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The interwar setting and Australia's strategic outlook, 1921–31

Britain and its allies emerged victorious from World War I. In the course of this war for empire, Britain's greatest imperial rivals, Germany and wartime ally Russia, had either been defeated or collapsed, seemingly securing British power against future challenges. At first glance, this appeared unquestionable: the British Empire encompassed the largest population, territory and armed forces globally, while its access to natural resources was unmatched, positioning it for continued industrial growth. In reality, British power was in decline, both relative to the rising powers of Japan and the US and absolutely, as the nation struggled with imperial overstretch and the immense cost of global war.¹

Leading voices in Australian foreign and defence history have argued that Australia accepted the international arrangements made following the war as an adequate system for maintaining peace and, through either arrogance or ignorance, overlooked Britain's waning capabilities. Neville Meaney, for instance, writes of a 'cold war' with Japan that came to an end with the 1921–22 Washington Naval Conference and the commencement of construction of the Singapore Naval Base in 1923—the cornerstone of imperial defence planning in the Far East. This attitude ushered in an era of relative complacency in Australia's international outlook that

¹ Paul Kennedy, *The Rise and Fall of British Naval Mastery* (London: A. Lane, 1976), 267–8; John Darwin, *The Empire Project: The Rise and Fall of the British World System, 1830–1970* (Cambridge, UK: Cambridge University Press, 2009), 305–8, 324–5, 357–9.

remained in force until the outbreak of World War II.² Rather than Australia being the parochial nation that had ‘few ideas and policies of its own’ and indiscriminately followed British directives, key individuals were, in fact, hesitant to accept the postwar systems for maintaining peace.³ Granted, Australia was slow to act on these concerns and, when it did act, it tended to vocalise its fears rather than form a distinct policy. Nevertheless, the nation’s policymakers were carefully considering the changing power dynamic in the Pacific and the capacity of Britain and its imperial machinery to protect Australia’s distinct interests.

The old power and the rising powers

Britain’s financial and industrial situation following the war was critical in the shifting balance of world power. World War I was an immensely expensive undertaking for Britain. During the long years of total war, Britain came to rely on US markets for food, raw materials and machinery. The US required little in return, resulting in an enormous British balance-of-payments deficit as the government was forced to borrow dollars. For the financial year 1918–19, British national debt reached 127 per cent of gross domestic product (GDP).⁴ Although British debt had reached this level before, in the postwar world, the difference was that now the US was the world’s largest manufacturing economy and largest creditor nation.⁵ The City of London was no longer the economic and financial centre of the world.⁶

Along with the immediate financial cost of war, there was the human cost and its economic implications. More than 700,000 British men were killed during the war—approximately 9 per cent of the British male population

2 Meaney, *A History of Australian Defence and Foreign Policy 1901–23*, vol. 2, 492–500, 512–14. See also David Day, *The Great Betrayal: Britain, Australia and the Onset of the Pacific War, 1939–42* (Melbourne: Oxford University Press, 1992), 1–16.

3 Eric M. Andrews, *Isolationism and Appeasement in Australia: Reactions to the European Crisis, 1935–1939* (Canberra: Australian National University Press, 1970), 25.

4 B.R. Mitchell, *British Historical Statistics* (Cambridge, UK: Cambridge University Press, 1988), 600–3. This compared with a national debt of 24 per cent of GDP in the 1913–14 financial year.

5 At the turn of the twentieth century, Britain represented 23.6 per cent of the relative share of world manufacturing output, compared with the United States’ 18.5 per cent. Only two decades earlier, the US was responsible for 22.9 per cent of world manufacturing and Britain 14.7 per cent. P. Bairoch, ‘International Industrialisation Levels from 1750–1980’, *Journal of European Economic History* 11 (1982): 269–333, at pp. 296, 304.

6 Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (London: Fontana Press, 1988), 346, 353, 363; Darwin, *The Empire Project*, 323, 326–8.

under the age of 45—and many more had been wounded.⁷ The financial cost of the war combined with the loss of so many men of working age greatly reduced Britain's potential productivity. Its share of world trade declined accordingly, falling from 14.15 per cent to 10.75 per cent between 1913 and 1929.⁸ The British industrial machine, 'the very heart of British power', Correlli Barnett wrote, 'beat slow and weak'.⁹

In the face of immense debt and an economy under strain, the British government struggled to preserve its economic capacity to manage a two-power standard naval fleet. Following the 1919 peace settlement in Paris, the British government adopted the view that the nation would not be engaged in a major conflict for at least the next decade and should accordingly economise (the 10-year rule). Defence expenditure was informed by the 10-year rule, prompting the widespread cancellation of defence construction contracts and the rapid deceleration of defence expenditure.¹⁰ While it is not unexpected that a nation at peace would reduce its defence expenditure, the rate at which Britain did so was unprecedented. Within five years of the war's end, British defence expenditure as a percentage of GDP had fallen below prewar levels, and it continued to fall until 1936, when Germany's reoccupation of the Rhineland made clear the need for rearmament in earnest.¹¹

In contrast with the British experience, Japan and the US emerged from the war as significant rising powers. In addition to financial and economic developments, the United States' participation in the war and peacemaking process was symbolically significant. Having entered the war in the late and critical stages, the US was seen by many as the Allies' saviour. For instance, Australian Prime Minister William Morris Hughes described America's entrance into the war as 'an inspiration' and 'the most dramatic and important event ... of the war'.¹² While the US ultimately did not join the League of Nations—the new organisation responsible for maintaining international peace—US President Woodrow Wilson's vision for the postwar world was instrumental in the league's

7 *Statistics of the Military Effort of the British Empire During the Great War 1914–1920* (London: His Majesty's Stationery Office, 1922), 237–9. This figure represents those killed in action, those who died of their wounds or as prisoners of war and those missing and presumed dead.

