ... a firm plan of Empire Defence and arrangements for co-operation with the United States should be made in time of peace ...
108. ...Under this concept the role of the armed forces in the next war will be the fulfilment of Australia's obligations in a wide strategic plan, and, therefore, they should be organised and trained with that end in view.

The planning process continued in accordance with the Defence Committee's instruction of 4 September 1945 to the JPC to report on the forces which should be maintained in peace to enable an expansion in wartime to maximum forces of the order raised in the war. Each Service was to submit a plan, but before the JPC reported on these in October 1946,<sup>51</sup> the Navy's carrier proposal came under consideration in the Defence Committee.

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<sup>51</sup> JPC 60/46, 28 October 1946.



*Pictured at Laverton in November 1945: (left to right) Admiral Sir Louis Hamilton, CNS; Air Marshall Sir George Jones, CAS; Lieutenant General Vernon A.H. Sturdee, GOC First Australian Army; and Major General J. Northcott, CGS (AWM 125668).*

### 3 The Navy Proposal 23 February–18 November 1946

'The Naval Board would emphasise most strongly, if it is the intention of the Government to maintain an effective Naval Force, the acquisition of Aircraft Carriers and the formation of a Naval Air Branch is essential': so wrote the Secretary, Department of the Navy, on 23 February 1946 in a memorandum, 'Establishment of R.A.N. Air Branch', submitted to the Defence Committee.<sup>52</sup> Nankervis described the Navy, with its three ageing cruisers, as 'obsolescent by the modern standards adopted in the Royal Navy and the United States Navy', which both regarded the aircraft carrier as an indispensable part of the fleet. The lack of modern vessels was adversely affecting the morale of the officers and men of the Permanent Naval Forces who were well aware that without an air arm the Navy would 'virtually cease to exist as a first-line Naval Force'. In the absence of Government reassurance on this matter, the Board was unable to assuage their concern and the Navy's future appeared 'most insecure'.

The Board noted the Defence Committee's recommendation of 19 June 1945 that the Navy should contain 'A balanced Task Force including aircraft carriers' and Beasley's instruction of 19 November 1945 that this should be considered in the Committee's pending report on the strength and organisation of the postwar forces. Because of the wide scope and complexity of the questions to be addressed in that report, the Board thought its early submission unlikely. They conceded that the final composition of the postwar Navy must await examination of the report, but considered 'the acquisition of Aircraft Carriers and the formation of a Naval Air Branch' essential. Even if immediate permission were given to establish the Branch, five years would elapse before it reached an efficient operational state. The Defence Committee were therefore requested urgently to consider seeking early Government approval 'for discussions on a staff level with Admiralty, and preliminary arrangements for the establishment of a Naval Air Branch'.

The Defence Committee took the submission on 12 March. They issued no formal minute but a draft minute, which was later withdrawn, offers some insight into their discussions.<sup>53</sup> The CNS, Admiral Sir Louis Hamilton, explained he was not seeking support for immediate manpower or financial commitments but for staff discussions with the Admiralty and for planning. The Vice Chief of the General Staff (VCGS), Lieutenant General S.F. Rowell, and the representative of the Department of Defence, A.J. Wilson, raised no objections to the proposals, but the CAS, Air Vice Marshal G. Jones, while content to see planning proceed, wished to place before the Minister for Defence certain views on the formation of a naval air arm independent of the RAAF before agreeing to support discussions with the Admiralty. Australian policy hitherto, as exemplified in the cases of HMAS *Albatross* and the cruisers, had been for the RAAF to furnish aircraft, equipment and certain personnel (mainly pilots and maintainers) for embarkation in naval vessels. Jones sought its continuation, though it did not accord with current British or American practice and the proposed scale of operation was much greater than six boat amphibians from a seaplane carrier.

<sup>52</sup> Nankervis to Shedden, 23 February 1946, later DCA 55/1946.

<sup>53</sup> Draft, unconfirmed and withdrawn DCM 92/1946, 12 March 1946.

The CAS identified air superiority as the prime requirement for success in any operation of war and the maximisation of the air effort as being dependent upon unified, that is single Service, control of shipborne and land-based aircraft. In his view, this would ensure maximum flexibility and economy of force. To create a separate establishment for aircraft operating from a two-or-three-carrier fleet would be uneconomic, difficulty would attend the provision of specialist officers and the development of leaders, while the provision of reasonable careers would be almost impossible unless there were extensive exchanges with the Royal Navy: then, the Naval Air Branch would in effect become part of that Service. Jones also stressed what the Air Staff regarded as the similarity in equipment, role of aircraft, training of aircrew and ground staff involved in the seaborne and land-based operation of forces. Unified control would minimise duplication and waste. He sought one air force, autonomous in all matters of higher policy, organisation, equipment and personnel. Squadrons which had received special training in carrier duties could be embarked when required. They would then come under naval operational control.<sup>54</sup>

With the Defence Committee divided, the Prime Minister early in April authorised Hamilton to open discussions with the Admiralty, but without incurring financial commitments.<sup>55</sup> Accordingly, a message was despatched to the Admiralty requesting advice on the following points:

- 2 (A) Air staff required at Navy Office in the initial stages;
- (B) availability of two CVLs. The first to be commissioned in say 12 months time;
- (C) types of aircraft recommended and their availability;
- (D) assistance which can be afforded by R.N. with regard to air officers and ratings. The majority of the air component of the first carrier and naval air station and air staff will be required on loan whilst R.A.N. personnel are being trained;
- (E) aerodrome and special maintenance requirements including stores;
- (F) availability of training facilities for air personnel in the United Kingdom;
- (G) basis of costs.

The Board also requested that an Australian naval aviator, Lieutenant Commander (O) V.A.T. Smith, RAN, then serving in the Admiralty, be attached to the Fifth Sea Lord (Air), Admiral T.H. Troubridge, for liaison duties.<sup>56</sup>

The Admiralty did not formally reply to the Board's message until mid-September. By then, the formation of a Naval Air Branch had received Admiralty support, been aired in the Australian press, submitted to the Prime Minister and again considered by the Defence Committee. Between 22 April and 6 May 1946 Chifley visited London to attend a meeting of the Prime Ministers and Representatives of British Commonwealth States. Shedden was a member of the Australian delegation. While there, and in the absence sick of the First Sea

<sup>54</sup> *ibid.*, Attachment, Establishment of RAN Air Branch: Views of the Chief of the Air Staff, 13 March 1946.

<sup>55</sup> Letter, Hamilton to Shedden, 12 April 1946.

<sup>56</sup> Message, ACNB to Admiralty, 170500Z April 1946.

Lord, Shedden engaged in discussions on Australia's future naval requirements with both the Vice Chief of the Naval Staff, Vice Admiral Sir R.R. McGrigor, and subordinates of Troubridge. The former furnished Shedden with an Admiralty memorandum, 'Appreciation of the Future Naval Requirements of Australia', which argued that the RAN should include *an air component which must in all respects be a part of the Navy. The force structure envisaged included two aircraft carriers, four cruisers, two flotillas of destroyers, four groups each composed of eight anti-submarine vessels, minesweepers, fleet auxiliaries, and ships and craft for combined operations.*<sup>57</sup> Shedden submitted the memorandum to Chifley, who referred it to the Defence Committee.<sup>58</sup>

In June, four Commonwealth Ministers—Makin (Navy), Dedman (Post-war Reconstruction), Calwell (Information) and Fraser (Customs)—embarked in HMS *Glory*, a light fleet carrier, for a naval air power demonstration off Victoria. Hamilton, who accompanied them, stressed to journalists the Navy's imperative need of aircraft carriers. Makin, who cancelled a planned press conference on board, reportedly conceded that the carrier was an essential element in the 'modern squadron', but remained non-committal regarding the Government's intentions.<sup>59</sup>

During the next six weeks, as a consequence of two initiatives by Hamilton, the Navy proposal came under simultaneous consideration at two levels—the ministerial and the official. First, four days after the demonstration, Hamilton sought permission to request from the Admiralty immediate assistance in the form of a loan of planning personnel. This required a change in the Prime Minister's directive that no financial commitments were to be incurred, but preparatory work in Navy Office had reached the stage where nothing further could be done without a nucleus Naval Air Staff of experienced personnel.<sup>60</sup> Hamilton asked Makin to secure Government approval for the following:

- a. That Naval Aviation should be established as a component part of the Royal Australian Navy.
- b. That a nucleus Naval Air Staff be set up at Navy Office now to undertake the essential planning work. In the first instance this should comprise the following officers to be obtained on loan from the Admiralty—1. A Naval Pilot; 2. A Naval Engineering Officer; 3. A Naval Supply Officer with experience in Naval Air Stores. This is the urgent requirement and the only financial commitment proposed at this stage.
- c. That as a target figure for planning purposes the minimum strength of the Naval Air Branch should be not less than two Aircraft Carriers with three Combat Air Groups.<sup>61</sup>

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<sup>57</sup> McGrigor to Shedden, 1 May 1946, reproduced in DCA 133/45 and noted in DCM 271/46, 11 July 1946.

<sup>58</sup> Shedden to Hamilton, 29 June 1946.

<sup>59</sup> *The Age* (Melbourne) and the *Melbourne Herald*, 25 June 1946.

<sup>60</sup> DCNS to CNS, 13 July 1946.

<sup>61</sup> Hamilton to Makin, 28 June 1946.

Hamilton sent Shedden a copy of the letter and invited him to support its proposals.<sup>62</sup>

Makin, when forwarding Hamilton's letter to Chifley, supported the establishment of a Fleet Air Arm, which now meant a Naval Air Branch integral to Navy and independent of the Air Force, but conceded that this would be for decision in conjunction with other proposals concerning the postwar forces. Nor did he press for a decision on the loan of planning personnel, believing that planning should await the determination of general policy on the creation of a naval air arm. He was, however, keen to acquire carriers of the *Glory* class and especially the *Glory* herself. His reasoning was interesting. He thought she should be one of the vessels selected because of her 'special historic importance to the war in the Pacific', being the vessel on which the Japanese representatives at Rabaul had surrendered to Lieutenant-General V.A.H. Sturdee on 5 September 1945.<sup>63</sup> Chifley's response was non-committal: he passed Makin's letter to Beasley who referred it to the Defence Committee.<sup>64</sup>

Meanwhile, that Committee, after further inconclusive consideration on 11 July of the Navy memorandum of 23 February 1946, had on 30 July considered a further Navy approach seeking support for the three proposals earlier submitted to Makin by Hamilton. The Committee's attention was also drawn to the views of the Admiralty.<sup>65</sup> On this occasion, the Committee affirmed their earlier recommendations in favour of the inclusion of the carrier type in the Navy.<sup>66</sup> noted the Admiralty's support for this course, and suggested measures intended to advance the planning process and resolve the dispute over whether the 'air personnel necessary to man any carriers that may be authorised should be organised as an Air Branch of the R.A.N. or be provided by the R.A.A.F.'. They recommended that the relative advantages and disadvantages of the alternative methods of providing air personnel be reported on jointly by representatives of the Naval and Air Staffs. The report, for submission to the Committee, was to include in respect of each proposal full details of the required shore establishments, training facilities, provisioning organisation, etc., together with estimates of capital and maintenance costs. To facilitate the investigation and to enable detailed planning to begin, the Committee recommended implementation of Hamilton's proposal for the loan of three officers from the Admiralty, there being none with adequate up-to-date carrier experience serving in the Navy or the Air Force. The Committee further recommended that the report be prepared and planning proceed on the basis of a strength of two aircraft carriers and three combat air groups. These recommendations were circulated in a draft minute.<sup>67</sup> Its confirmation was delayed by reference to the Committee of the Hamilton-Makin-Chifley correspondence in which, it will be recalled, Makin had favoured deferment of the officer loan until the general policy had been settled. On this the Committee tartly remarked that the purpose of the proposed loan was to secure data for a comprehensive review to be submitted to the Government so that general policy could be determined and reaffirmed their recommendation in its favour.<sup>68</sup>

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<sup>62</sup> Hamilton to Shedden, 1 July 1946.

<sup>63</sup> Makin to Chifley, 19 July 1946.

<sup>64</sup> Chifley to Makin, 24 July 1945 and Shedden to Secretary, Defence Committee, 6 August 1946; see also DCA 55/1946, Supp. 2.

<sup>65</sup> Allen to Shedden, 18 July 1946, later DCM 55/1946 Supp. 1.

<sup>66</sup> DCMS 269/1944, 18 August 1944 and 234/1945, 19 June 1945.

<sup>67</sup> Draft DCM 301/1946, 30 July 1946.

<sup>68</sup> DCM 301/1946, 30 July and 15 August 1946.



Before the Committee's recommendations received ministerial consideration changes occurred in the Defence, Navy and Air portfolios. As related since 20 September 1945, when the Minister for Defence, J.A. Beasley, had left for London to become Resident Minister, the Minister for the Army, F.M. Forde, had been acting as Minister for Defence. On 15 August 1946 Beasley became High Commissioner in London and Forde, while retaining the Army portfolio, was appointed Minister for Defence. On the same day, Drakeford, the Minister for Air, who had been Acting Minister for the Navy since 3 August, when Makin had departed to take up the post of Ambassador to the United States, was appointed Minister for the Navy and retained the Air portfolio. These arrangements remained in effect until 1 November 1946 then, following Forde's defeat in the General Election, J.J. Dedman became Minister for Defence, W.J.F. Riordan Minister for the Navy, and C. Chambers Minister for the Army. Drakeford remained at Air.

