The Menzies Government's Scheme for a Pacific Alliance and America's Response

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Abstract

This Article examines a proposal for a Pacific defence alliance broached by the first Australian Minister for External Affairs, Percy Spender, under the Menzies Government in March 1950 and US response to the proposal. It is argued that Spender proposed a Pacific alliance backed by the United States as part of Australia's adjustment to the changing balance of power in an Asian-Pacific international system, but that, in early 1950, the USA did not show any interest in ensuring the Southwest Pacific area as an integral part of the Cold War.

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On December 10, 1949 the Australian Liberal Party leader, Robert Gordon Menzies, with his County Party ally, Arthur Fadden, defeated the Chifley Labor Government in the federal elections and returned to power with 74 seats in a House of Representatives of 123. Prime Minister Menzies appointed Percy Spender as the Minister for External Affairs at the latter's request. On 9 th March 1950, in his first major address to the House of Representatives, Spender put forward a Pacific defence pact as official Australian policy and, with exceptional vigour and urgency, embarked upon the task of improving the terms of Australia's physical survival and security.

Spender's Scheme for a Pacific Pact

There were three primary factors that motivated Spender to propose a Pacific defence pact backed by the United States. The first of these was his perception of a need for Australia to adjust to the contraction of British influence and power in the

Pacific area. Spender's wish for an alliance system with the US as a supplement to the declining value of Britain's security role in the Pacific had already been shown in 1938, one year after he entered Federal Politics. On October 5 1938, in addressing the House of Representatives on foreign policy, at the time of the Munich crisis, Spender, as a private and independent member of Parliament, expressed strong doubt about the reliability of the British guarantee to Australian security:

> In view of what has taken place during the last two years, and particularly during the course of the last week, two conclusions appear to be obvious: first, that the balance of power in Europe has shifted; and secondly, that the British Government is no longer the strong force in international affairs than it formerly was. ...It is because I realise that the balance of power has shifted and the British Empire is more vulnerable now than it had been for years, that the conviction is borne in upon me that Australia must play a greater part than we have in making our Empire a stronger and more potent for peace throughout the world.[1)]

Spender continued that, by virtue of British vulnerability at the present time, the extent of the support afforded by Britain to Australia would be much less than Australia had been led to believe it would be. In the same debate, he further challenged the view that Singapore would protect Australia, questioning whether it would withstand an attack from the rear.[2)]

Being the Minister for the Army during 1940-41 and a member of the Australian Advisory War Council during 1940-45, and accordingly well aware of the steps taken to secure aid from the United States and of the wartime machinery built up for collaboration with the Americans, Spender was deeply impressed with the lessons of war in the Pacific theatre. In 1944, with war still continuing and with memories still fresh of Australia's situation following the fall of Singapore in February 1942, he wrote a small monograph entitled *Australia's Foreign Policy-The Next Phase,* in which he stated that, 'the linking of England with Australia through

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1) *Commonwealth Parliamentary Debates (CPD),* the House of Representatives (HR), Vol. 157, pp. 405-6, October 5, 1938, Statement by Spender.

2) Ibid., p. 406.

the Indian Ocean is one of the most awkward of Imperial strategic problems,' asserting that, 'geographical facts point to strategic links with the United States as one of the most important imperatives in Australian foreign policy'.[3] Traditional reliance upon Britain as the primary protector for Australia's defence, which had proved impracticable in 1942, became even less possible not only because of the British withdrawal after 1946 from India, Burma and Ceylon, but also because of the fact that Britain became more closely tied in matters of planning and strategy to her partners in NATO than to governments of British Commonwealth and, therefore, accepted the primacy in global defence of the Atlantic area. In February 1949, Spender said that, 'the future peace of the whole Pacific rested, almost entirely, upon the United States'.[4]