8 Kennedy, *The Rise and Fall of British Naval Mastery*, 269.

9 Correlli Barnett, *The Collapse of British Power* (London: Eyre Methuen, 1972), 269.

10 Kennedy, *The Rise and Fall of British Naval Mastery*, 323–5.

11 In 1914, British defence expenditure was 3.21 per cent of GDP; in 1924, this had fallen to 2.9 per cent. Mitchell, *British Historical Statistics*, 590–1.

12 'Australia to Have a Monroe Doctrine', *The New York Times*, 1 June 1918, 9.

conception and establishment.¹³ With Germany defeated and Russia having collapsed in the wake of the November 1917 Bolshevik revolution, Japan emerged from World War I with the third-largest navy in the world and as a dominant power in the waters of the North Pacific. As had been the case for the US, the demands of global war had boosted Japan's industrialisation. The nation's shipbuilding output, for instance, increased from 85,000 tonnes to 650,000 tonnes between 1914 and 1919. Japan also emerged from the war a major creditor nation, having made loans to allies the UK, France and Russia.¹⁴

Australia was aware of the growing significance of Japan and the US and the importance of securing cordial relations with them; however, recent relations with the two nations were complex. Japan had entered the war in August 1914 on the consensus that the Imperial Japanese Navy (IJN) would escort Allied flotillas in the Indian and Pacific oceans and capture German territories in the East and South China seas. The IJN quickly extended operations, capturing Germany's North Pacific territories (the Marshall, Mariana and Caroline islands) by the end of 1914. Australia, due to its strategic isolation and overtly racialised suspicions, saw in Japan's territorial advances the accumulation of strategic points from which to launch a policy of aggressive southward expansion, with possible designs on Australia.¹⁵

Throughout the war, the nation's policymakers had been candid about their expectation that Australia would be granted direct control of New Guinea and the adjacent islands—lands described by Hughes as 'natural bastions' in the defence of advances from the north towards the Australian continent.¹⁶ Given the US anticipated an Asia-Pacific power struggle between itself and Japan, Australia saw in this shared suspicion of Japan an opportunity for cooperation and sought support from the US in its regional endeavours. In mid-1918, Hughes visited the US and, in a series of meetings and speeches, called on the US to cooperate with Australia in ensuring postwar security in the Far East. According to Hughes, the potential for islands 'within striking distance' of Australia to be possessed by an unfriendly power 'means that our country must

13 For Wilson's postwar world vision, see Thomas J. Knock, *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (Princeton, NJ: Princeton University Press, 1995).

14 Kennedy, *The Rise and Fall of the Great Powers*, 386.

15 Meaney, *A History of Australian Defence and Foreign Policy 1901–23*, vol. 2, 248–55.

16 'William Hughes, "Australia and the Pacific Island Memorandum", 6 February 1919', Papers of John Latham, NLA: MS 1009/19/1342.

always sleep with the sword half drawn'. If Australia's security was to be guaranteed, the nation needed local hegemony—'an Australian Monroe Doctrine in the Southern Pacific'. Hughes presented peacemaking as an opportunity for pre-emptive action against future 'predatory designs' on the region, calling on the US 'to stand by [Australia] around the peace tables', supporting the nation's claim to Germany's former South Pacific territories.¹⁷

Hughes was ultimately unsuccessful in gaining US support. At the Paris Peace Conference, Wilson, an idealistic anti-imperialist committed to gradual self-governance, and Hughes, a pragmatist and fierce patriot resolved to see Australia annex the South Pacific territories, clashed and the question of the Pacific territories threatened to derail the conference.¹⁸ The solution was a compromise on Wilson's original mandate proposal. Three classes of mandates (A, B and C) were awarded. The C-class mandates in the Pacific were considered the furthest from self-government and 'best administered under the laws of the Mandatory as integral portions of its territory'.¹⁹ Australia was granted a C-class mandate over New Guinea and a joint British Empire mandate over Nauru. Japan was granted a C-class mandate over the Marshall, Mariana and Caroline islands. While these mandated territories could not be fortified, Australia was granted a large measure of administrative oversight, including control of immigration, tariffs and navigation. The Japanese delegation's insistence on freedom of entry and residence in the C-class mandates—a position that was not abandoned until late 1920—coupled with their failed attempt to include a racial equality clause in the League of Nations' covenant, galvanised for Australia the risk of Japanese expansion in the Far East and the value of immigration restrictions afforded by the mandate system.²⁰

17 'Australia to Have a Monroe Doctrine', *The New York Times*. The Monroe Doctrine (1823) stipulated that the Western Hemisphere was the United States' sphere of interest and attempts by European powers to colonise or extend influence in this area would not be tolerated.