In a minute addressed to the Minister for Defence but which was, it appears from lack of annotation, submitted directly to the Prime Minister, Shedden advised acceptance of the Defence Committee's recommendations concerning the joint report, the loan of officers and the planning base.<sup>69</sup> Chiffley did so, notified Drakeford of the decision and directed him to arrange for the preparation of the report and the officer loan.<sup>70</sup> With these measures underway and the Defence Committee yet to consider the plans of the Services for the strength and organisation of the postwar forces, a reply was received from the Admiralty in mid-September to the questions asked by the Naval Board in its message of 17 April. The answers are considered in the order of the questions asked by the Board: (A) the Admiralty advised that an air staff of eight, headed by a Captain with aviation experience, would be required at Navy Office to complete the preliminary planning. (B) Two light fleet carriers from those vessels of the *Majestic* class suspended from building were offered for transfer. They were described as 'the most modern type of carrier'. If their (unspecified) completion dates were too far ahead, Britain would first transfer two carriers of an unspecified type, but very probably of the *Colossus* class, due for earlier completion and later replace them with two *Majestics*. The building cost of a *Majestic* was given as approximately £2 750 000 sterling, or £(A)3 437 500, and the Admiralty would transfer two carriers for the price of one. The earliest possible decision was sought on the offer so that work on the suspended ships could be resumed, presumably to keep down the costs of completion and maintain employment. (C) The Admiralty considered that the carriers should be equipped with the same types of aircraft as those used by the Royal Navy—the Firefly and Sea Fury. It was not known what Mark of Firefly, as deliveries of the new Mk4 were behind programme. No mention was made of the carrier operation of jet aircraft, though a specially modified Vampire had landed on the *Ocean* in early December 1945. (D) and (F) The Admiralty promised the fullest possible assistance with the loan of Royal Navy air personnel while Australian personnel were training. They sought early and precise details of the deficiencies so that preparation to meet this new commitment could begin. In addition, they would make United Kingdom training facilities available to Australia for payment. (E) To maintain two carriers and three carrier air groups would require a minimum of one naval air station equipped to provide all maintenance short of major repairs (which the Admiralty assumed would be undertaken by civilian firms), storage for twenty aircraft and capable of erecting

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<sup>69</sup> Shedden to Forde, 29 August 1946.

<sup>70</sup> Loc. cit. annotation by Chiffley, 2 September 1946, and Chiffley to Drakeford at both Navy and Air, 2 September 1946.

eighteen a year. The bulk replenishment of air stores could be provided from British stocks held in Ceylon.<sup>71</sup>

Hamilton discussed the British offer with Shedden, reportedly describing it as 'an opportunity not to be missed'. Informed by Shedden that Chifley was not then prepared to accept any commitment and would not do so until 'definite figures' for the full cost of the naval air scheme were available and had been considered in conjunction with other defence proposals, Hamilton suggested a reply so phrased as to keep the offer alive. He feared that otherwise the vessels on which construction had been suspended might be broken up. The likelihood of this could be reduced, he thought, by raising the matter to Government level, but Shedden held that Chifley's instruction to avoid commitments precluded this. Hamilton then sought from Shedden 'an authoritative and appropriate acknowledgment' to include in the reply and on this Shedden undertook to consult Chifley.<sup>72</sup> He did so, suggesting a form of words which was approved<sup>73</sup> and became the second paragraph of the following extract from the fulsome reply dated 8 October:

In acknowledging to their Lordships their gratitude for the outstanding professional advice and practical help always generously given in the development of the R.A.N. the Naval Board record their deep appreciation of the assistance of officers of the Royal Navy in the initiation of the planning of the R.A.N. Air Arm and express their grateful thanks for the magnanimous offer of 2 CVLs at half cost.

The offer of 2 CVLs at half cost has been brought to the notice of the Prime Minister, and the Board have been requested by him to express his thanks for this generous proposal. As mentioned in my 171500Z April, the only approval that has been given is for planning for a Naval Air Branch to proceed without any financial commitment to the Commonwealth Government. When the planning has been completed and the full cost ascertained the Government will then consider this matter in conjunction with other Naval requirements, and those relating to the Army, Air Force, Supply and Defence Departments. The Prime Minister would be grateful if the proposal can remain open until the Government is in a position to consider its postwar Defence Policy as a whole.<sup>74</sup>

Over six weeks later, on 18 November, the Admiralty replied they would keep the offer open, but pressed for an early decision, it being difficult to foresee what dockyard or other problems might arise affecting work on suspended vessels if one were long delayed. A 'serious delay' might make impossible completion during 1947 of a suspended *Majestic*. Then, transfer of the first carrier to Australia could only be effected by withdrawing from Royal Navy service a *Colossus*, which would temporarily leave the Admiralty short of the number of carriers necessary to meet Britain's operational requirements.<sup>75</sup>

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<sup>71</sup> Message, Admiralty to ACNB, 141626A September 1946.

<sup>72</sup> Shedden to Chifley, 4 October 1946.

<sup>73</sup> Loc. cit. and Shedden to Hamilton, 7 October 1946.

<sup>74</sup> Text in Minute from Allen to Shedden, 21 November 1946.

<sup>75</sup> See *ibid.* for text.

## 4 Postwar Defence Policy: The Plans of the Services 19 November 1946–3 June 1947

The day after receipt of the Admiralty message the Defence Committee began formal consideration of the Services' postwar plans and the report on them by the JPC. Their purpose was to arrive at recommendations on the strength and organisation of the postwar forces. It will be recalled that the Defence Committee had instructed the JPC to review the plans and report on the force and base organisation to be maintained in peace to enable a wartime expansion to a strength of the order of the maximum provided in the war.<sup>76</sup> The expansion period was not specified. In round figures, the wartime strengths involved were: Navy - 38 000; Army - 500 000; Air Force - 180 000; Total - 718 000.

The capabilities each Service sought to attain with its proposed force were those broadly set down by the Chiefs of Staff in Part XII of the 1946 Strategic Appreciation. The presentation of a summary of the plans is made difficult by the varying degrees to which each Service developed the equipment, manpower, and financial aspects of its place. The *RAN Postwar Plan: 1947–60* (October 1946),<sup>77</sup> involved a thirteen-year programme at a total capital cost of £(A)130 million, with maintenance costs rising from £(A)10.75 million in 1947–48 to £(A)15.83 million in 1960–61: a summary of the costs of the first five years of each plan is given in Table III.1. The Naval Board planned to acquire by 1960–61 sixty new major vessels, including three light fleet carriers, six cruisers, twenty-four destroyers, eighteen frigates, a repair ship, a stores carrier and two fleet tankers, but no battleship or submarine. These sixty, with other smaller vessels, were to comprise a Carrier Task Force, a Sea Frontier Force, a small Amphibious Force, and a Fleet Train. In the case of the carriers, cruisers and destroyers of the Task Force, a reserve of one third was allowed to provide for refitting and action damage: a similar provision was planned for the other elements. The absence of the submarine from the plan was not explained but that of the battleship was. The ideal Carrier Task Force, as defined by the Board, a definition supported by a quotation from Admiral Chester Nimitz and reference to current British and American practice, included battleships to support the carriers against surface and air attack and to undertake strike missions. The estimated capital cost of a battleship was £(A)10 million, with depreciation over a twenty-year life and maintenance costs where several were operated totalling £(A)1.076 million annually. From this cost level, the Board concluded that Australia could afford to maintain only one battleship. But this would exacerbate logistical problems and increase overhead costs, so that while inclusion of a battleship in the Task Force was deemed desirable, it was not recommended. It was seen, however, as a matter for constant review in the light of weapons development, particularly of guided rockets, the growth in whose size and range the Board thought might increase the battleship's importance as a weapon platform. The plan's manpower requirements were for 14 018 personnel in 1947–48 rising to 20 981 in 1960–61, sufficient to allow wartime expansion over an unstated period to 51 000, or 13 000 greater than the number employed in the recent war. The increase arose from the concentration of logistic support into a Service-

<sup>76</sup> DCM 365/1945, 4 September 1945.

<sup>77</sup> DCM 460/1946, 19 November and 19 December 1946, Appendix A.

manned Fleet Train, whereas during the war shore depots had generated large civilian manpower requirements.

Table III. 1: Summary of costs (1947–48 to 1951–52) of postwar plans proposed by the services, 1946

Year	Category	Cost in £(A) millions			Total
		Navy	Army	Air Force	
1947–48	C	10.00	2.051	9.780	
	M	10.75	17.545	8.520	
	T	20.75	19.596	18.300	58.646
1948–49	C	10.00	4.523	10.610	
	M	11.17	16.681	8.700	
	T	21.17	21.204	19.310	61.684
1949–50	C	10.00	3.479	11.430	
	M	11.60	17.784	8.890	
	T	21.60	21.263	20.320	63.183
1950–51	C	10.00	2.392	12.140	
	M	12.02	19.021	8.980	
	T	22.02	21.419	21.120	64.559
1951–52	C	10.00	3.529	16.750	
	M	12.44	22.855	8.990	
	T	24.44	26.384	25.745	74.569
<b>Plan</b>	<b>C</b>	<b>60.00</b>	<b>15.974</b>	<b>60.710</b>	
<b>Totals</b>	<b>M</b>	<b>59.58</b>	<b>93.892</b>	<b>44.885</b>	
	<b>T</b>	<b>119.98</b>	<b>109.866</b>	<b>164.795</b>	<b>322.641</b>

#### Notes

1. Abbreviations: C-Capital; M-Maintenance; T-Total.
2. Navy totals do not include £450 000 for each year the troopships *Manoora* and *Kanimbla* were kept in commission.
3. The Navy Plan did not give maintenance costs for each year. The costs shown allow for an annual increase of £423 000 based upon the costs given by Navy for 1947–48 and 1960–61.
4. The costing of the Service Plans was concurred in by the respective Permanent Heads.

*The Army Postwar Plan* (September 1946)<sup>78</sup> provided for the establishment over five years (1947–48 to 1951–52) of two brigade groups and an armoured regiment as a Permanent Force (strength 11 880), two divisions and one armoured brigade as a Citizen Military Force (43 423) and headquarters and fixed establishments (20 759), making a total strength of 76 062, including 33 641 in the Permanent Military Forces. This force was held sufficient to allow the creation in the first year of war of a field force comprising five infantry divisions, supporting armoured formations, corps line of communications and base troops; and a sixth infantry division at the beginning of the second year. The ultimate strength of the war Army was set at 314 000, much below the peak of 500 000 attained in the recent war. Sturdee later explained the lower ceiling to the Defence Committee: during

<sup>78</sup>

ibid., Appendix B.

the war, the Army had over expanded, causing serious manpower shortages in industry which eventually resulted in reductions in the Army and caused it great administrative difficulties. These could have been avoided had the Army been limited initially to a size which Australia could maintain for a reasonable period. It was estimated that the annual costs of the force would rise over the five years, 1947–48 to 1951–52, from £(A)19.596 million to £(A)26.384 million, with a subsequent annual recurrent cost of £(A)29.561 million after the termination of the commitment to the British Commonwealth Occupation Force (Japan).

The plan for the *Postwar RAAF: Nature, Strength and Organisation* (2 July 1946)<sup>79</sup> proposed a five-year programme (1947–48 to 1951–52), with expenditure increasing from £(A)18.3 million in the first year to £(A)25.745 in year five. A final force of 19 483 personnel (19 095 Permanent and 388 Citizen Air Force ) would man a Mobile Task Force including three long-range/ground-attack fighter, three heavy bomber and two transport squadrons, and static units including four interceptor squadrons and a mixed heavy bomber/ground reconnaissance squadron.

The JPC recommended that the Defence Committee approve the Service proposals in principle for planning purposes. The expenditure involved in the five-year period 1947–48 to 1951–52 was £(A)322.641 million or on average about £(A)4.5 million more annually than the £(A)60 million mentioned by Chifley in 1945. The JPC warned that scientific developments might invalidate detail in any of the plans, this being more likely for that of the Air Force. They also agreed that the Army Plan would result in the maintenance of too large a standing force in comparison with those of the other Services, given the latter's lower expansion capacities. The Navy's lack of a capability to develop the technique of naval aviation was described as a serious deficiency that ought to be remedied by early action. Finally, subject to certain conditions, the JPC recommended implementation in 1947–48 of the first year of the plans, with subsequent years to be subject to annual review.<sup>80</sup>

The central assumption informing the Defence Committee's recommendations on the Service Plans was that the 'basic ingredient of Australia's defence must be Empire Co-operation' because her defence required armed forces and industrial potential 'quite beyond' her capacity. To secure the support of other Empire nations, Australia must accept a share of the burden of Empire defence and maintain in peace a level of preparedness to allow total mobilisation in war, puzzlingly after an unspecified period. Her forces should be 'so organised and trained' that they could 'fit in as complete units with Empire Forces in any theatre', but particularly in the Pacific. The provision made for local defence could largely be met from such forces. Further, it was in Australia's interest to reach agreement on a reciprocal basis with other Empire nations for their forces to be employed to an agreed plan in an emergency or when the international situation required deployment as a precautionary measure.<sup>81</sup>

In their comments on the individual plans, the Committee reiterated the remarks of the JPC concerning naval aviation, sought immediate approval for increased permanent

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<sup>79</sup> *ibid.*, Appendix C.