However, there were two other major factors that made Spender appreciate the urgency of relying upon a foreign power outside of the British Commonwealth of nations and of obtaining a security guarantee from the United States. One of these was the unstable and volatile condition of Southeast Asia. The change of Government in Australia in December 1949 was concurrent with the final success of the communist armies on the mainland of China. This success, the communist-led insurgency movements in Indo-China, Malaya, Burma, the Philippines and Thailand, the instability of Indonesia and the intensification of the Cold War in Europe made a decisive impact upon Spender's perception of the outside world and the strategies and policies which he adopted towards the region of Southeast Asia. It was apparent that Spender viewed the existence of the Chinese Communist regime within the context of a bipolar world. In his first major address to Parliament on foreign affairs on 9th March 1950, while not affirming that the success of the Chinese Communist revolution was the result of Soviet imperialism, he nonetheless argued that, 'the changes have played into the hands of the Union of Soviet Socialist Republics in its search for new satellites'.[5] Perceiving Communist China as a major threat to the peace in the regional system of Southeast Asia, the Minister for External Affairs assessed that the Communist victory in China threw the whole

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3) Sir Percy Spender, *Australia's Foreign Policy, the Next Phase*, Sydney : F. H. Booth and Sons, 1944, p. 26.

4) *CPD*, HR, Vol. 201, p. 358, February 16, 1949, Statement by Spender.

5) *CPD*, HR, Vol. 206, pp. 625-6, March 9, 1950, Statement by Spender.

political and diplomatic situation in Asia into uncertainty. By enunciating an early form of what came to be called the 'domino theory' of Communism for Southeast Asia, Spender strongly doubted that the nations of Southeast Asia could withstand communist pressures on their own without some sort of external assistance:

> Should the forces of Communism prevail and Vietnam come under the heels of Communist China, Malaya is in danger of being outflanked and it, together with Thailand, Burma, and Indonesia, will become the next direct object of further Communist activities.[6]

Although Spender's domino theory seemed to be strongly affected by the experiences of Japan's southward drive during World War II, it nonetheless represented a genuine fear arising from his perception of the nature of Communism. Deeply influenced by a monolithic perception of Communism, Spender was unreceptive to the view that, in some countries of Southeast Asia, the communist appeal was not based on world revolution but on local nationalism and anti-Western feeling.[7]

With a strong sense of national insecurity and of increasing regional sensitivity, Spender conceived of two methods for the stabilisation of Australia's security environment. The first of these was the economic aid and assistance proposals for Southeast Asia by the British Commonwealth of nations, in anticipation of United States participation. Spender's scheme for consolidating the economies of the independent states of Southeast Asia and for assisting them to develop the means of defending themselves had been presented and adopted in the form of the Colombo Plan, initially called the Spender Plan, at the British Commonwealth Foreign Ministers Conference in Colombo in January 1950.[8] However, the Colombo Plan was

6) Ibid., p. 627.

7) Malcolm Booker, *The Last Domino: the Aspects of Australia's Foreign Relations*, Melbourne: Sun Books, 1976, p. 132.

8) The British Commonwealth Foreign Ministers Conference (Colombo Conference) was held from January 9 to 14, 1950. The Conference decided to establish a permanent Consultative Committee to review the short and long-term economic problems of Asian countries. This Committee held its first meeting in May 1950 at Sydney, where it made several recommendations which set the pattern for the future organization of foreign aid. Of these, the most important were that Asian Commonwealth countries should draw up six-year public authority developmental programs to begin from July 1 1951; that the non-Common-

basically a long-term measure for ameliorating conditions which were conducive to the spread of Communism. Events in Asia could move too quickly to allow time for economic and political measures alone to take effect. It was therefore secondly considered by Spender as a more immediate effective means that a defensive military agreement should be created in the area consisting of nations with a vital interest in the stability of Asia and the Pacific and with the capability of undertaking military commitments. Particularly viewing America as the country with the greatest countervailing strength to resist the pressure of Communism, he thought that any regional security pact could not acquire military credibility unless it linked up with American military strength. This was shown in his speech of March 9 1950:

> The security of Australia, and with it, our prosperity and our freedom to pursue our way of life is, of course, what is uppermost in our minds when we determine the form and direction of foreign policy. The cultivation of friendly relations with our neighbours and with like-minded countries everywhere in the world has as its ultimate objective the protection of Australia against aggression from any quarter and in any guise. ... It is therefore desirable that all Governments who are directly interested in the preservation of peace throughout South and South East Asia and in the advancement of human welfare under the democratic system should consider immediately whether some form of regional pact for common defence is a practical possibility. ... What I envisage is a defensive military arrangement having as its basis a firm agreement between the countries that have a vital interest in the stability of Asia and the Pacific, and which are at the same time capable of undertaking military commitments. I would like to think that Australia, the United