18 Carl Bridge, *William Hughes: Australia* (London: Haus, 2011), 77–81.

19 'Peace Treaty of Versailles, 28 June, 1919: Articles 1–30 and Annex—The Covenant of the League of Nations', *The World War I Document Archive*, available from: net.lib.byu.edu/~rdh7/wwi/versal/versal.html.

20 David Lee, 'Sir John Latham and the League of Nations', in *League of Nations: Histories, Legacies and Impact*, eds Joy Damousi and Patricia O'Brien (Melbourne: Melbourne University Press, 2018), 86–91; Bridge, *William Hughes*, 83–6; 'Premier Hughes Denounces Racial Equality Amendment', *The Gazette Times* [Pittsburgh], 28 March 1919, 2; 'Draft, Covenant of the League of Nations, 10 January 1919', cited in N. Shimazu, *Japan, Race and Equality: The Racial Equality Proposal of 1919* (London: Routledge, 1998), 20.

Although Australia made small victories in Paris, the nation's strategic outlook remained uncertain. Japan's postwar position was a strong one and, in the course of the peace negotiations, it had become apparent that Australia could not rely on US support in its search for regional security. Hughes resented Wilson and his idealistic '14 points' on which peace had been negotiated. On his return from Paris, he informed the House of Representatives: 'I have always held that that was an error, of judgement, if you like, for by those fourteen points adopted as the basis of peace, none of those things which Australia had fought for was guaranteed.'²¹ This resentment added to Australia's doubts about the League of Nations' capacity to maintain global order.²² The United States' unreliability as a leader and strategic ally for Australia was further underscored as the nation's foreign policy became increasingly isolationist. Despite Wilson's enthusiastic support for the league, Republican senators opposed membership and blocked the necessary legislation. These men feared league membership would draw the US into international affairs and further conflict—a sentiment captured in prominent Republican Senator William Borah's assessment that 'political pacts foment war, they do not augment peace'.²³ Britain accordingly remained Australia's sole protector and the nation's policymakers viewed the immediate region and the systems for global peace with uncertainty.

The end of the Anglo-Japanese alliance

Australia's general sense of insecurity was heightened by changes in the arrangements for peace and alliance in the Asia-Pacific region. In 1902, Britain and Japan had signed an alliance in response to Russia's expanding power in the Asia-Pacific region. The Anglo-Japanese Alliance was renewed in 1905 and again in 1911. The future of the alliance first came under question in 1919, as it was due to expire in 1921. With the League of Nations now present to manage international peace, security alliances such as that between Britain and Japan were seen as not only

21 *Commonwealth Parliamentary Debates: House of Representatives* [hereinafter *CPD: Representatives*], 10 September 1919, No. 37 (Canberra: AGPS, 1919), 12167–8.

22 David Lee, *Australia and the World in the Twentieth Century: International Relations Since Federation* (Melbourne: Circa, 2006), 38–9.

23 Glenn P. Hasted, *American Foreign Policy: Past, Present, Future* (Upper Saddle River, NJ: Pearson Education Inc., 2006), 37, 41; *Congressional Record*, 67th Congress, 2nd Session (Washington, DC: The United States Congress, 1923), 4075.

unnecessary, but also incongruent to the spirit of peace.²⁴ The situation was complicated by the US. As two rising powers bordering on the Pacific Ocean, Japanese–US relations had become increasingly tense in the postwar years. The US government's fear was that, as the Anglo-Japanese Alliance did not explicitly exclude conflict with the US, Japan may take this to mean that aggression towards the nation was viable, implicating Britain and its empire in such a conflict.²⁵ Alongside mounting Japanese–US tension, both nations' naval expenditure continued to increase.²⁶ Hughes remarked on this tension and militarisation in an April 1921 statement in the Australian House of Representatives:

We read almost every day of disturbing rumours of great navies, the world longing for peace resounds with the clanging of hammers, nations fervently building more and more war ships, and there is rivalry openly expressed between those two great nations, the United States of America and Japan.²⁷

If not addressed, there was the risk this rivalry would develop into an arms race at sea. From the perspective of the UK government, which was seeking to reduce its defence expenditure, there was concern this arms race would see Japan or, more probably, the US outflank the Royal Navy (RN).²⁸

The first postwar Imperial Conference was held in mid-1921, and the future of the Anglo-Japanese Alliance dominated discussion in the months leading up to and during the conference. Australia, represented at the conference by Hughes, was anxious to see the alliance renewed. The alliance not only ensured that, through Britain, Australia and Japan shared an ally, but it also provided diplomatic leverage with which to constrain potential Japanese expansion.²⁹ Hughes, who was 'obsessed with the future threat of Japan', addressed the strategic consideration of the alliance in a statement at the Imperial Conference:³⁰

24 Jaroslav Valkoun, 'Great Britain, the Dominions and Their Position On Japan in the 1920s and Early 1930s', *Prague Papers on the History of International Relations* 2 (2017): 32–46, at pp. 32–3.

25 Frederic Eggleston, 'Washington and After: An Australian View', *The Nineteenth Century and After* 92 (1922): 455–65, at pp. 458–9.