<sup>80</sup> JPC 60/46, 28 October 1946.

<sup>81</sup> DCM 460/1946.

personnel establishments for the Interim Forces and agreed that the plans provided for manpower strengths in war which represented a satisfactory balance between the Services. The Chiefs of Staff were unable to agree, however, that their implementation would result in a proper balance in peace between the Services. Both the CNS and the CAS believed the Army Plan would place the Army in a higher degree of readiness for war than was necessary. The CGS disagreed, emphasising his proposals were a minimum for effective preparation for expansion in war. Unable to reconcile these differences, the Committee decided to submit the plans in their original forms to the Government for decision.<sup>82</sup>

The Council of Defence did not consider the recommendations of the Defence Committee until well into 1947. On 7 March Dedman circulated an agenda consisting of the Committee's minute and a neutral summary.<sup>83</sup> Shedden, however, prepared four notes for the meeting on 12 March: two pages of 'General Notes', seven of 'Notes for Minister', five of 'Notes for Prime Minister' and six pages of 'Draft conclusions submitted by the Prime Minister as a basis for discussion'. Except perhaps for the 'General Notes', he clearly prepared these notes following discussions attended by Chifley, Dedman and the Service Ministers at which he, but not the Service Chiefs, had been present. They were designed to guide discussion in the Council and were so employed, as the minute of the meeting indicates.<sup>84</sup> The 'Notes for Minister' used by Dedman to open the discussion gave as the annual cost of the plans that for 1951-52, £(A)74.5 million, but without stating to which year it applied. The annual vote for the Department of Munitions was estimated at £(A)15 million and that of Defence at £(A)500 000, making the aggregate annual Defence Vote £(A)90 million. When Chifley spoke, he said such a sum, equal to 25 per cent of Government revenue, could not be found. The most that could be was £(A)50 million. From that, provision would have to be made for the ultimate postwar forces, including provision 'made for Defence' under the votes of the Defence, Munitions, Supply and Development departments. Special continuing wartime commitments, such as deferred pay, would be met separately, however. Chifley said the Government's defence policy was based upon participation in the collective security system envisaged in the United Nations Charter, in regional arrangements and in cooperation in Empire Defence, as well as upon the provision of forces for self-defence. He saw United States membership of the United Nations as a great advantage of the new over the earlier attempt to establish a system of collective security. On the other hand, Empire Cooperation had been greatly weakened by the decline in Britain's relative power, the deterioration in her strategic position in the Middle East, India's imminent independence and the non-cooperation of Canada and South Africa. The British Commonwealth could not fight a war without American assistance. To guard against the failure of the world collective system Australia should play a leading part in Empire Cooperation and, in collaboration with the United States and other nations with interests in the area, in the establishment of a regional arrangement in the Southwest Pacific, including strategic parts of Southeast Asia.

Chifley also acknowledged the potential implications of scientific and technological change for the structure and organisation of the forces and emphasised that high priority should be given to research and development, to which Australia intended to cooperate with Britain in a Long-Range Weapons Project. The Council then decided, in accordance with

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<sup>82</sup> Loc. cit.

<sup>83</sup> Council of Defence Agenda (CDA), 1/1947.

<sup>84</sup> Council of Defence Minute (CDM)4, 12 March 1947.

the 'Draft conclusions ...', that the Defence Committee should submit to the Minister for Defence recommendations on the provision to be made from a vote of £(A)50 million for defence research and development, the Department of Defence, and the Department of Munitions for defence purposes. The Committee were also to advise on the strength and composition of the forces which could be maintained if the remainder of the vote were divided equally between the Services, or with such adjustments as the Services could themselves agree to. The extent in war to which the peace organisation should be designed to expand was not settled. A decision on that was to await the completion of plans on the allocation of manpower in an emergency.

The Defence Committee met to consider their new charge on 18 March. The Chairman of the New Weapons and Equipment Development Committee, the Secretary, Department of Munitions, and the Controller-General, Munitions Supply, were also present when agreement was reached that planning should proceed on the basis of the following annual allocations: Department of Defence, £(A)650 000; research and development, £(A)5 million; and £(A)7.5 million to the Department of Munitions. The last two amounts were provisional and to be justified: the former by a precise statement of the research and development programme, the latter by a breakdown of expenditure into three categories—charges incurred directly and indirectly for Defence purposes and for Defence research and development. The amount remaining for the Services was £(A)36.85 million, but the Chiefs rounded this to £(A)37.5 million which, if divided equally, would have allowed each Service £(A)12.5 million. The CNS promptly declared this amount insufficient for the Navy, whose proposed average annual expenditure of over £(A)20 million he said would provide only the minimum necessary naval force. He invited the other Services to reduce their demands sufficiently to enable him to plan for such a force. They declined: their plans also represented minima. The Committee then decided, pending final determination of the amounts to be allocated to research and development and Munitions, that each Service should prepare plans on the basis of an annual expenditure of £(A)12.5 million.<sup>85</sup>

To comply with the instructions of the Council of Defence the Services could not complete their revised plans until the amounts to be allotted to research and development and Munitions had been determined. Discussions between Defence and Munitions concerning the breakdown of the latter's vote were protracted, due in part to the tardiness with which Munitions made available explanatory material. Also, Defence resisted inclusion in the Defence Vote of expenditure incurred for 'Indirect Defence Purposes'—the development of secondary industry, mineral resources and merchant shipbuilding—arguing that while such objectives might have an incidental defence value this did not of itself justify their provision from that vote. Instead, they should be financed from funds allocated by the Government for the implementation of the policies to which they were related. When these discussions had not been completed by 14 May, Dedman, on Shedden's advice, secured from Chifley a series of directions: the exclusion from the Defence Vote of expenditure incurred for Indirect Defence Purposes, annual provisions of £(A)7.5 million for research and development, £(A)650 000 for the Department of Defence and £(A)1.795 million for 'Direct Defence Expenditure' by Munitions and Supply. This left a balance of £(A)40.055 million for division between the Service departments, an increase of £(A)2.5 million over

the Defence Committee's earlier provisional allocation.<sup>86</sup> The next day, on the instructions of Chifley and Dedman, a timetable was issued providing for Cabinet consideration of the strength and organisation of the postwar forces as early as possible in the week commencing 2 June.<sup>87</sup>

The Defence Committee met on 16 May to consider the division of the £(A)40.055 million. The CNS and the VCGS suggested that the whole of the additional £(A)2.5 million should go to the Navy, primarily because of the requirement to protect communications in the Indian Ocean. The CAS did not agree, arguing that it should be divided equally. After further discussion they reportedly agreed that the Service Plans should be completed on the following basis: Navy - £(A)15.5 million; Army - £(A)12.5 million; Air Force - £(A)13.3 million; Total - £(A)41.3 million, or more than £(A)1 million above the provisional allotment.<sup>88</sup>

The revised Service Plans as considered by the Defence Committee and submitted to the Government were not in accordance with the above agreement. The average annual amounts sought for the five years 1947–48 to 1951–52 were: Navy - £(A)15.708 million; Army - £(A)13.3 million; Air Force - £(A)13.35 million; Total - £(A)42.358 million.<sup>89</sup> The Naval Board caustically described the directions of the Council of Defence, that the allocation to each Service should be fixed by dividing the residue of a certain sum between the Services on an equal basis, or with variations as the Services might agree, as 'not lending itself to a logical determination of the question'. They regarded it as 'obvious' that no two Chiefs of Staff would agree to the third securing a variation of the distribution in favour of his Service. The Board had tried, therefore, to plan on the basis of an equal distribution but 'After several conferences and deliberations, it is quite apparent that this is a factual impossibility'. Their revised plan had three parts. The first was a restatement of the *RAN Postwar Plan 1947–60* whose implementation was described as a long term objective. The second part, which contained proposals for the period 1947–52, was designed to fit into the long term plan. It differed from the first five years of the original plan in that cruiser replacement was deferred, the destroyer construction programme reduced, and the acquisition of modern escort vessels and the Fleet Train was omitted. The Board now proposed that by 1951–52 the Navy's vessels should include two light fleet carriers, three cruisers, including one in reserve, eight destroyers (two in reserve) and nine frigates (six in reserve). The third part of the new plan set out the 1947–48 requirements for the implementation of the five-year plan. It included the acquisition but not the commissioning of the first aircraft carrier, the ordering of aircraft and the setting up of training and shore establishments for the air arm.<sup>90</sup>

When the Defence Committee considered the plans Hamilton described the Navy Plan as 'the basic minimum'. The VCGS, Lieutenant General S.F. Rowell, while seeking £(A)13.3 million for the Army, remained of the opinion that the whole of the additional allotment of £(A)2 550 000 should go to the Navy. Having noted that the total cost of their

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<sup>86</sup> Dedman to Chifley, 14 May 1947, forwarding a copy of a letter of the same date to the Minister for Munitions, J. Armstrong, and Dedman's endorsement of 15 May on the former that Chifley had approved his recommendations.

<sup>87</sup> Shedden to Secretary, Defence Committee, et al., 15 May 1947.

<sup>88</sup> Teleprinter message, M516, Shedden to Dedman, 19 May 1947.

<sup>89</sup> DCM 187/1947, 16 and 21 May 1947.

<sup>90</sup> *Postwar Navy* (16 May 1947).



plans exceeded the annual allocation of £(A)40 050 000, the Chiefs nonetheless felt they had no option but to submit them to the Government as they stood.<sup>91</sup> The Council of Defence took the report of the Defence Committee on 30 May and made the following recommendations<sup>92</sup> which Cabinet approved on 2 June.<sup>93</sup> The total Defence Vote, excluding war commitments, for the five years 1947–1952 was set at £(A)250 million, but with annual average allotments totalling £(A)254.25 million as follows:

Research and Development - £(A)6.7 million;  
Department of Defence - £(A)0.65 million;  
Munitions, Supply and Shipping for Defence purposes - £(A)3.5 million;  
Navy - £(A)15 million;  
Army - £(A)12.5 million; and  
Air - £(A)12.5 million.

From these amounts savings of £(A)4.25 million were to be made over five years. The reductions required in the revised Service Plans to bring them into conformity with the allocations were to be submitted to the Council of Defence. The establishment of a Naval Aviation Branch, including two aircraft carriers, was approved, but its status and control were to be dealt with in a later submission. These decisions were subject to an important general condition:

That it be an instruction to the Services and Departments that the endorsement given by the Council to their Post-War Plans and proposals in accordance with these recommendations and the approval given by Cabinet does not imply approval of individual projects, which must be subject to the normal review and approval in the ordinary course of administration.<sup>94</sup>

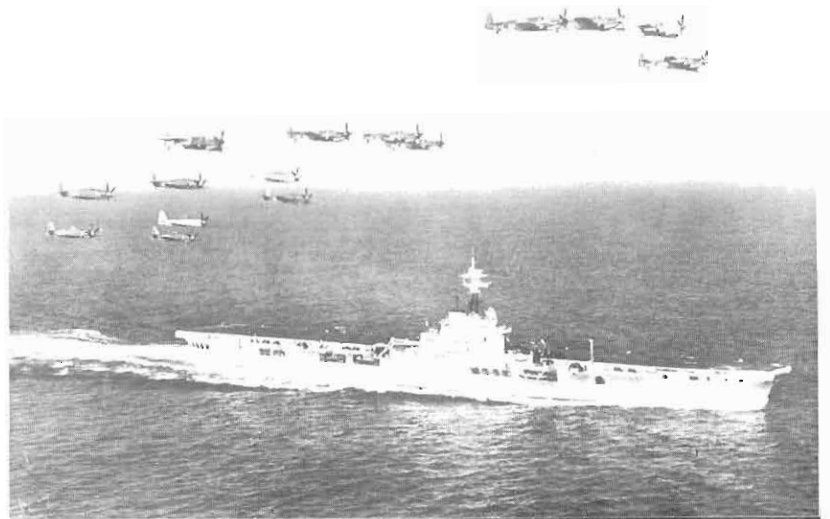
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<sup>91</sup> DCM 187/1947.

<sup>92</sup> CDA 2/1947.

<sup>93</sup> CDM, 30 May 1947, which became Cabinet Agendum 1347 of 2 June 1947.

<sup>94</sup> Secretary to Cabinet, F. Strahan, to Dedman, 3 June 1947 and CDM, 30 May 1947.