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wealth countries of South and South East Asia should be invited to do so; and that a Bureau of Technical Cooperation should be established at Colombo. At a further meeting of the committee held in London in September 1950, the definitive Colombo Plan was drawn up. It was to operate in two distinct but related parts: the Economic Development Program and the Technical Cooperation Scheme. For an account of the origins and development of the Colombo Plan, see Sir Percy Spender, *Exercises in Diplomacy: the ANZUS Treaty and the Colombo Plan*, New York: New York University Press, 1969, pp. 191 – 294. For a recent study of the origins of the Colombo Plan through the use of Australian archives, see David M. Lowe, 'Spender and the Colombo Plan, 1950', *Australian Journal of Politics and History*, Vol. 40, No. 2 (September 1994), pp. 162 – 76.

> Kingdom, and I fervently hope such other Commonwealth countries as might wish to do so should be given the opportunity of associating themselves with it, providing, as I have said, they are capable of contributing military commitments. I have in mind particularly the United States of America, whose participation would give such a pact substance that it would otherwise lack. Indeed, it would be rather meaningless without her.[9]

Spender's quest for the incorporation of Australia within the powerful ambit of American influence also stemmed from the uncertainties in Northeast Asia. Possible danger which would flow from a rearmed Japan was one of factors which compelled Spender forward in his search for some effective security arrangement with the United States. Unlike the preceding Labor Government, the Liberal-Country coalition Government in early 1950 certainly appeared unwilling to place the problem of a Japanese peace settlement above the Cold War and to allow its stance towards Japan to disrupt a probable general improvement in Australia's relations with the United States. In fact, by appreciating the disadvantage of the concept of making Japan a permanent passive captive in an Asian-Pacific international system strictly based upon wartime agreements of the Second World War, the Departments of External Affairs and Defence indicated their willingness to accept an American plan for making Japan an anti-Communist bulwark in the Far East. In a memorandum dated April 20 and 27, prepared for the British Commonwealth Working Party in May,[10] the Joint Planning Committee (JPC) of the Department of Defence[11] assessed as follows the strategic importance of the Japanese islands to the Western powers:

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9) *CPD*, HR, Vol. 206, pp. 629 - 30, March 9, 1950; and *CNIA*, Vol. 21, pp. 163 -4, March 9, 1950, Statement by Spender.

10) A conference for the British Commonwealth Working Party on the issue of a Japanese peace treaty was held in London from May 1 to 17, 1950. The object of the conference was to consider the details of the terms of a peace settlement. The decision to establish the Working Party had been made at the suggestion of British Foreign Secretary, Ernest Bevin, at the Colombo Conference in January 1950.

11) The Joint Planning Committee consisted of three service representatives of rank Colonel or equivalent and worked directly to the Defence Committee. Members of the JPC were Colonel J. G. N. Wilton, Director of Military and Operations and Plans, Captain Alan McNicol, Deputy Chief of the Naval Staff and Group Captain, A. M. Murdoch, Director of Air Staff Plans and Policy.

In war, the need to maintain sea and air communication and to conduct a strategic bombing offensive against the mainland of Asia will necessitate the use of bases over a wide area, including the Ryukyus and the Japanese islands themselves.[12]

The Departments of External Affairs and Defence also acknowledged that, if Japan were to be drawn into the Communist orbit and its large industrial potentialities were added to the strength of Russia and China, the consequent shift in the balance of power would be disastrous for all free world nations including Australia. Accordingly, the view was entertained by these Departments that Japan's external security in the post-treaty period should be taken care of by a bilateral US-Japan base arrangement, whereby the US should retain bases and troops in Japan, and by United States strategic trusteeship over the Ryukyu islands.[13] With regard to the internal security of Japan, they also permitted the creation of an adequate but strictly defined Japanese police force and of a coast guard service.[14]

However, even if the Conservative Menzies Government saw a vital interest in keeping Japan out of Communist hands, and the consequent need to create the means to ensure Japan's external and internal security against Communism, it was nevertheless strongly opposed to America's probable scheme for Japan's status as an active participant in the Cold War with the revitalisation of Japanese military power. Although the Joint Planning Committee, on the basis of a British Chiefs of Staff memorandum of December 1949 circulated to Australia at the Colombo Conference of January 1950, proposed partial Japanese rearmament by permitting 'Japan to raise an army under US supervision,'[15] the Defence Committee, the final

12) Minute No. 52 by the Defence Committee, April 20 and 27, 1950, *Australian Archives (AA)*, A 5954/1, 1819/5.