26 Darwin, *The Empire Project*, 366–7.

27 CPD: *Representatives*, 7 April 1921, Vol. 94, 7267.

28 Darwin, *The Empire Project*, 367.

29 Bell, *Dependent Ally*, 10.

30 James Cotton, 'William Morris Hughes, Empire and Nationalism: The Legacy of the First World War', *Australian Historical Studies* 46, no. 1 (2016): 100–18, at p. 105.

Should we not be in a better position to exercise greater influence over the Eastern policy [of Japan] as an Ally of that great Eastern power, than as her potential enemy? Now, if Japan is excluded from the family of great Western nations—and mark, to turn our back on the Treaty is certainly to exclude Japan—she will be isolated, her national pride wounded in its most tender spot.³¹

The Australian government was also mindful of the United States' growing influence, in spite of its isolationist foreign policy, and the importance of fostering friendly relations. Hughes accordingly supported the proposition that had emerged in the lead-up to the conference of a reworded Anglo-Japanese alliance that would 'guard against even the suspicion of hostility or unfriendliness to the United States'.³² Accommodating the US in the alliance would ensure the rising power remained content and, although not explicitly stated, strengthen the diplomatic leverage the alliance had over a potentially disruptive Japan.

While Australia, the UK and New Zealand supported renewing an amended Anglo-Japanese alliance, Canada and South Africa steadfastly opposed its renewal. With the Imperial Conference set to close with no decision made, US President Warren Harding invited the principal naval powers to Washington to discuss naval disarmament and the future of Far Eastern peace.³³

The Washington treaties

The Washington Naval Conference, held between November 1921 and February 1922, was the first US-led international gathering. This signalled an assertion of its influence in the Asia-Pacific region, albeit not backed by a complete regional policy. British public servants acknowledged the shifting distribution of power in the postwar world, evidenced in a memorandum compiled by an officer from the British Consul-General in New York that was circulated among the dominions in preparation for the conference. 'Great Britain must acknowledge,' according to the memorandum, 'the naval superiority of the United States in the Pacific. Australia, New Zealand

31 *Imperial Conference of Prime Ministers and Representatives of the United Kingdom, the Dominions and India Held in June, July and August 1921: Summary of Proceedings and Documents* (London: J.J. Keliher & Co. for His Majesty's Stationery Office, 1921), 19.

32 *ibid.*, 19.

33 Valkoun, 'Great Britain, the Dominions and Their Position On Japan in the 1920s and Early 1930s', 37–8.

and Canada must recognise the ground of common interest with the United States and look to this country for protection rather than to Great Britain.’ The US was viewed not as a challenger; rather, the nation’s rise presented the opportunity for a ‘great union of the English-speaking peoples of the world bound ... by common language, common institutions and by common customs’.³⁴ Although this document presents the personal view of a mere consular officer rather than that of the British government, it remains significant as an open acknowledgement that Britain’s power in the Far East was indeed abating.

Although the British government had initially supported the renewal of the Anglo-Japanese Alliance, pressure from within the Cabinet gradually forced the conclusion that closer relations with Washington would better serve the national interest than the renewal of the alliance.³⁵ The Anglo-Japanese Alliance was terminated and the Four-Power Treaty—comprising the British Empire, France, Japan and the US—was its replacement. The signatories agreed to maintain the status quo in the Pacific. If a conflict did emerge, the four nations were not obliged to provide military aid to another and the Four-Power Treaty framework would exist for discussion and, in theory, a resolution.³⁶

The second and complementary treaty signed at the Washington conference was the Five-Power Treaty, a naval disarmament agreement between the British Empire, France, Italy, Japan and the US. The treaty stipulated new limits on the tonnage of capital ships, established a 10-year holiday on capital shipbuilding and required that no new naval bases were constructed or existing bases expanded. The new tonnage limitations restricted Britain and the US to 525,000 tonnes, Japan to 315,000 tonnes and Italy and France to 175,000 tonnes.³⁷

34 ‘American Policy in the Far East, Memorandum, British Consul-General in New York to Foreign Office, 16 June 1921’, in ‘Governor-General: Correspondence and printed matter arranged according to subject (“Special Portfolio”), 1888–1936’, National Archives of Australia [hereinafter NAA], Canberra: A6661, 1405.

35 Antony Best, ‘The “Ghost” of the Anglo-Japanese Alliance: An Examination into Historical Myth-Making’, *The Historical Journal* 49, no. 3 (2006): 811–31, at pp. 817–18.

36 ‘Doc. 15, Treaty between the US, the British Empire, France, and Japan, 13 December 1921’, in Joseph V. Fuller (ed.), *Papers Relating to the Foreign Relations of the United States 1922, Volume I* (Washington, DC: US Government Printing Office, 1938).

37 ‘Doc. 77, Treaty between the US, the British Empire, France, Italy, and Japan, 6 February 1922’, in Fuller, *Papers Relating to the Foreign Relations of the United States 1922*. The construction of new British and US bases in Singapore and the Philippines, respectively, was allowed to go ahead as they had already been planned prior to the conference. While this precluded Japan from establishing new naval bases, it also excluded the possibility of fortification in the area immediately to Australia’s north.