*HMAS Sydney with her air group (RAN).*

## 5 Provision of the Air Component

The House of Representatives was informed of the Government's decisions by Dedman on 4 June. With respect to the Naval Aviation Branch, however, two major matters still awaited resolution: first, whether the Navy or the RAAF was to provide the carriers with the sea-going and land-based elements of the Air Component, including flying and air maintenance personnel, training, aircraft, air ammunition and stores, motor transport, buildings and works; secondly, the completion of arrangements with Britain for the transfer of the carriers, their aircraft and stores, including the terms of those transfers. As related, during July and August 1946 the provision of the Air Component had been disputed in the Defence Committee between the Navy and the Air Force. Each had wished to provide it, while the Army had taken the Navy's side. The Committee had then decided that the Naval and Air Staffs should combine to submit a report on the relative advantages and disadvantages of its provision by either the Navy or the Air Force. The report was to contain full details of each proposal, including estimates of capital and maintenance costs.<sup>95</sup>

The Naval and Air Staffs each formulated a plan.<sup>96</sup> These were then evaluated jointly by representatives of the two Services. Captain E.W. Anstice, a Royal Navy loan officer serving in Navy Office as Director, Naval Aviation Planning Staff, led for the Navy, Group Captain V. Hancock for the Air Force. Their Joint Report was submitted to the Chiefs of the Naval and Air Staffs on 19 May. Attached to it was a summary of their findings in the form of responses to thirty-four questions.<sup>97</sup> Full agreement was reached on several of these, including the types and numbers of aircraft and the systems for their carrier operation and direction, but not on questions with a significant bearing on the underlying dispute, such as the standards required of flying personnel for the carrier staffs and air groups. Both Staffs accepted the necessity for considerable experience, with the Navy arguing this could be achieved only by long and continuous service with the Fleet. The RAAF view was that adequate experience could be acquired after a period of years provided the concerned RAAF personnel were employed in naval air work as a general rule. Both Staffs did agree, however, it was 'clear' that the Naval Plan for the Air Component would provide 'the more efficient weapon for Naval purposes at the present day'. Its total cost also appeared to be lower, £(A)30 052 064 to £(A)32 430 143 over nine years, but the Defence Committee later agreed that the costs of the two plans would have been the same had their manpower estimates been made in the same way.<sup>98</sup>

The consensus recorded as a conclusion to the Joint Report was judiciously limited: it stated that the Naval Plan would result in the creation of 'the more efficient weapon' but its application was circumscribed by function to 'Naval purposes' and in time to 'the present day'. Together with the disagreements recorded in the report it enabled the Air Force plausibly to continue the debate. The Navy, however, got in the first blow when Riordan

<sup>95</sup> DCM 301/1946, 30 July and 15 August 1946.

<sup>96</sup> *Naval Aviation: The Naval Plan* (February 1947) and *Australian Naval Aviation Component: RAAF Participation* (May 1947).

<sup>97</sup> Joint Report by the Naval and Air Staffs and Minutes of the Meetings held by the two Staffs, 19 May 1947.

<sup>98</sup> DCM 186/1947, 27 May 1947.

wrote to Chifley on 21 May, with a copy to Dedman, enclosing a minute of the Naval Board.<sup>99</sup> The next day, Jones commented on the report to the Secretary of the Defence Committee.<sup>100</sup> The arguments and counter-arguments of Navy and Air were really a reproduction, adapted to postwar Australian circumstances, of the conflict of opinion between the Admiralty and the Air Ministry in Britain lasting from 1918 to 1937 over control of the Fleet Air Arm. During that period, the Admiralty had exercised operational control and the Air Ministry administrative control. The essence of the Navy case was that:

... no Service can achieve a high standard of efficiency unless it is manned by personnel, who have in the first place the desire to serve in it, and in the second the proper training to enable them to undertake their duties. An efficient ship depends primarily upon the welding together of her company to form a single unit, this can be achieved only with personnel who have been trained in and who owe a single allegiance to the Naval Service. Unless such efficiency is achieved, the whole Naval aviation effort will be undermined and its value seriously reduced. Experience has shown that manning by two Services results in dual control and divided allegiance with serious administrative complications and delays.<sup>101</sup>

This emphasis on the uniqueness of the naval experience was reinforced by an argument advanced by Navy both in the Joint Report and in a Naval Staff Paper passed by Nankervis to Riordan and Shedden.<sup>102</sup> This was that the savings in overhead costs theoretically attainable by unification would in practice be eroded significantly by the additional measures that would have to be taken to meet the unique requirements of carrier-borne air forces.

The Air case rested on the Trenchard doctrine of the unity of the air: 'the object with which we set out to train both RAN and RAAF crews in flying, is to find their target and to attack it. In this, their tasks are the same whether the crews fly over land, over sea, or above the clouds and they must be ready to attack the same kind of targets'.<sup>103</sup> The CAS went on to argue that because the tasks were, in his view, the same, the aim should always be to ensure the maximum flexibility possible in the employment of Australia's necessarily limited air forces, whether land-based or carrier-borne, by the unification of overall command. This did not mean that the RAAF contemplated withdrawal of the operational control of the Air Component of the carriers from the Navy save in a national emergency and then only on the decision of a higher authority such as the Chiefs of Staff Committee.

When the Defence Committee considered the Joint Report, Hamilton and Rowell agreed with its conclusion and supported adoption of the Naval Plan which, as Rowell pointed out, embodied British and Canadian practice. From the perspective of participation in Empire Defence Rowell considered it 'highly desirable' that Australia adopt the form of

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<sup>99</sup> Riordan to Chifley, 21 May 1947 and Naval Board Minute No. 107, 21 May 1947.

<sup>100</sup> Jones to Secretary, Defence Committee, 22 May 1947.

<sup>101</sup> Naval Board Minute No. 107, 21 May 1947.

<sup>102</sup> Nankervis to Shedden, 23 May 1947, forwarding a 'Paper prepared by the Naval Aviation Planning Staff and approved by the Chief of Naval Staff setting out the case for a Naval-manned Air Component.'

<sup>103</sup> Jones to Secretary, Defence Committee, 22 May 1947.

organisation most compatible with that of her allies. The CAS dissented, remaining of the opinion that the RAAF Plan should be adopted.<sup>104</sup>

The Council of Defence considered the 'Status and Control of the Naval Aviation Branch' on 3 July on the basis of an agendum submitted by Chifley, then Acting Minister for Defence in the absence overseas of Dedman.<sup>105</sup> Shedden had also provided Chifley with notes in the form of 'Introductory Remarks',<sup>106</sup> summarising more briefly than the agendum the Joint Report and the deliberations of the Defence Committee, and 'Observations' which constituted a consistent argument in favour of the Navy Plan. Shedden canvassed the adverse effects on naval aviation of the British interwar policy of unified administrative control and the reasons for Britain's change to separate air services in 1937 and Truman's postwar decision that separation would continue in the United States. As well as Britain and the United States, Argentina, Canada, France, the Netherlands, Norway, Portugal, the Soviet Union and Uruguay were cited as having naval air arms manned by naval personnel.<sup>107</sup> The Council accepted Chifley's recommendation that the status and control of the Naval Aviation Branch should be determined in accordance with the principles and proposals of the Naval Plan, but with Drakeford insisting that his view that the decision was *not in the best interests of Australian defence* be recorded.<sup>108</sup> As Cabinet was *not due* to meet until 15 August and implementation of the recommendation would involve considerable administrative work for Navy, Chifley gave Governmental approval to the Council's recommendation immediately after the meeting.<sup>109</sup> Cabinet endorsed his decision on 15 August.<sup>110</sup>

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<sup>104</sup> DCM 186/1947, 27 May 1947.

<sup>105</sup> CDA 5/1947.

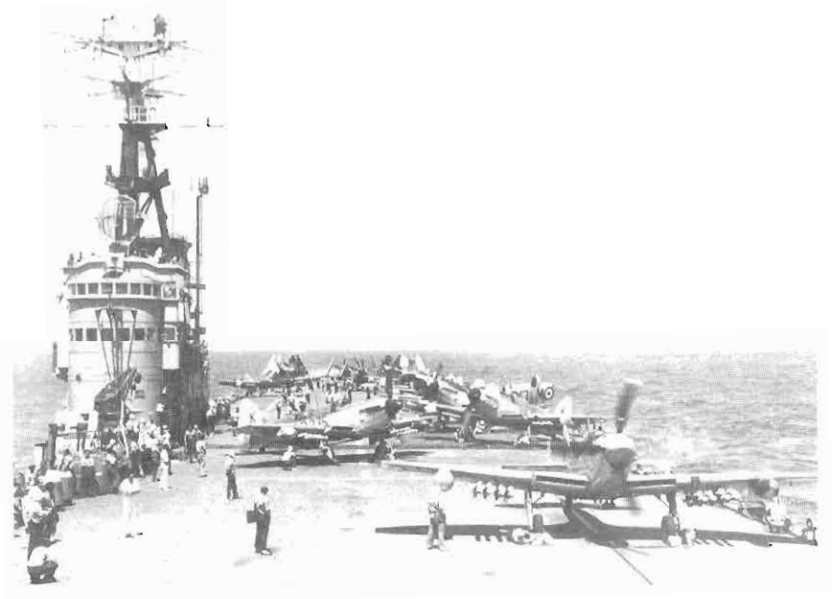
<sup>106</sup> 'Introductory Remarks by the Prime Minister', 3 July 1947.

<sup>107</sup> 'Observations of Prime Minister', 3 July 1947.

<sup>108</sup> CDM, 3 July 1947.

<sup>109</sup> Shedden to Chifley, 3 July 1947 and Chifley's endorsement thereof on the same date.

<sup>110</sup> Cabinet Agendum 1347A, 25 July 1947 and Secretary to Cabinet to Chifley, 15 August 1947.



*Firefly and Sea Fury aircraft on the deck of HMAS Sydney (RAN).*

## 6 The Terms of the Transfer 4 June 1947–3 December 1948

What now remained was the completion of arrangements with Britain for the purchase of the two carriers, their aircraft and stores, as well as for the training of Australian personnel and the loan or other provision of British personnel until sufficient Australians had been trained. In September 1946 the Admiralty had offered two *Majestic* class light fleet carriers for the construction cost of one, £(A)3 437 500, or, if their completion dates were too far ahead, two carriers of another class due to complete earlier. The five-year naval programme approved by Cabinet on 3 June 1947 provided, from a total expenditure of £(A)75 million, about £(A)23.4 million for naval aviation, of which just under £(A)12 million was for capital expenditure, including payment for the two carriers and their aircraft. The first carrier was to be acquired but not commissioned during 1947–48. No date was given for the acquisition of the second, but the Naval Air Plan had provided for its commissioning eighteen months after that of the first. Significantly, however, Cabinet, when approving the five-year plans, had stated that their overall approval did not imply approval of individual projects, each of which would be subject to normal review and approval in the ordinary course of administration.

On 4 June, the day after Cabinet had approved procurement of two carriers, the Naval Board informed the Admiralty of the decision. Assuming the Government would eventually decide that the Navy would furnish the Air Component, the Board sought transfer of the first carrier in time to commission her in about June 1948. She was to be fitted as a flagship. Her proposed commissioning date depended upon the loan from the Royal Navy of the majority of the air complement for her staff and air group of one fighter and one strike squadron.<sup>111</sup> Four weeks later the Admiralty replied the matter was under urgent consideration and promised an early response.<sup>112</sup>

On the governmental level Chifley, after the decision on 3 July that the Navy would supply the Air Component, sought confirmation of the Admiralty's September 1946 offer, stating also that Australia was 'anxious to implement as quickly as possible the decision to establish a Naval Aviation Branch'.<sup>113</sup> The British offer was confirmed six weeks later, but with a sting. The estimated construction cost of one *Majestic*, or the price to Australia of two, had now risen to between the amount of the initial offer, £(S)2 750 00 (£(A)3 437 500) and £(S)3 million (£(A)3 761 250).<sup>114</sup> The cable containing this news was passed to Navy by Defence without written comment. By then, still worse financial tidings had been received by the Naval Board from the Admiralty. A *Majestic*, HMS *Terrible*, fitted as a flagship was due for completion on 24 June 1948. So could be transferred if acceptable to Australia. In about 1950, however, all *Majestics* would require modernisation, including new lifts, barriers and arresting gear. The reasons for this requirement were not then explained but it was obviously to provide for heavier aircraft and higher aircraft landing

<sup>111</sup> Message, ACNB to Admiralty, 040611Z June 1947.

<sup>112</sup> Message, Admiralty to ACNB, 021040B July 1947.

<sup>113</sup> Cablegram No. 166, Chifley to Secretary of State for Dominion Affairs, 4 July 1947.