13) Brief for the Australian Delegation to the London Working Party on a Japanese Peace Settlemen. May 1950, *AA*, A 1838/2, 540/2, part 1 ; and Minute No. 52 by the Defence Committee, April 20 and 27, 1950, *AA*, A 5954/1, 1819/1.

14) Ibid.

15) Minute No. 52 by the Defence Committee, April 20 and 27, 1950, *AA*, A 5954/1, 1819/1. In December 1949, the British Joint Chiefs of Staff drew up a memorandum on a peace treaty with Japan, in which they expressed the desirability for Japan to create a 200,000 Japanese army for its own national security. See Yoichi Kibata, Tainichi Kowa to Igirisu no Asia Seisaku (The Japanese Peace Settlement and Britain's Asian Policy), in Akio Watanabe and Seigen Miyasato (eds.), *San Francisco Kowa (The San Francisco Peace Settlement)*, Tokyo : Todai Shuppan, 1986, pp. 167 -9.

decision-making body in the Australian Defence Department[16] and External Affairs were unwilling to accept the reactivation of Japanese armed forces.[17] To keep Japan from revitalising its own military power, External Affairs insisted that a peace treaty should include the comprehensive substance of the Far Eastern Commission policy directives, which totally prohibited any military activity of the Japanese, including the creation of a military organization, the production of military equipment and the stockpiling of strategic materials, etc.[18]

It was apparent that the Australian assertion of the need for rigid security control over Japan was motivated by a political consideration more directly related to Australia's domestic situation. Even in early 1950, in spite of the aggressiveness of Soviet Communism in Europe and the growing Communist pressures in Southeast Asia, the public in Australia still viewed Japan as a primary threat and were deeply preoccupied with a possible re-emergence of Japan as a military power. In the Australian Gallup Poll conducted in May/June 1949, whereas 48% of the public had backed up the concept of using and strengthening West Germany as a barrier against Russia, only 22% of the public had, on the other hand, supported. the idea of using Japan as an ally against Communism, and the rest had expressed strong concern to maintain Japan's impotence and to keep her under close surveillance.[19] In the Australian Gallup Poll conducted in February/March 1950, by listing Japan's treatment of war prisoners during World War II, 56% of the public strongly opposed Japan's participation in the Melbourne Olympic Games to be held in 1956, showing the retention of their feeling of horror and indignation about Japan.[20]

16) The Defence Committee was made up of Air Marshall G. Jones, Chief of Air Staff, Rear Admiral Sir John Collins, Chief of Naval Staff, Lieutenant-General S. F. Rovwell, Chief of General Staff, and F. O. Chilton representing the Secretary of the Defence Department.

17) Brief for the Australian Delegation to the London Working Party on a Japanese Peace Settlement, May 1950, *AA*, A 1838/2, 540/ 2 /1, part 1 ; and The Pacific Division of the Department of External Affairs to Spender, May 4, 1950, *AA*, A 1838/2, 540/ 211.

18) Brief for the Australian Delegation to the London Working Party on a Japanese Peace Settlement, May 1950, *AA*, A 1838/2, 540/ 2 /1, part 1. For a detailed account of the Far Eastern Commission policy directives see Far Eastern Commission, *Activities of the Far Eastern Commission: Report by the Secretary General, February 26 1946–July 10 1947*, Washington D. C.: Government Printing Office, 1947, pp. 49 – 56 ; and Far Eastern Commission, *Activities of the Far Eastern Commission: Second Report by the Secretary General, July 10 1947–December 23 1948*, Washington D. C.: Government Printing Office, 1949, pp. 25 – 30.

19) *Australian Gallup Poll*, May/June 1949.

20) Ibid., February/March 1950.