The treaties signed in Washington effectively resolved the tension between Japan and the US and removed the pressure on the British government to increase its military presence in the Asia-Pacific region.³⁸ For the US, the Washington System secured an Asia-Pacific order with American interests firmly at the centre. It promoted peace, mollifying isolationist factions in the US government by reducing the likelihood of future international entanglements and, through the new naval ratios, formalised the United States' position as a leading naval power.³⁹

The Washington conference had immense implications for Australia's strategic outlook. Hughes acknowledged that the Washington conference had 'achieved great things' and he hoped the treaties signed there would establish a new and peaceful balance of power in the Asia-Pacific. However, he cautioned that the Four-Power Treaty offered only a vaguely worded guarantee of peace as, unlike the Anglo-Japanese Alliance, it was not backed by an obligatory call to arms should any of the members be attacked.⁴⁰ Shortly after his election as prime minister in February 1923, Stanley Melbourne Bruce echoed Hughes when he informed the House of Representatives that the Washington conference 'certainly did not solve the problem of the future safety of Australia ... one wonders how much was really accomplished by the Washington Conference'.⁴¹

The British government, too, had its reservations. During the Washington conference, the British ambassador to the US, Auckland Geddes, had privately conceded that he was 'not so optimistic ... about the value of the Quadruple Treaty to ensure peace in the Far East'. The 'validity' of the treaty, Geddes continued, rested 'largely on the power to enforce the treaty'.⁴² The appraisal by the Committee of Imperial Defence (CID) of the Four-Power Treaty, received by Australia in December 1922, was even more forthright, judging that the long-term 'strategic position in the Western Pacific has been adversely affected'. While it was accepted that war with Japan was unlikely in the coming 10 years, the CID judged that, in the event of such aggression, 'the Four Power Pact ... may not save

38 In addition to the four and five-power treaties, there were two other treaties dealing with the use of submarines, gas warfare and territorial integrity.

39 Cotton, 'William Morris Hughes, Empire and Nationalism', 106, 112–13; Eggleston, 'Washington and After', 459, 462–5.

40 *CPD: Representatives*, 26 July 1922, No. 99, 789–93.

41 *CPD: Representatives*, 24 July 1923, No. 30, 1484.

42 'Minutes of Meeting, British Empire Delegation to the Washington Conference, 9 December 1921', in Department of External Affairs: Volumes of microfilm printout of the personal papers of Sir George Pearce (compiled by Dr J.S. Cumpston), 1907–37, NAA: A4719, 14.

us from becoming involved in war'.⁴³ Ultimately, the Four-Power Treaty did not offer the diplomatic or military leverage necessary to exclude the possibility of aggressive expansionism. For Australia—ever suspicious of Japan—the Washington System could offer only temporary security.

The Washington Naval Conference also had implications for imperial power. In accepting the new tonnage restrictions, Britain had, for the first time since the Napoleonic Wars, accepted naval parity rather than mastery. Admittedly, there had been past occasions when the French possessed a larger navy than Britain, but Britain, as the centre of global finance and trade, still possessed the largest naval potential. This was no longer the case, with the US both the largest manufacturing and the largest creditor nation. During a meeting of the British Empire Delegation to the Washington conference, Rear Admiral E. Chatfield, Assistant Chief of the Naval Staff, and Australia's representative, Minister for Defence George Pearce, registered their concern that the new tonnage ratios and 10-year shipbuilding holiday would lead to the decay of specialist skills. Chatfield argued that this would 'leave the Empire with a fleet of unreliable strength destined to deteriorate progressively'.⁴⁴ Britain nevertheless accepted naval parity and the shipbuilding holiday. In this willingness to accept a compromised naval position, the British government tacitly acknowledged that it was struggling to afford the upkeep of a first-rate naval power.⁴⁵

From the Australian perspective, the most pressing aspect of the new naval ratios was in relation to Japan. While Britain's upper limit was more than 200,000 tonnes greater than that of Japan, in terms of areas of interest, the ratio was in Japan's favour. Britain's interests spanned three oceans and the nation was required to monitor and defend the people, trade and territories within this vast area. The tonnage restriction established in Washington was only adequate to maintain these ongoing activities. If a new strategic threat developed, Britain, already at its limit, would be unable to respond adequately. Conversely, Japan's interests were limited

43 "The Washington Conference and its Effect Upon Empire Naval Policy and Co-operation", CID Memorandum, December 1922', in Records of the Colonial Office, Commonwealth and Foreign and Commonwealth Offices, Empire Marketing Board, and related bodies, Colonies, General: Original Correspondence, The National Archives [hereinafter TNA], Kew: CO 323/888/29.

44 'Minutes of Meeting, British Empire Delegation Washington Naval Conference, 9 December 1921', NAA: A4719, 14.