<sup>114</sup> Cablegram No. 188, Secretary of State for Commonwealth Relations to Commonwealth Government, 16 August 1947.

speeds. For each vessel the new equipment was likely to cost between £(S)100 000 and 150 000 (£(A)125 375–188 062). Its installation in Britain in the first Australian carrier would cost about £(S)500 000 (£(A)626 875). This could be reduced for the second carrier were she modernised while completing. The Admiralty, which expected Australia to bear the cost of any modernisation measures, asked whether the Board wanted an order placed for two sets of modernisation equipment and the second carrier to be modernised while completing; this would not appreciably delay her delivery.<sup>115</sup>

Before informing the Government of this news, the Board sought from the Admiralty urgent confirmation of two points: first, that the maximum construction cost of each vessel would be £(S)3 million, of which half would be an Australian liability; secondly, that while Australia would be additionally liable for outfit and armament stores, the cost of the armament itself was included in the cost of construction. The Board further asked what the anticipated operational life of a modernised *Majestic* would be.<sup>116</sup> The Admiralty confirmed on 27 September that the construction cost of a *Majestic* was now £(S)3 million which as recently as mid-August they had estimated would be the maximum construction cost. That sum included gun mountings, but not guns. They were included, however, in stores—naval, armament, air and aircraft armament—whose cost for each vessel remained at about the £(S)450 000 (£(A)564 000) provided for in the Naval Plan. The life of a modernised *Majestic* was given as twenty years, the same as without, but after modernisation a *Majestic* would be able to operate all types of combat aircraft entering service with the Royal Navy up to 1955, including the Wyvern Two strike aircraft and a new anti-submarine type. There were also good prospects for operating a jet fighter then under development, but this was subject to confirmation at trials. After 1955, however, its capability to operate new types of aircraft might be limited by their increased weight and landing speed.<sup>117</sup>

Captain Anstice, now Fourth Naval Member with responsibility for naval aviation, circulated to each of the Naval Board's other members on 1 October a draft minute concerning the cost increase and the question of modernisation for despatch to Defence and Treasury. Though all members had commented on it by 14 October, the final minute, with copies of the cables attached, did not leave Navy Office until 29 October. With the clear implication that both carriers should be modernised, the *Terrible* after completion, Nankervis informed Shedden of the prospective cost increases as set out in Table III.2. The Board had concluded that these could not be met from the provision made in the five-year programme, involving as they did for two carriers an increase of nearly £(A)2 million over the £(A)12 million allowed for capital expenditure on naval aviation.<sup>118</sup> The next day Hamilton met Shedden, conceded the delay in Navy Office and stressed the urgency of securing from the Government decisions to procure the two carriers in 1948 and 1949, with the second being modernised while under construction and the first in 1952.<sup>119</sup>

<sup>115</sup> Message, Admiralty to ACNB, 191958A August 1947.

<sup>116</sup> Message, ACNB to Admiralty, 021041Z September 1947.

<sup>117</sup> Message, Admiralty to ACNB, 271008Z September 1947.

<sup>118</sup> Nankervis to Shedden, 29 October 1947.

<sup>119</sup> Annotation by Shedden in *ibid.*, 30 October 1947.



Table III.2: The increase in the cost of one *Majestic* class light fleet carrier, September 1946–September 1947 in £(A).

Naval Plan		Admiralty Information, September 1947	
Half initial cost of carrier	1 718 500		1 880 625
First outfit and stores	<u>564 000</u>		<u>564 187</u>
	2 282 500		2 444 812
Cost of modernisation	not included	Labour and estimate on materials	752 250 to 814 937
			<b>£3 197 062</b>
			to
<b>Total</b>	<b>£1 282 500</b>		<b>£3 259 749</b>

Hamilton later told Shedden by letter that the Admiralty were pressing for early and definite information on Australia's requirements. Uncertainty over these was affecting British planning—the supply of two carriers, their aircraft and initially their air personnel, as well as the provision of training facilities, represented a significant claim on resources. Further, he had deduced from their talk that Shedden did not share his assessment of the urgent need to implement the naval aviation plan. Hamilton now urged on him, therefore, the view that until naval aviation was firmly established, which would take years of intensive drive and training, the Royal Australian Navy would in no sense be a modern force.<sup>120</sup>

There was little Shedden could do immediately but advise Dedman to place the matter before Chifley, who was both Prime Minister and Treasurer. As Shedden wrote to Hamilton, 'the crux of the matter appears to be how the naval objectives are brought into harmony with the amount provided for Naval Defence'.<sup>121</sup> Writing to Chifley, Dedman expressed concern that the emergence of cost increases of the order of nearly £(A)2 million so early in the programme raised doubts about the feasibility of its implementation. He also thought it embarrassing to the Government to have informed Parliament in June of its objectives for five years ahead only to be advised in October that these could not be achieved within the envisaged expenditure. He advised Chifley that before the matter was given any further consideration the Department of the Navy should:

- (i) Furnish its views why the Naval Programme was not formulated in such a manner. ... as would ensure that the objectives put forward were such as could be provided in the programme without the necessity for the provision of additional funds.
- (ii) Review its Programme and report in what respect it should be revised to conform with the approved allotment. This would entail either the reduction or the deferment of some of the objectives.

<sup>120</sup> Hamilton to Shedden, 5 November 1947.

<sup>121</sup> Shedden to Hamilton, 6 November 1947.

- (iii) Review its Programme in the light of (the prospective inability of the modernised *Majestic* to operate all types of naval combat aircraft after 1955 and the even greater limitations in its capacity without modernisation) and report whether this type of carrier should be acquired.<sup>122</sup>

Chifley accepted Dedman's advice, observing to Riordan that while he (Chifley) did not know at what stage the question of modernisation arose, it surely could not have been recently since Navy Office had long been planning for an aviation branch. With respect to the urgent reply to the Admiralty, the Board was to explain that the Government had approved the procurement of two carriers on the understanding that they could be provided from the money allotted to naval defence, no provision being made for modernisation costs. The Government had now asked, therefore, for a review of the whole naval programme, particularly in the light of the prospective limitations on the operational capability of the modernised carriers after 1955 and their even lesser capability without modernisation.<sup>123</sup> The Naval Board complied, seeking the Admiralty's very early advice on the degree of limitation which might be imposed on a modernised carrier after 1955, whether any class of carrier in existence was likely to be free of similar limitations after 1955, and if it was probable that the replacement aircraft types necessitating the modernisation would have superseded the *Sea Fury* and *Firefly* by July 1952!<sup>24</sup>

Riordan replied to Chifley before the Board had received one from the Admiralty: indeed, none was ever received directly because the matter was soon taken up at government level. He assured Chifley there was no question but that the cost estimates had been prepared in the light of all available information. There had been no suggestion of the possibility of a requirement for modification arising in the programme period. The first intimation of that had been given by the Admiralty on 19 August 1947. What Riordan did not explain was whether, and if not why not, the experienced British officers who had drafted the *Naval Aviation Plan*, (February 1947) and must have known that there was a tendency for aircraft weights and landing speeds to increase, had asked the Admiralty if the *Majestic* class could accommodate prospective increases without modification. Further, while Riordan insisted that all warships required modernisation at a period during their lives, he disregarded the fact that the plan embodied a ten-year programme without entertaining the thought that modernisation might be required in ships with a twenty-year life!<sup>25</sup>

With respect to the increase in construction cost, Riordan rightly pointed out that his Department's estimates had been based on the sum quoted by the Admiralty in September 1946. He did not state, however, whether an attempt had been made to confirm with the Admiralty that sum's validity as late as before the submission of the revised naval programme, *Post War Navy*, to the Defence Committee in May 1947. It would have been remiss had such an attempt not been made for, in the Minister's own words, 'the increased costs of labour and material which is world wide' was increasing 'the costs of every item in the Navy Department's Programme.'

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<sup>122</sup> Dedman to Chifley, 7 November 1947, and enclosure.

<sup>123</sup> Chifley to Riordan, 11 November 1947.

<sup>124</sup> Message, ACNB to Admiralty, 130900Z November 1947.

<sup>125</sup> Riordan to Chifley, 18 November 1947.

Riordan opposed any reduction in the five-year plan, arguing that morale depended on the maintenance of a modern Navy which in turn meant operating carriers. The *Majestic* class was the only suitable one within Australia's capacity to man and maintain. The *Hermes* class was not an alternative: none would be completed before 1950–51 and at a considerably greater initial cost than that for a *Majestic*. Moreover, the Naval Board were of the opinion, one for which Admiralty substantiation was being sought, that all existing carriers would require modernisation at some stage in their lives. They also believed that there were sufficient *Majestics* in commission or planned for service with the Royal Navy to ensure that the Admiralty would in the future develop aircraft suitable for operation from them.

While not recommending any reduction in the programme, Riordan proposed that the first carrier be obtained on (free) loan and the second purchased, with Australia accepting responsibility for the modernisation costs of both. The total outlay would then come within the sum provided. He further recommended an urgent approach to the British Government on this basis. In the meantime, he informed Chifley, he had approved the continuation of recruitment and the movement of trained personnel to Britain for manning the first carrier, but would not yet place firm orders for stores or aircraft.

Shedden advised Chifley, again Acting Minister for Defence, against raising directly with the British Government the loan of a carrier. Because Britain had offered two carriers at half cost, Australia ought not to seek a better bargain by now asking for one on loan. If one were offered, however, that would be another matter. The best course would be to inform Britain of the impact on the programme of the cost of modernisation and request advice on the best course to follow in the interests of Empire Naval Defence. Shedden entertained 'little doubt' that Britain would then propose a solution along the lines suggested by Riordan, but if this emanated from London rather than Australia, the Australian Government would be in a much sounder position with respect to its previous statements on sharing the burden of British Commonwealth defence.<sup>126</sup> Chifley accepted this advice and sent a cable incorporating it to the British Prime Minister, Clement Attlee.<sup>127</sup> Describing the questions involved as technical, complex and requiring very careful consideration, the British High Commissioner informed Chifley that Attlee might not be able to give a full reply for some little time.<sup>128</sup> Navy Office was kept informed of these developments and on 12 January, after Riordan had explicitly sought Chifley's approval for the continuation of recruitment and the despatch of personnel to Britain, departures were temporarily stopped but recruitment was continued, Chifley having approved it to the extent Riordan thought 'essential, having regard to all the circumstances'.<sup>129</sup>

Attlee replied to Chifley on 30 January 1948. By then the Admiralty had informed the Naval Board that the *Terrible* would not be completed in June 1948 but by the end of October, explaining that the construction of her turbines had been delayed by serious shortages of skilled labour.<sup>130</sup> Attlee began by enlarging on the imprudence of accepting as a 'firm estimate' of the cost of the carriers for planning purposes the amount initially quoted

<sup>126</sup> Shedden to Chifley, 1 December 1947.

<sup>127</sup> Cablegram No. 332, Chifley to Attlee, 3 December 1947.

<sup>128</sup> Rt. Hon. E.J. Williams to Chifley, 9 December 1947.

<sup>129</sup> Riordan to Chifley, 20 December 1947; Chifley to Riordan, 8 January 1948 and Riordan to Nankervis, 12 January 1948.

<sup>130</sup> ANLO, London, to Secretary, Naval Board, 15 December 1947.

by the Admiralty: a margin should have been allowed for contingencies because of the possibility that prices would increase due both to rising material and labour costs and the cost of modifications required as the result of the constant development of weapons and the methods of war. Naval shipbuilding and aviation were cited as two fields where innovation was then most likely to occur. If Australia placed a strict limitation on her expenditure, Britain would have to bear the whole burden of the unforeseen excess. The most satisfactory arrangement to the British side, and one which Attlee considered fair to Australia, would be for Australia to pay one half of the construction cost of the two carriers and the full cost of their store outfits and modernisation. If, however, Chifley confirmed there was no possibility of Australia paying the sums involved in this arrangement—then nearly £(A)2 million above the planned outlay—rather than jeopardise Australia's naval plans Attlee was prepared to modify the scheme as follows. Britain would transfer the *Terrible* in 1948 and later a carrier of the *Colossus* class. Attlee suggested HMS *Warrior*. In complete settlement for these vessels, Britain would accept £(S)3 650 000, which would cover the cost of construction, stores and modernisation on the same lines as that of vessels of their classes in service with the Royal Navy. The sum asked was exactly that provided in the Navy programme. It represented less than half of the British estimate of the total cost of the offer—£(S)7.97 million (£(S)3.95 million for the *Terrible* and £(S)4.02 million for the *Warrior*). The offer was subject to a significant condition: if, when the time came, the necessary modernisation took a form entirely different from that envisaged, the offer might have to be reviewed. Attlee considered such a development 'unlikely', however.

The additional costs for which Australia would also be liable, however, were those of any alterations and additions incorporated in the ships to meet Australia's requirements, any stores required by Australia that were not part of the normal Royal Navy outfit, and the possible refit of HMS *Warrior* which might not be necessary, but if it were would not be major. If Chifley accepted an arrangement on these lines, the £(S) 1.8 million which Britain had expected to receive during 1948–49 would be payable during that financial year. Attlee emphasised the British view that the development of Australian naval aviation was of the highest importance to British Commonwealth as well as Australian defence. If the carriers were to be capable of playing their full part after 1952 they would have to be modernised by then or soon thereafter: earlier, the date had been 1950. After modernisation, both the *Majestic* and the *Colossus* classes would be able to operate all the naval aircraft that would be in service 'in the middle fifties' and 'probably well beyond that date'<sup>131</sup>.