US Response to Spender's Proposal

In early 1950, America's response to Spender's proposed Pacific pact was very negative and cautious within the general context of the Cold War. Although Spender's speech of March 9 th undoubtedly impressed upon the State Department keener appreciation by the Menzies Government of dangers to Australian security attendant upon communist advances in Asia, the concentration of Australia's diplomatic interest upon Southeast Asia[21] and the strong need felt by Australia for strategic dependence upon the USA as a dominant Pacific power,[22] it nonetheless did not automatically overcome America's misgivings about the wisdom of a Pacific alliance. Not having delineated clearly Southeast Asia and the Southwest Pacific as an integral theatre of the Cold War, the Truman Administration in early 1950 was both reluctant to intrude into the traditional domain of the Western colonial powers and to disturb existing power relationships in those regions. This had been set forth in a famous speech by Secretary of State Dean Acheson to the National Press Cub in Washington on January 10 1950. By showing in the speech that America's Far Eastern policies revolved around its outer-defence perimeter running from the Aleutians through Japan and the Ryukyus to the Philippines, Acheson implicitly stressed that the emphasis in America's strategic priority in the Pacific was placed north of the Equator, and that the Asian mainland states and the regional states south of the Equator were not the subject of America's defence commitment.[23]

Although the Acheson speech was partly aimed at publicising America's determination to minimise further involvement in China's civil war, it was also intended to reveal the essence of official US Asian-Pacific policies; embodied in the National Security Council (NSC) resolution 48/2. NSC 48/2, which had been approved by President Truman on December 30 1949, was buttressed by the realistic and modest American concept of the limited containment of Soviet Russia and of espousing the cause of non-Communist nationalism.[24] In order to check the spread of

21) Department of State Policy Statement, April 21, 1950, *The Foreign Relations of the United States (FRUS)*, 1950, Vol. VI, pp. 65-7.

22) Jarman to Acheson, March 24, 1950, *FRUS*, 1950, Vol. VI, pp. 65-7.

23) *Department of State Bulletin*, Vol. 22, No. 551, January 16, 1950, p. 116.

24) Report to the President by the NSC, December 30, 1949, *FRUS*, 1949, Vol. VII, part 2, pp. 121520. For an account of the bureaucratic infighting in Washington in formulating NSC

Soviet Communism, and faced with the emergence of Communist-controlled China, there was indeed a need for improving the US power position in the Pacific Ocean. The policy paper, however, admonished against the isolation of Communist China in the international community by paving the way for her trade relations with the Western world and for the ultimate recognition by the USA of her regime as a legitimate Government. NSC 48/2 also placed the Truman Administration on record against defending Formosa or sustaining anti-Communist forces within China, although it acknowledged some 'diplomatic and economic' aid to the island might continue.[25] Referring to Southeast Asia, there was certainly some recognition of the problem arising from the juxtaposition of Communist-controlled China with the semi-colonial economy of the area, and, in effect, the NSC staff expressed some anxiety about the repercussions that the success of the Chinese Communists would have on Southeast Asian states. But basically viewing the major tasks facing those states as their nationalist struggle against colonialism rather than that against Communism, the United States doubted the appropriateness of coercing those states into mobilisation for the resistance to Communist encroachment. 'Any regional association of non-communist states,' the NSC paper stated,

> must be the result of a genuine desire on the part of the participating nations to cooperate for mutual benefit in solving the political, economic, social and cultural problems of the area. The United States must not take such an active part in the early stages of the formation of such an association that it will be subject to the charge of using the Asiatic nations to further United State ambitions.[26]

Fearing the repetition of the fiasco of US China policy and of being exposed to a charge of imperialism by its association with the Western colonial powers, America

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48/2, see Michael Schaller, *The American Occupation of Japan: the Origins of the Cold War in Asia*, Oxford: Oxford University Press, 1985, pp. 195-211; Robert M. Plum, *Drawing the Line: the Origin of the American Containment Policy in East Asia*, New York: W. W. Norton and Co., 1982, pp. 160-97; and J. L. Gaddis, Strategy of Containment: a Critical Appraisal of Postwar National Security Policy, New York: Oxford University Press, 1982, pp. 61-2.

25) Ibid.

26) Ibid.

was unwilling to supply strong leadership adequate to remedy existing conditions in Southeast Asia.