45 Kennedy, *The Rise and Fall of the Great Powers*, 197–200, 254; Kennedy, *The Rise and Fall of British Naval Mastery*, 273–5.

to the Pacific Ocean and it could concentrate its resources there.⁴⁶ In the event of an emergency in the Far East, Britain would be left to rely on the support of the US, as Frederic Eggleston publicly observed:

In case of any ... trouble affecting British interests, as it might easily do, the British armaments available for the Pacific are not sufficient for the burdens that might be cast upon them; and unless the United States of America can be relied upon to pull her weight in the same direction as Britain the whole system [of Pacific security] might break down. Australia ... can only watch the play of forces upon which her fate depends.⁴⁷

The end of the Anglo-Japanese Alliance and the Washington System that replaced it highlighted the evolving global distribution of power and, in the case of Australia, differing strategic outlooks as Britain appeared to prioritise relations with the US above the protection of its Far Eastern interests.⁴⁸

The Singapore Strategy

With two rising powers in the Pacific, it was essential Britain reinforced its regional presence. The proposed solution was the Singapore Naval Strategy, which planned for the construction of a major naval base in Singapore where a RN fleet would be stationed. The origins of the Singapore Strategy can be found in Australian actions during World War I. During that war, the Royal Australian Navy (RAN) and Prime Minister's Department paid close attention to Japan's naval movements and collated intelligence concerning the nation's intentions in the region.⁴⁹ In September 1917, Australia's Minister for the Navy, Joseph Cook, requested the British Admiralty reassess the maritime defence needs of Australia and the Asia-Pacific, suggesting a major imperial naval base was

46 Eric M. Andrews, *The Writing On the Wall: The British Commonwealth and Aggression in the East, 1931–1935* (Sydney: Allen & Unwin, 1987), 31–2.

47 Eggleston, 'Washington and After', 465.

48 Pearce, with full knowledge of the discussions of the British Empire delegation in Washington, implied as much in his report to Hughes. 'Pearce to Hughes, NAA: A221 ExRel V22, 334 ff.', cited in Cotton, 'William Morris Hughes, Empire and Nationalism', 113.

49 Meaney, *A History of Australian Defence and Foreign Policy 1901–23*, vol. 2, 407–9; 'Navies Japanese—Miscellaneous Telegrams AWM36 1914–1915', in Department of Defence: Official History, 1914–18 War—Naval records of Arthur W. Jose, 1912–30, NAA: AWM36, Bundle 32/1; 'The Importance to Australia of German New Guinea and the Islands (lately German) North of the Equator, 11 July 1918', in Department of External Affairs: Correspondence files, alphabetical series, 1927–42, NAA: A981 Mars 5.

required either in Australia or in another nearby British territory. Plans were made to send an Admiralty officer to Australia to investigate once the war had ended. In December 1918, the Australian government was informed that the Admiral of the Fleet, Lord John Jellicoe, would visit to review the situation.⁵⁰

Cook's original request for the Admiralty review had been justified on the vague basis of 'the experience of the war'.⁵¹ A cable sent in May 1919 to Jellicoe from Acting Prime Minister William Watt suggests these experiences were specifically Japan's naval advancements and new territorial acquisitions in the Pacific. Watt's cable outlined Australia's concerns and the questions he hoped would be addressed during the Admiralty review. Watt requested Jellicoe provide an assessment of the 'naval strategical problems affecting Australian waters and the Pacific'. This included probable routes of attack on Australia, 'with special reference to occupation by a foreign power of Islands north of the Equator' and Britain's strategy in the event of war with any of the Pacific powers.⁵²

Jellicoe presented his report to the British government in February 1920 and it mirrored many of Australia's concerns. Jellicoe identified the Pacific as the most likely area for future conflict and judged Australia to be 'powerless against a strong naval and military power without the assistance of the British fleet'.⁵³ He advised that a Far Eastern fleet and major naval base be established in the Asia-Pacific in the next five years, with Singapore the recommended location. This strategy was expected to protect the lines of communication in the Pacific and Indian oceans and allow two zones of conflict to be operational, Europe and the Asia-Pacific.⁵⁴ This was the Singapore Strategy—the 'impregnable' cornerstone in imperial defence planning in the Asia-Pacific.⁵⁵

50 'Attachment, Admiralty letter, 23 December 1918' and 'Naval Bases, n.d. on or after 3 January 1919', both in NAA: A981, Def 350 Part 1.

51 'Naval Bases, [n.d. (on or after 3 January 1919)]', NAA: A981, Def 350 Part 1.

52 'Watt to Jellicoe, 2 May 1919', NAA: A981, Def 350 Part 1.

53 'Jellicoe Report—1919', in Department of Defence: 'The Shedden Collection' [Records collected by Sir Frederick Shedden during his career with the Department of Defence and in researching the history of Australian defence policy], two number series, 1937–71, NAA: A5954, 1080/1.

54 'Admiral of the Fleet Viscount Jellicoe's Naval Mission to Colonies, 3 February 1920', in Records of the Admiralty, Naval Forces, Royal Marines, Coastguard, and related bodies, Admiralty: Record Office: Cases, TNA: ADM 116/1831.

55 'Penang Naval Conference—March 1921, 11 April 1921', in Department of Defence: Naval historical files, single number series with alphabetical suffixes, NAA: B6121, 311J; 'Report of the Conference held on board the HMS *Hawkins* at Penang, between the Commanders-in-Chief of the China, East Indies and Australian Stations, from 7 March 1921 onwards, 13 March 1921', NAA: B6121, 311J.