While Attlee's proposal was under consideration, Chifley accepted Shedden's advice that he take immediate exception to the remark that if Australia imposed a strict limitation on her expenditure then the whole burden of any unforeseen excess would fall on Britain. Attlee was informed his remark was not 'understood' and this was followed by a reiteration of the doctrine that the naval programme must conform to the allotment fixed for it since this was 'a fundamental principle in budgeting for a programme extending over a period of years.'<sup>132</sup>

Why Shedden advised such a response can only be a matter for conjecture. None but the most sensitive person could have taken exception to Attlee's remark which was similar to Australia's plaint that if costs rose above the original estimate then her planned

<sup>131</sup> Cablegram No. 30, Attlee to Chifley, 30 January 1948.

<sup>132</sup> Shedden to Chifley, 6 February 1948 and Cablegram No. 31, Chifley to Attlee, 10 February 1948.

expenditure would be exceeded. Perhaps Shedden was concerned his prediction that Britain would offer to lend a carrier had not been fulfilled, or he wished to distract Chifley's attention from Attlee's remarks on allowing for contingencies. Shedden was, after all, the Government's senior civilian defence adviser and had not sought such a provision. Whatever the explanation, Attlee was not provoked. In a mollifying reply he declared his appreciation of Chifley's position and counselled against the adjustment of the naval programme.<sup>133</sup>

Riordan submitted to Chifley on 25 February his recommendations on Attlee's offer to transfer one *Colossus* and one *Majestic* class carrier. Speaking generally of costs, he warned it was impracticable to predict how they would vary, but already they had risen appreciably since the plan had been prepared. The construction cost of an unmodernised *Majestic* had done so by 9.1 per cent in eleven months and it was likely that the allotments to each Service, not just to the Navy, would eventually have to be increased to accommodate rising costs. Riordan went on to argue for the procurement of the *Majestics*, pointing to certain of their features that were superior to those of the *Colossus* class: an additional barrier and arrester wires giving greater safety, a better island, bridge and control layout, and improved anti-aircraft armament, living accommodation and amenities. Furthermore, not only was the *Majestic* the better carrier but the intention to procure two had received wide publicity in the civilian press and the Navy. The acquisition of an inferior type would be a hard blow to naval morale.<sup>134</sup> Dedman supported Riordan's recommendation and in similar terms, except that he omitted the latter's emphasis on morale.<sup>135</sup>

Chifley approved their recommendations on 10 March. There was a prospect of meeting the increase in the construction cost and a portion of the modernisation cost from the £(A) 427 000 subscribed by the public to the HMAS *Sydney* Replacement Fund. This would require legislation. Alternatively, the increase in the construction cost would be met to the greatest extent possible from savings and adjustments in the programme, with any outstanding amount and the cost of modernisation being carried forward as future charges. Modernisation was not to be commenced, nor any expense towards it incurred, until after the end of the programme, but commitments for material could be entered into before then.<sup>136</sup> Chifley informed Attlee on 30 March that Australia would purchase two *Majestics* on 'the understanding' that modernisation would not be commenced until the end of the programme in 1952.<sup>137</sup> Attlee declared himself greatly satisfied with the decision and proposed that the details of the transfer should be arranged between the Admiralty and the Naval Board.<sup>138</sup>

The Navy Plan provided for the commissioning of the second carrier in 1949–50. This had not been formally discussed with the Admiralty, but they had been given a copy of the plan unofficially. An implication of Chifley's 'understanding' was that the second carrier would not be modernised during construction even though doing so was expected to be cheaper than later modification. A second implication was that Australia would lack a

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<sup>133</sup> Cablegram No. 68, Attlee to Chifley, 3 March 1948.

<sup>134</sup> Riordan to Chifley, 25 February 1948.

<sup>135</sup> Dedman to Chifley, 5 March 1948.

<sup>136</sup> Chifley to Dedman, 10 March 1948 and Dedman to Riordan, 25 March 1948.

<sup>137</sup> Cablegram No. 78, Chifley to Attlee, 30 March 1948.

<sup>138</sup> Cablegram No. 103, Attlee to Chifley, 7 April 1948.

modernised carrier until 1953 at the earliest. The delivery date of the second carrier and the question of the savings to be effected by modernisation during construction were taken up with the Admiralty through the Australian Naval Liaison Officer.<sup>139</sup> The former was raised on Dedman's instructions<sup>140</sup> but only by letter and after a delay of nearly one month. This delay was compounded when the letter was mistakenly sent by sea mail, an error that was not discovered for nearly four weeks, whereupon a message was despatched to London. Two months had by then elapsed since Dedman had first raised the matter.<sup>141</sup>

Meanwhile, on 4 June, the Secretary of State for Commonwealth Relations, P.J. Noel-Baker, almost certainly prompted by the Admiralty, had raised with the Australian Government the implications of the conditions attached by Chifley to the decision to procure the two carriers: 'that modernisation will not be commenced nor expense incurred until after the end of the Five Years Programme.' The British considered it 'most desirable' that Australia possess at the earliest possible date a carrier capable of operating the most modern naval aircraft and urged that the second *Majestic* be modernised while completing. It did not appear likely that the second carrier would be completed much before 1951 and, if modifications were incorporated during construction, not until 1952. If Australia agreed to the latter course, Britain would defer payment for modernisation until after the programme.<sup>142</sup>

The British offer stimulated the Naval Board to renew their effort to obtain from the Admiralty an estimate of the saving involved in modernising the second carrier during construction.<sup>143</sup> When sending Riordan a copy of the British cable for comment on 6 July, or four weeks after its receipt, Dedman had reminded him that on 25 May Riordan had been asked to take up this matter with the Admiralty.<sup>144</sup> As we have seen, there had been some delay in doing so. The latest advice from London, received in Navy before it knew of the 3 June cable, was that the delivery dates for the second carrier given in that cable were regarded in the Admiralty as flexible and optimistic.<sup>145</sup>

Towards the end of July an estimate of the saving was still awaited from the Admiralty and Hamilton concluded that one was not likely soon to be forthcoming. He then secured from the Fourth Naval Member a strong recommendation in favour of modernisation during construction and suggested that Riordan make a submission accordingly to Dedman.<sup>146</sup> Riordan did so on 5 August.<sup>147</sup> While this submission was under consideration, a reply was received from the Admiralty on 27 August stating that the second carrier, the *Majestic*, would be completed early in 1951 if unmodernised and late in 1952 if modernised while building. Because of the instability of labour and material costs the Admiralty could not supply an estimate of the saving which would result from the latter course, but did reveal that the original estimate of £(S) 500 000 for the cost of

<sup>139</sup> Secretary, Department of the Navy, to the Official Secretary (Naval Liaison), 25 May 1948 and Message, Nankervis to NLO, 171132Z June 1948.

<sup>140</sup> Dedman to Riordan, 29 April 1948.

<sup>141</sup> Message, Nankervis to NLO, 240551Z June 1948.

<sup>142</sup> Cablegram No. 163, Secretary of State for Commonwealth Relations to Commonwealth Government, 4 June 1948.

<sup>143</sup> Message, Nankervis to NLO, 270032 July 1948.

<sup>144</sup> Dedman to Riordan, 6 July 1948.

<sup>145</sup> Message, NLO to Naval Board, 031245 July 1948.

<sup>146</sup> Hamilton to Nankervis, 27 July 1948.

<sup>147</sup> Riordan to Dedman, 5 August 1948.

modernisation of a single vessel no longer held: the final cost would probably be considerably higher. They would, however, charge only £(S)500 000 for modernisation whether it was carried out during or after completion. This sum would cover the installation of new arrester gear, lifts, cranes, transporter trucks, power winches, hydraulic chocks and modification to the catapult. Any additional alterations would involve an additional cost to Australia. The Admiralty proposed the following procedure for payment, one designed to ensure that the amount provided in the programme would not be exceeded in the programme period: (a) Australia would pay half the actual construction cost of the *Terrible* and the full cost of first outfits of naval and armament stores and of any purely Australian alterations and additions; (b) on completion of the *Majestic* to modernised standards and her transfer, Australia would pay the difference between the £(S)3.65 million allotted under the programme and the costs in (a); (c) after the expiry of the programme and presuming the *Majestic* had been transferred, Australia would pay in respect of her, half the actual construction cost, the full cost of first outfits of naval and armament stores and of Australian alterations and additions, and £(S)500 000 for modernisation, less the amount paid under (b). The actual construction cost of the *Majestic* would be 'the total cost of building to modernised standards less £(S)500,000'; (d) Australia would pay the actual cost of modernising the *Terrible* when this was undertaken. What remained uncertain was what the 'actual construction cost' mentioned in (a) and (c) would finally be. Australia was replanning on the basis of Admiralty advice of 27 September 1947 that it would be no more than £(S)3 million. Nearly one year later, however, the Admiralty were not reaffirming this. Indeed, the formulation 'actual cost of construction' and its definition in (c) allowed for an increase in cost. Now the Admiralty sought an early reply, particularly regarding the modernisation of the *Majestic* and its fixed cost of £(S)500 000.<sup>148</sup>

The uncertainty with respect to the meaning of 'actual construction cost' was recognised in Navy,<sup>149</sup> but when Riordan recommended to Dedman acceptance of the offer it was not alluded to, though a copy of the Admiralty letter was forwarded with the recommendation.<sup>150</sup> Riordan signed the recommendation on 10 September.

On the same day, Dedman wrote to Chifley concerning Riordan's earlier recommendation, that of 5 August, which was a response to the British offer of 3 June. Dedman had not then received Riordan's letter of 10 September so that his own letter of that date did not take account of the latest Admiralty offer. Advising Chifley in terms of the 3 June offer, Dedman recommended that the *Majestic* be modernised while completing, that Australia accept both 'liability for one half of actual construction costs, full costs of stores outfits, and eventual cost of modernisation' and the offer to defer settlement of the modernisation costs until after the programme had ended.<sup>151</sup> Chifley approved this proposal with one exception. Because of Australia's favourable overseas financial position he decided she should pay for the modernisation when the accounts were presented, even within the programme period. The Navy's allocation under the plan would not be altered, instead, the Annual Estimate would be increased by the necessary amount.<sup>152</sup> The Secretary of State for

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<sup>148</sup> Admiralty to NLO, London, 16 August 1948.

<sup>149</sup> Note by Finance Member and attached draft message to Admiralty seeking clarification of the meaning of 'actual cost', August 1948.

<sup>150</sup> Riordan to Dedman, 10 September 1948.

<sup>151</sup> Dedman to Chifley, 10 September 1948.

<sup>152</sup> Chifley to Dedman, 12 October 1948.

Commonwealth Relations was informed accordingly.<sup>153</sup> This put paid to the deferment proposals in the Admiralty's letter of 16 August but left open whether the £(S)3 maximum limit still applied to the cost of construction. In the event, that uncertainty was not pursued. Australia accepted £(S)500 000 as the cost of modernising the second carrier while building, but made no decision on whether, and if so, when and where, the first carrier would be modernised.<sup>154</sup>

## Editor's Postscript

On 28 August 1948 the RAN's Fleet Air Arm was established as a separate identity with the commissioning of the 20th Carrier Air Group at Eglington Naval Air Station in England. Four months later the first Australian carrier, HMAS *Sydney* (ex-*Terrible*), was commissioned at Devonport under the command of Captain R.R. Dowling. The 20th Carrier Air Group comprising 805 (Sea Fury) and 816 (Firefly) Squadrons embarked on *Sydney* for the return journey to Australia, arriving in May 1949. In April 1950 *Sydney* returned to the United Kingdom and embarked the 21st Carrier Air Group comprising 808 (Sea Fury) and 817 (Firefly) Squadrons. By the end of 1950 the RAN had one carrier and two fully operational air groups.

*Sydney* deployed to the Korean war zone in 1951–52 where she operated two Sea Fury squadrons and one Firefly squadron. The carrier's work was described by the naval command as 'quite excellent', *Sydney*'s aircraft having flown 2366 sorties with an average daily rate of 55.2 sorties per full flying day. Losses totalled three pilots and 15 aircraft.

Meanwhile, construction of the second RAN carrier, *Melbourne* (ex-*Majestic*), had been resumed in 1949. Unfortunately the promises made by the Admiralty concerning the ability of the *Majestics* to operate all modern naval aircraft were incapable of fulfilment. The RAN eventually finding itself forced to accept that the carriers' primary role would be trade protection rather than front-line operations. *Melbourne* was modernised while building to incorporate the new technology of steam catapult, angled deck and mirror landing aid, but completion was delayed and costs rose. As an interim measure, the Royal Navy made available on loan the *Colossus* class light fleet carrier, HMS *Vengeance*. She was commissioned into the RAN in 1952 and after a brief period of service returned to the United Kingdom in October 1955 with the crew to commission HMAS *Melbourne*.

*Melbourne* finally arrived in Australian waters in 1956 under the command of Captain G.G.O. Gatacre with two squadrons of Fairey Gannet ASW aircraft and one squadron of De Havilland Sea Venom fighters—the RAN's first jet aircraft—embarked. As funds were not provided to similarly modernise *Sydney* to accept these aircraft her days as an operational carrier were numbered. She was reduced to a training role in 1954 and paid off into reserve in 1958. *Sydney* was re-commissioned in 1962 as a fast troop transport and in that role gave sterling service during the Vietnam conflict.