With the policy-line towards the Far East backed by a clear recognition of national priorities and by the principle of discriminate power application, it was apparent that the Truman Administration did not at all take a favorable view of the Australian proposal for a Pacific pact. Whereas Spender's concept of a Pacific alliance was viewed by hawkish American Republican members as a means of strengthening America's hard-line policies towards the Far East and, in fact, led to a renewed advocacy by Senator William Knowland of California of an anti-communist pact in Asia on March 17 1950,[27] the US Government did not recognise any strategic value placed upon the formation of a military alliance with Australia in the Cold War and, still less, any willingness to assume a balancing role in the maintenance of security in the Southwest Pacific.

Being interviewed by Owen Davis, first secretary of the Australian Embassy in Washington on March 21, Walton Butterworth, Assistant Secretary of State for Far Eastern Affairs, sympathised fully Spender's proposed pact, but he strongly questioned the 'indigenous' capabilities on the part of Asian-Pacific states to operate a collective security treaty and to band together in a common resistance against Russian expansion.[28] Although Butterworth himself, since the end of 1949, had been attracting increasing attack from the opponents of the US China policy because of his career as General Marshall's chief assistant in China during the Marshall Mission of December 1945-January 1947,[29] he nonetheless did not show in this meeting any idea or wish to use a Pacific alliance proposal as a political instrument for parrying strong attacks from Senator Joseph McCarthy and other Republican members for being soft on Communism in Asia. In a telegram of April 19 sent to Pete Jarman, American Ambassador to Australia, Acheson, while appreciating the supportive

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27) As one of the China bloc of orthodox Republicans and chairman of the Republican Policy Committee, Senator Knowland urged the conclusion of a defence pact between the US, Australia, the Philippines, Nationalist China, Indonesia and other Southeast Asian states on March 2, and again broached a similar concept on March 17. See *Canberra Times*, March 18, 1950.

28) Acheson to Jarman, March 21, 1950, *FRUS*, 1950, Vol. VI, pp. 63-5.

29) Dean G. Acheson, *Present at the Creation: My Years in the State Department*, New York: W. W. Norton and Co., 1969, p. 431.

stance expressed by Spender towards Australia's relations with the USA, and welcoming his initiative in the Colombo Plan, stressed that the first consideration, before any development of a military alliance in Southeast Asia, was to foster regional consciousness and to improve economic and internal security conditions.[30] In Acheson's view, the major arena of great power conflict was still Europe, and the nature of threat was different between Europe and Asia. In the Atlantic, the threat was military ; in the Pacific, it was political and psychological. His hope in Asia was therefore to refurbish America's image as the 'successful' decoloniser by using the economic largesse of 75 million dollars programmed in NSC 48/2 to promote political stability in the new nations of Southeast Asia.[31]

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The Menzies Government took over power from the Labor Government with a stronger sense of vulnerability to external threats and of inadequacy in dealing with the external environment with its own resources. Not only intended as the adjustment by Australia to the contraction of the British power and influence in the Pacific area, Spender's proposal for a military alliance with America was basically aimed at complementing the available resources of Australia capable of being mobilised in meeting threats posed by growing Communist expansion and a resurgence of Japan as a military power. His proposed Pact was both part of Australia's policy of keeping the area of Southeast Asia from being brought under the dominance of a Chinese power and part of its policy of devising restraints against renewed Japanese ambitions. In early 1950, Spender, however, could not make any progress on the matter of a Pacific pact because of US reluctance to dusturb existing power relationships in Asia and the Pacific. The USA had no desire whatever to intrude into traditional domains of Western colonial powers in Southeast Asia and the Southwest Pacific and, still less, to substitute roles of those powers for an American role in those regions. However, later events, particularly

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30) Acheson to Jarman, April 19, 1950, *FRUS*, 1950, Vol. VI, pp. 81–3.

31) The Delegation at the Tripartite Preparatory Meetings to Acheson, May 4, 1950, *FRUS*, 1950, Vol. III, pp. 961–4 ; and David S. McLellan, *Dean Acheson: the Stare Department Years*, New York : Dodd, Mood and Co., 1976, pp. 252–5.

the Korean War and the Japanese peace settlement, would provide Spender with an opportunity to promote a Pacific defence alliance with America, and eventually Australia would obtain a long-term security guarantee from the USA for her defence in the form of the ANZUS security treaty, ANZUS certainly marked the culmination of Australia's long-standing endeavours to adapt herself to the declining British security role in Asia and the Pacific.