In March 1921, a meeting of the commanders-in-chief of the Australian, Chinese and East Asian stations was held in Penang, British Malaya. The Admiralty requested they make recommendations for Far Eastern defence planning on the basis of a war between Japan and the British Empire. Although the Singapore Strategy was yet to be formally ratified, the recommendations that emerged at Penang were made on the basis of the strategy being the cornerstone of imperial defence planning in the Asia-Pacific. Recommendations included establishing Singapore as the centre of an imperial communications system in the region.⁵⁶

The state of Britain's economy and the public demand for financing social services rather than defence industries meant these recommendations and even Jellicoe's original plan went beyond what could reasonably be afforded. Instead, when the Singapore Strategy was finally approved in June 1921, it was decided that a base would be constructed but only fully garrisoned when required and the recommended five-year construction timeline was pushed back to eight years.⁵⁷

The early deviations from Jellicoe's initial recommendations heralded years of uncertainty and interruptions in the Singapore project. Work did not begin in Singapore until late 1923. This delay was due to a succession of political U-turns. First, there were the new naval disarmament agreements made at the Washington conference, which raised questions about whether the construction of a major naval base was conducive to peace and disarmament. It was not until February 1923, following the election of a conservative government the previous October, that Britain confirmed the Singapore Strategy would continue.⁵⁸ The election of Britain's first Labour government in December 1923 posed yet another obstacle. The new government was committed to international disarmament and opposed the Singapore idea, which Prime Minister

56 Meaney, *A History of Australian Defence and Foreign Policy 1901–23*, vol. 2, 470–1; 'Penang Conference Report, 13 March 1921', NAA: B6121, 311]. Initial estimates planned for a fleet of eight battleships and eight battlecruisers, four aircraft carriers, 10 cruisers, 40 destroyers and 36 submarines. 'Jellicoe's Naval Mission to Colonies, 3 February 1920', TNA: ADM 116/1834.

57 Malcolm Murfett, 'The Singapore Strategy', in *Between Empire and Nation: Australia's External Relations from Federation Until the Second World War*, eds Carl Bridge and Bernard Attard (Melbourne: Australian Scholarly Publishing, 2000), 188–204; 'Cabinet Minute, 16 June 1921', in Records of the Cabinet Office, War Cabinet and Cabinet: Minutes, TNA: CAB 23/26/5.

58 Ian Hamill, *The Strategic Illusion: The Singapore Strategy and the Defence of Australia and New Zealand, 1919–1942* (Singapore: NUS Press, 1981), 47–50; 'Cabinet Minute, 21 February 1923', TNA: CAB 23/45.

Ramsay MacDonald deemed a 'wild and wanton escapade'.⁵⁹ In March 1924, MacDonald ordered the cancellation of the Singapore project; the staff there were withdrawn and orders were given to sell all equipment present.⁶⁰ Later that same year, the Conservative Party was returned to power and the Singapore project was reinstated.⁶¹

The result of the delays and indecision surrounding the Singapore Strategy was that the initial eight-year timetable for construction passed in 1929 with the project far from complete. All there was to show was one floating dock and a number of other incomplete structures.⁶²

The indecision surrounding the Singapore Strategy led key figures in Australian defence and political circles to question its feasibility and appropriateness. One of the earliest warnings came in 1921 from Rear Admiral Percy Grant, Commander-in-Chief of the Australian Naval Station and advisor on defence to the prime minister. He drew attention to the strategic weakness of Singapore, particularly the long lines of communication that would connect the base with Australia and Britain.⁶³ Grant's concern led Prime Ministers Hughes and Bruce to question the British government on the logistics of the Singapore Strategy. Both were mindful of the delays in initial construction in the years 1921–23. They each received the same bland reassurances that Singapore would be finished and the fleet would arrive.⁶⁴ This led Bruce, somewhat unconvinced, to remark: 'I am not quite clear as to how the protection of Singapore is to be assured, I am quite clear on this point, that apparently it can be done.'⁶⁵ That key figures in Australian policy and defence circles held some reservations about the Singapore Strategy—albeit small ones—adds credence to the view that the nation was not convinced by the system for Asia-Pacific security offered in the Washington System.

59 'Singapore Naval Base. HC Deb 05 March 1924 vol 170 c1360', in United Kingdom, *Parliamentary Debates: House of Commons*, available from: api.parliament.uk/historic-hansard/commons/1924/mar/05/singapore-naval-base.

60 'Sitting of 18 March 1924', in United Kingdom, *Parliamentary Debates: House of Commons*, available from: api.parliament.uk/historic-hansard/sittings/1924/mar/18.

61 Hamill, *The Strategic Illusion*, 86–7, 99.

62 Andrews, *The Writing on the Wall*, 33–4.

63 'Penang Conference Report, 13 March 1921', NAA: B6121, 311J.

64 'Minutes Fourteenth Meeting of the Imperial Conference, 4 July 1921', in Records of the Cabinet Office, Records of Imperial, Commonwealth and International Conferences, etc., TNA: CAB 32/2 Vol. 1A; 'Minutes Ninth Meeting of the Imperial Conference, 17 October 1923', TNA: CAB 32/9.

65 'Minutes Eleventh Meeting of the Imperial Conference, 22 October 1923', TNA: CAB 32/9.