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<sup>153</sup> Cablegram No. 266, Commonwealth Government to Secretary of state for Commonwealth Relations, 11 October 1948.

<sup>154</sup> Dedman to Chifley, 23 November 1948; Chifley to Dedman, 3 December 1948; Dedman to Riordan, 22 December 1948, and Nankervis to NLO, 21 January 1949.



Westland Wessex ASW helicopters were acquired for *Melbourne* in 1963, while the decision to acquire the next generation of carrier-borne fixed wing aircraft, Grumman S2 Trackers and McDonnell Douglas A4 Skyhawks, was announced in 1965. *Melbourne* visited the west coast of the USA late in 1967 to take delivery of the new aircraft. Following a major refit *Melbourne* was back at sea in 1969 with her new outfit of aircraft to which were added Westland Sea King ASW helicopters in 1975.



*For more than 25 years HMAS Melbourne operated as the centrepiece of the RAN's fleet. Here in the early 1960s she is overflowed by Sea Venom fighters while a Gannet ASW aircraft prepares to launch (RAN).*

## **Part IV**

### **The Aircraft Carrier Project 1970–83**



*HMS Invincible during a visit to Fremantle in November 1983 (John Mortimer).*

## Major Milestones

- 1970 Naval Air Power Study (NAP), commissioned by the Defence Force Development Committee (DFDC).
- 1972 Tactical Air Weapons Systems Study (TAWS) commissioned by DFDC. Carried out in conjunction with NAP through 1972–73 as NAPTAWS.
- 1976 Seaborne Air Capabilities Special Group (SACSG) formed. A wide ranging series of studies was carried out over a span of several years including a study of the utility of a helicopter carrier both as a platform for ASW helicopters and as a fast logistics ship.
- June 1977 DFDC endorsed allocation of \$1.0m to fund design investigation for VSTOL (vertical/short take off and landing) and or helicopter carrier; conventional carrier eliminated from funded investigation.
- 12 September 1977 The Minister for Defence, Mr D.J. Killen approved the worldwide issue of an Invitation to Register Interest (ITR) to assist in project investigations of possible aircraft carriers.
- 1978–early 1979 Sixteen overseas companies from five countries responded with a total of 21 proposals.
- February 1978 'Evaluation Report of ITR Responses' forwarded to the DSDC recommending that two well-developed designs be chosen from, the Italian *Garibaldi* (13 250 tonnes), Spanish Sea Control Ship (SCS) (14 800 tonnes), and US Amphibious Landing Platform Helicopter (LHA) (39 900 tonnes).
- May 1978 The Defence Source Definition Committee (DSDC) recommended to DFDC that five proposals be further investigated—three above plus the British *Invincible* class (19 500 tonnes) and a Vosper Thornycroft design for a 8000 tonne Harrier Carrier.
- May 1978 The Force Structure Committee (FSC) concluded that at least the LHA, *Invincible*, Spanish SCS and *Garibaldi* should be further investigated.
- 1978–79 'RAN Evaluation of Alternative Ship Characteristics' (REASC) prepared for *Invincible*, *Garibaldi*, SCS and LHA. This led to the first issue of 'RAN Required Ship Characteristics' and later to 'RAN Agreed Ship Characteristics'. In these the RAN sought a ship of conventional displacement-type hull of about 20 000 tonnes full load displacement, to be capable of operating a mix of helicopters and STOVL (short take off and vertical landing) aircraft. It was to have the necessary command, control and communications equipment to allow a task group commander to carry out his functions. Main propulsion was to be provided by gas turbine engines to give the ship a maximum speed of at least 24 knots and a minimum range of 5000 miles at about 18 knots. A range of 7000 miles was desirable. Deep displacement draught was not to exceed 9.8 metres to allow safe passage of the Torres Strait. A minimum of 14 aircraft was to be accommodated for normal peacetime operations but

	capacity for up to 22 aircraft was desirable. Growth margins were to be provided for later generation aircraft. Manning was to be kept to a minimum consistent with meeting operational roles. A high degree of automation was desirable as well as design for minimum maintenance. Savings in comparison with <i>Melbourne's</i> crew of 1300 were expected. Accommodation was to be of a high standard.
May 1978	DFDC postponed specific considerations of the carrier, but tasked the preparation of a further justification paper for consideration by the Chiefs of Staff Committee (COSC).
Feb–Mar 1979	COSC considered a paper 'MELBOURNE Replacement—Strategic and Associated Factors' and identified certain essential and important roles for tactical naval air at sea. It was agreed that ASW helicopters were essential, while STOVL aircraft were important for air defence.
May 1979	DFDC considered COSC, FSC (Force Structure Committee) and DSDC considerations. DFDC agreed that funded industry investigations should go ahead on <i>Garibaldi</i> , Spanish SCS and US Landing Platform Helicopter (LPH). The LPH was a late proposal by Ingalls as an alternative to the LHA.
May 1979	DFDC commissioned Navy and Defence Central (FDA - Force Development and Analysis) to carry out further studies. These included the 'Seaborne Air Capability Review' (SACR) a Naval ASW study (completed by the RAN Research Laboratory) and Naval AAW study (completed by the Central Studies Establishment).
23 August 1979	The Minister for Defence announced that funded studies in industry would be carried out with respect to: the helicopter carrier <i>Giuseppe Garibaldi</i> being built for the Italian Navy by Italcantieri of Montalcone, Italy; the US-designed SCS being built for the Spanish Navy by Bazan of El Ferrol, Spain; and a variant of the <i>Iwo Jima</i> class LPH proposed by Ingalls Shipbuilding Division of Pascagoula, Mississippi.
1979	Contracts prepared including 'Schedule 3' detailing desired ship characteristics.
May 1980	'Evaluation Report of Funded Studies in Industry' considered by DSDC who agreed that further examination should be carried forward by extending the current Project Investigation Phase to include the LPH and the option of acquiring a SCS design directly from Gibbs and Cox.
June 1980	FSC considered Navy/FDA 'Seaborne Air Capabilities Review' and DSDC findings on 'Navy Evaluation Report'.
July 1980	DFDC considered the Aircraft Carrier Project and proposed various alternatives for Government decision.
20 August 1980	Cabinet decides to acquire a purpose-designed carrier.
9 September 1980	The Minister for Defence announced that the Government had decided to replace HMAS <i>Melbourne</i> with a purpose-designed ship to be equipped with helicopters for ASW; but with a potential for also operating STOVL aircraft.
1980–81	In the course of evaluating the output from the funded studies it was decided that further studies into two of the designs would be necessary before a recommendation could be made to Government

	on a single source selection. RAN Agreed Ship Characteristics developed for LPH and SCS.
Jan–Feb 1981	Design study contracts placed with Ingalls and Gibbs and Cox.
March 1981	Jointly manned RAN/USN project office (PMS 308) established within US Navy Sea Systems Command to assist with design development and evaluation. The overall cost of the design studies, establishment of the US project office and provision of other contractor services amounted to a little over \$8m.
1981	PMS 308 developed Top Level Specifications (TLS) for the LPH and SCS based on RAN Agreed Ship Characteristics.
June 1981	UK MOD (Ministry of Defence) announced intention to keep only two of the <i>Invincible</i> class ships in service.
July 1981	FSC agreed baseline characteristics and capabilities for evaluation.
July 1981	UK proposed possible sale of <i>Invincible</i> class ship to RAN. Brief on ship forwarded and MOD team visit proposed.
August 1981	DFDC agreed to baseline characteristics and capabilities for evaluation and agreed that construction in Australia was not in the best interests of either industry or the Commonwealth.
Aug–Sep 1981	FSC examined need for a carrier.
September 1981	UK MOD team visited Australia providing details of price, availability and relevant technical and performance documentation.
September 1981	Minister for Defence announced that <i>Invincible</i> was to be included in the carrier evaluation in progress. Likely cost and the ready availability of the ship being important factors influencing the decision to evaluate this class further.
October 1981	'Aircraft Carrier Project Evaluation Board Report' completed and forwarded to DSDC.
October 1981	DSDC report on evaluation forwarded to DFDC.
Nov 81–Feb 82	Several (5) Cabinet submissions forwarded on the aircraft carrier.
November 1981	DFDC consideration of DSDC findings.
November 1981	Cabinet submission on the need for a carrier based on DFDC consideration forwarded. CDFS, CNS and CGS supported acquisition, the Secretary and CAS disagreed.
November 1981	Several UK companies provided representatives to discuss support of <i>Invincible</i> systems.
December 1981	Cabinet submission on source selection forwarded.
25 February 1982	The Minister for Defence, Mr D.J. Killen, announced that the Government had decided to acquire HMS <i>Invincible</i> .

### Ministerial Statement

Subject to negotiations of details the Government has decided that Australia is to purchase the aircraft carrier HMS *Invincible* from the United Kingdom to replace HMAS *Melbourne*. The plan is to take delivery of the ship in late 1983. On commissioning into the Royal Australian Navy, the ship will be renamed. The purchase price of the *Invincible* is £175m sterling, which at the August 1981 exchange rate was \$285m. This was quoted as a firm price not subject to escalation. The total project costs, including provision for spares, test and training equipment, necessary modifications and other

support, but excluding missiles, is estimated at \$478m at August 1981 prices and exchange rates.

The acquisition of this ship will enhance our manifest capability to deter aggression in our neighbouring regions in the decades ahead. Air power is fundamental to maritime operations. This can be provided by either, or both, shore-based and sea-borne aircraft. The value of shore-based aircraft to Australia's maritime defence will remain of particular importance for as far ahead as one can see. The carrier will provide the Government of the day with additional options, particularly in areas further from our shores and remote from our military airfields. The importance of this cannot be over-emphasised for a country like Australia surrounded on three sides by vast oceans, and dependent for its very livelihood upon trade carried in ships. There is no single scenario or contingency for which this ship is being acquired. In fact our Defence Force as a whole is not structured to meet one particular threat. There is a wide variety of circumstances which could occur during the lifetime of this ship. Our manifest ability to deter threats from developing into a conflict, and, if necessary, our ability to win out in a conflict if it were to result must remain of prime importance to Government.

The importance of Australia being able to stand on its own feet and fend for itself in regional defence matters has been emphasised and generally accepted for some years now. There is nothing singular about this. It does however involve a heavier burden than earlier policies such as forward defence. The Government freely acknowledges this and believes it is a burden which we must be prepared to pay for in this unsettled world. The decision concerning this ship follows the decision taken in 1980, and announced by me in this House at the time, to acquire a purpose-built ship to replace HMAS *Melbourne*. I also announced that contracts would be let for funded studies of three designs—the Sea Control ship, the Italian *Garibaldi* class helicopter carrier and a variant of the US *Iwo Jima* class. The *Invincible* class design was not selected for further study because of its relatively high cost. However, following a British decision last year to retain only two of three *Invincible* class ships for the Royal Navy, the British Government offered HMS *Invincible* to Australia at a lower, and more than competitive, price.

The early availability of HMS *Invincible* will also allow the refit of HMAS *Melbourne*, scheduled for 1982–83, to be cancelled. The *Melbourne* will be paid off as soon as practicable to save refit and running costs. This will also enable retraining for the new ship's company. The acquisition of a purpose-designed ship provides a basis upon which to retain and further develop a core of skills which could be used in response to an emergency or a contingency; it provides both flexibility for response and a basis for expansion. Later options for expansion would not be confined to the acquisition of purpose-designed carriers, but could include the conversion of merchant ships for limited roles. This was done with good results in World War II.



The acquisition of the *Invincible* should not be seen as merely a replacement for *Melbourne*. The *Invincible* is a very modern ship with a wide range of capabilities quite beyond those now available to us. Firstly, the ship is particularly suited to operating and maintaining large anti-submarine helicopters. Investigations have shown that to counter a submarine threat a combination of weapon platforms is necessary. This combination includes land-based maritime aircraft, ASW helicopters and warships. There is no simple solution. While one or two anti-submarine helicopters can operate from a specialised destroyer, examinations have shown it is more cost-effective to group a number of helicopters together in a larger ship with centralised command and control, maintenance and support facilities.

Secondly, there is a need for a ship capable of planning, commanding and co-ordinating operations by a group of ships and aircraft. *Melbourne* is no longer adequate for this task and other ships lack the means. About 25 personnel will require living and working space for planning and control with extra communications and dedicated command displays. Thirdly the ship has the capacity to carry for a short period a Royal Marine commando—the equivalent of an Australian battalion group. This could be a very useful adjunct to our amphibious ship; HMAS *Tobruk*. Further the ship is capable of operating short take-off and vertical landing aircraft of the Harrier type, although at present it is intended only, I repeat only, to embark ASW helicopters. The ship is fitted with a ski jump to improve the performance of Sea Harrier types, but could not operate conventional carrier aircraft. The decision of whether to acquire this type of aircraft will be made at a later date.

I now turn to some details of the ship, the complement, including the air group, of about 950 men should be at least 300 fewer than the *Melbourne*. The precise number depends on the composition of the air groups. The ship is driven by Olympus gas turbine engines. These are not used elsewhere in the Defence Force but will be serviced in an existing facility for maintaining Olympus industrial engines in Victoria. Unlike steam propulsion systems, a defective gas turbine engine can be changed by ship's staff in about 48 hours. The *Invincible* is fitted with the Link 11 command data exchange system, it is fully compatible with that fitted to our guided-missile destroyers, our P3C Orion aircraft and planned for our guided-missile frigates. The ship is suitable for commanding an Australian task group and has already been proved in this role with United States and other Northern Atlantic Treaty Organisation forces in the Atlantic.

A limit of cost of \$50m is to be allowed for RAN modifications. These will include adding 450 tonnes of fuel to increase the ship's operating range to meet our basic requirement. Whilst the living accommodation is of a very high standard and air-conditioned for tropical service, space, weight and power provisions exist to up-rate this accommodation within the modifications limit if tropical trials later this year should show this to be necessary. There will also be other minor changes, for example to communications equipment: to transfer some items from HMAS *Melbourne*:

and the removal of unwanted items. The question of whether or not to retain the Sea Dart area air-defence missile system will be the subject of a special study.

I would now like to lay at rest some popular misconceptions about the ship and aircraft carriers in general. The alternative of getting a ship for operating conventional carrier aircraft, such as the FA18, now on order to replace the Mirage, is not an option for us. Modern aircraft of the weight of the FA18 require a large deck with catapults and arresting gear. There is no ship available and even the smallest practicable would be far beyond our means both to acquire and man. Vulnerability is an oft quoted concern of many. I reject this. A ship of this nature normally operates as part of a group exploiting the principle of concentration of force. Such a group has an integrated and mutually supportive range of offensive and defensive systems. The precise composition would depend on the perceived threat, but in any case would be very formidable. The ship itself, being purpose-built, has a good degree of system redundancy and water-tight integrity. The design has specifically addressed minimising the effects of battle damage.

It is often asked: is one carrier enough? In present circumstances the answer is yes. Our Defence Force must be properly balanced; one carrier is adequate for lower-level contingencies and, like the rest of our capabilities, would provide a sound basis for expansion. In a diverse maritime threat, for instance, shore-based air would be used where they could be most effective and our one carrier used further afield where its special capabilities were needed. Our Defence Force must be one coherent whole. I entirely reject the concepts sometimes espoused of all submarines or all patrol boats. Each weapon system has advantages and each its limitations.

This statement would be incomplete without mention of Australian industry participation. As the ship is already built, opportunities are naturally restricted. However the United Kingdom Government has given an offset undertaking amounting to £Stg17.5m. Australian industry will also be given opportunities to participate in ship support work to the value of 25 per cent of orders placed. I wish to assure the House that the costs of the carrier will not be at the expense of our programme for the development of the Defence Force, although it may be necessary to do some rescheduling. Taking all factors into account, this almost new ship—one of a class of three—is a very cost-effective method of meeting Australia's defence needs.<sup>1</sup>

#### **Response by Mr Hayden - Leader of the Opposition**

... The decision to acquire HMS *Invincible* is a serious blunder. It proves that the wrong people won the argument and that Australia will get the wrong defence equipment. HMS *Invincible* is the 'Spruce Goose' of the Australian naval defence force. ... HMS *Invincible* will never be adequately operational for Australian defence needs in peacetime and will be totally

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<sup>1</sup> CPD, 25 February 1982, pp. 631-3.

inappropriate and quite inadequate in the event of conflict. What this boils down to is an extravagant \$2,000m-plus status symbol for the gold braid at the top of the navy. They do not even comprehend the developments that have been undertaken in recent years in weapons technology at sea. If they did, they would never have fought to obtain this piece of naval equipment. Only a badly managed rich country with no real defence threat could be so blimpishly indulgent as to make this decision. It proves that war and defence are too important to be left in the hands of Admirals. ... The *Invincible* does not project sea-air power. ... To protect our long range trade routes we should rely on not one highly vulnerable, highly expensive item of equipment which, when it is sunk, will leave a very big gap in our defence capability. We should rely on the development of strategic stockpiles and the fact that most of our cargo is carried in foreign bottoms. Closer to home, submarines and land based air power is the most cost effective way of establishing our defence. In any event, the mercantile vessels which come to this country can travel well to the south and avoid the problem of hostile naval vessels, surface or sub-surface.<sup>2</sup>

- 2 April 1982            Argentine forces land in the Falkland Islands.
- 5 April 1982            A British task force centred on the carriers HMS *Hermes* and *Invincible* deploys to the Falkland Islands.
- 20 April 1982          The name HMAS *Australia* approved for *Invincible* when commissioned into RAN service.
- 29 April 1982          The Minister for Defence, made a statement informing Parliament of certain developments affecting Australia's strategic circumstances in the world setting and defence program changes in consequence of the need to provide funds for the early acquisition of *Invincible* and additional P3C Orions. Strategic developments included, the Soviet Union's continued rate of military development, the occupation of Afghanistan by the Soviet Union, the occupation of Kampuchea by Vietnam and the Soviet Union's access to military facilities in Vietnam. Though conflict between the super-powers was unlikely, and regional security prospects favourable, the Argentine invasion of the Falklands, demonstrated that, 'We cannot calculate and foretell the interplay of our complex international life ... we cannot afford not to provide against unexpected changes for the worst'.

### Ministerial Statement

... The major acquisitions brought forward are the purchases of a new carrier to replace HMAS *Melbourne* and 10 new P3C Orion aircraft. The acquisition of HMS *Invincible*, which will be recommissioned into the Royal Australian Navy as HMAS *Australia*, has met with doubts and criticisms in some quarters. The Government carefully considered all views and decided that on the balance it should proceed with the acquisition of *Invincible*, which was on offer from the British Government on very favourable terms. With *Invincible*, Australia is buying a ship essentially for its contribution to

<sup>2</sup> CPD, 25 February 1982, pp. 639-40.

anti-submarine warfare, although it will also provide facilities for command and control of larger task groups and for transport of troops. It is not being bought for its capacity to operate short take-off and landing aircraft. The ship will be used as a helicopter carrier and there should not be any expectation in present circumstances that we will be going beyond that.

Together with the Orion P3C fleet of 20 long range maritime patrol aircraft, the *Invincible*, and its helicopters will give this country a very strong capability for anti-submarine warfare, at a total investment cost of about \$1,100m. The Government considers that an island nation such as Australia must have this capability and that protection of shipping from submarine attack must command a very high priority in Australia's defence investments. The current commitments and the future of the Royal Australian Navy's fixed-wing aircraft are being examined by a defence working party as a consequence of a Government decision that these aircraft are to be paid off as soon as practicable to provide early savings in expenditure. It is expected that there will also be consequent manpower savings.<sup>3</sup>

- 4 May 1982 Aircraft Carrier Project Office (UK) established at Bath.
- 1 June 1982 In light of British military action to recover the Falkland Islands and the losses suffered by the Royal Navy, the Prime Minister, Mr M. Fraser, wrote to the Prime Minister of the United Kingdom, Mrs Margaret Thatcher. He volunteered to her that should her Government wish to re-examine the sale of *Invincible*, Australia would not hold her Government to the earlier obligation.
- 14 June 1982 Argentine forces in the Falklands formally surrender.
- 30 June 1982 HMAS *Melbourne* de-commissioned and placed in contingent reserve.
- 30 June 1982 PMS 308 closed down.
- 2 July 1982 Navy front line squadrons VF 805 (Skyhawk) and VS 816 (Tracker) disbanded.
- 7-13 July 1982 The Minister for Defence, Mr J. McC. Sinclair, the Secretary to the Department of Defence, the Chief of Naval Staff and the Chief of Naval Materiel visited the UK to discuss the implications of the Prime Minister's letter. Meetings were held with the British Prime Minister, the Secretary of State for Defence and senior officers and officials of the Ministry of Defence. The British made it clear that the Falklands conflict had initiated a major revision of defence planning. As a result it had been decided to retain all three *Invincible* class carriers for the Royal Navy. Though it had been the Australian delegation's belief that when the third *Invincible* class commissioned in 1986 one should be available to the RAN, they were now advised 'quite firmly' that only *Hermes* would be offered, though on unspecified 'favourable terms'.
- 13 July 1982 The Minister for Defence, announced that the UK Government would retain *Invincible* in Royal Navy service.

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<sup>3</sup> CPD, 29 April 1982, pp. 2068-9.

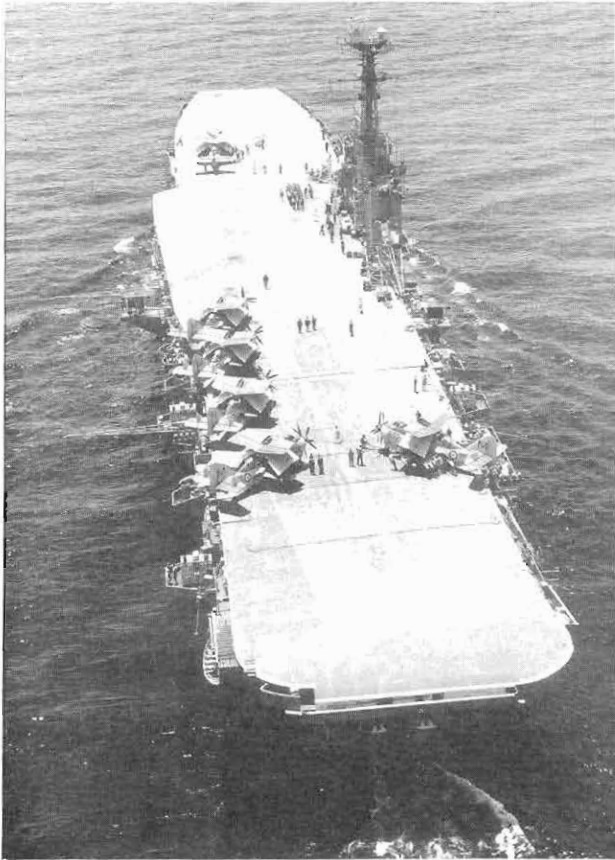
July 1982	The Department of Defence commenced a re-examination of available aircraft carrier options with a report to be made by the end of October. Projected costs for a purpose-designed ship ranged from \$750m to \$1100m with delivery in about 1989. A simpler and less capable ship to merchant ship standards had a projected cost of \$400m–\$500m with delivery in 1987. Project costs for a converted container ship were \$100–\$150 for the ship alone with delivery by 1986. The report was also to address how Australia might address its ASW requirements in the shorter term.
23 July 1982	Cabinet considers aircraft carrier replacement.
26 August 1982	The Minister made a statement in the House in the course of a budget debate saying 'The needs that led to the Government's decision to buy HMS <i>Invincible</i> remain. In particular there is the necessity to ensure an adequate anti-submarine capability given the long maritime sea routes between Australia and her principal trading partners'. <sup>4</sup> He then outlined the scope of the re-examination of options. These included; a new ship of the <i>Invincible</i> class, one of the <i>Iwo Jima</i> class, one of the <i>Garibaldi</i> class, possibly a SCS, a conventional carrier of 35 000 to 40 000 tonnes able to carry the FA18, British and United States proposals to build a simple carrier to merchant ship standards, and smaller carriers, including the conversion of existing container and other merchant ships. Interim solutions included re-commissioning <i>Melbourne</i> , acquiring a foreign carrier such as <i>Hermes</i> , or converting a merchant ship.
12 October 1982	'Aircraft Carrier Evaluation Board Report 1982' final report issued.
8 November 1982	The DSDC issued 'Report on the Range of Ship Options for a New and Interim Aircraft Carrier'.
10 November 1982	The FSC issued 'Report of the Force Structure Committee on the Aircraft Carrier Project'.
Nov–Dec 1982	The DFDC considered the aircraft carrier project. The resulting brief to the Minister, the RAN dissenting, recommended that the Government not proceed to the procurement of a carrier.
21 December 1982	A special meeting of the Defence Committee was convened to discuss the aircraft carrier.
3 February 1983	The Prime Minister announced the double-dissolution of Parliament for a 5 March general election.
8 February 1983	The Minister for Defence stated that a decision on the carrier would be deferred until after the election.
14 March 1983	In his first news release the Minister for Defence of the new government, Mr G.G.D. Scholes, announced that HMAS <i>Melbourne</i> would not be replaced.
3 May 1983	As a consequence of the decision not to proceed with the acquisition of a carrier the Minister for Defence announced that 'Flying by fixed-wing aircraft of the Royal Australian Navy will be phased out'. It being 'obvious that fixed wing aircraft, especially those which require

<sup>4</sup> CPD, 26 August 1982, p. 1044.

	a carrier base for their operations, are not able to be usefully maintained in service'. <sup>5</sup>
11 May 1983	Aircraft Carrier Project documentation, stowage and retrieval procedures completed.
30 June 1984	Last Skyhawks and Trackers withdrawn from naval service. Skyhawks sold to RNZAF.
February 1991	RNZAF Skyhawks began flying from Nowra to provide air defence support for the ADF.

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<sup>5</sup> CPD, 4 May 1983, p. 155.



*HMAS Melbourne*



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