Australia's questions surrounding the Singapore Strategy were never truly resolved. Despite this, Singapore remained the cornerstone of Australian regional security. This may suggest Australia was wilfully naive in relying wholly on Britain.⁶⁶ Here, however, it is important to recall Australia's acute sense of insecurity, the fact Britain remained the nation's sole security partner and that Singapore was the only available assurance against regional aggression.⁶⁷ While Australia had little choice beyond accepting the Singapore Strategy as the cornerstone of regional defence, this does not mean it necessarily accepted the strategy uncritically or failed to pursue its own defence initiatives.

The imperial framework redefined

After the Federation of Australia in 1901 and the establishment of a government that was responsible for forming national policies, defence and foreign policies were made in relation to the British Empire and the sentimental loyalties, values and interests that bound its members.⁶⁸ The main opportunities for consultation concerning defence and foreign policy were the regular Imperial Conferences and through the offices of the prime minister, governor-general, high commissioners and Secretary of State for Dominion Affairs. Within this system, the status of British dominions, such as Australia, was an awkward one. They were self-governing nations, yet loyal to the Crown and subject to the sovereignty of British rule.⁶⁹ This was the case until 1925, at which point a process of restructuring the imperial framework began.

While the markets and human resources offered in the Empire were a great strength to Britain, there was also the immense cost of defending, financing and administering a cumbersome empire that sprawled across

66 Peter Dennis, 'Australia and the "Singapore Strategy"', in *Sixty Years On: The Fall of Singapore*, eds B. Farrell and S. Hunter (Singapore: Eastern Universities Press, 2002), 29–41; Murfett, 'The Singapore Strategy', 188–9.

67 Richard Devetak, 'An Australian Outlook on International Affairs? The Evolution of International Relations Theory in Australia', *Australian Journal of Politics and History* 55, no. 3 (2009): 335–59, at p. 337.

68 For an overview of the shared values of the Commonwealth, see Eggleston, *Reflections on Australian Foreign Policy*, 173–206.

69 Meaney, *A History of Australian Defence and Foreign Policy 1901–23*, vol. 1, 3–5; Peter Geoffrey Edwards, *Prime Ministers and Diplomats: The Making of Australian Foreign Policy, 1901–1949* (Melbourne: Oxford University Press for the Australian Institute of International Affairs, 1983), 1–2.

the globe.⁷⁰ The fragmentation that existed at the administrative level of the Empire called attention to Britain's experience of overstretch. In the 1920s, members of the Empire did not have representatives—diplomatic, trade or otherwise—outside London. With no formal means of liaising with one another, foreign policy and defence directives were passed down by Britain and, at best, discussed at Imperial Conferences or, at worst, slowly filtered throughout the Empire's chain of communication.

This system produced an imperial administration that Eric Andrews described as

not like an organism with a brain and inter-connected nerves, which could therefore come to a decision, and act on it, but more like a brain dead octopus, with its tentacles acting independently of each other, and no vital connections being made at the centre.⁷¹

Most critically for Australia, from the perspective of a remote outpost of the Empire, this system was not particularly conducive to consultative policymaking.

The 1922 Chanak Crisis was indicative of the administrative disorganisation of the British Empire, the diverse interests of its members and the need for a more decentralised system. In September 1922, Turkish troops attacked and defeated Greek forces in a bid to restore Turkish rule in the Dardanelles' neutral zone. In so doing, Turkey violated the Treaty of Sèvres. The British government's response was almost immediate, declaring the Empire would enter into an armed conflict if need be to support Greece. Britain had failed to consult with its empire; in Australia's case, the government learnt of the empire commitment by way of a press release.⁷² This action was a regression from the Paris peace negotiations just three years earlier, when the dominions had been individually represented and directly involved in decision-making.⁷³

70 Darwin, *The Empire Project*, 323–6, 360–1, 375.

71 Andrews, *The Writing on the Wall*, 25. John Darwin has similarly compared the British Empire with an 'Octopus Power'. Darwin, *The Empire Project*, 83–6.

72 'Forster (Secretary of Prime Minister's Department) to Churchill (Secretary of State for the Colonies), 20 September 1922', in Governor-General: Decoded copies of telegrams exchanged between the Governor-General and the Secretary of State in connection with the 'Chanak Incident' with Turkey, 1922–24, NAA: CP78/32, 1.

73 Meaney, *A History of Australian Defence and Foreign Policy 1901–23*, vol. 2, 508–9.

Despite a public statement that Australia would commit troops if necessary, Hughes observed the slight and he was incensed. He contacted British Prime Minister Lloyd George, expressing his concerns that the decision—which he described as ‘a bolt from the blue’—‘gravely imperils the unity of the Empire’. He went on to argue that

the Dominions ought to be consulted before any action is taken or irrevocable decision made by Britain, then and then only can our voices be heard and our counsels heeded. The Empire is one and indivisible or it is nothing.⁷⁴

Other members of the Empire joined Australia, both publicly and privately, in rejecting the prospect of being dragged by Britain into a conflict involving neither their own region nor their national interests.⁷⁵

The Chanak Crisis forced the British government to acknowledge that the status of dominions needed to be clarified. In 1925, the Dominions Office was established, along with the Cabinet-level portfolio of Secretary of State for Dominion Affairs. Later the same year, the British government signed the Locarno Treaties, which dealt with the postwar management of borders in Western Europe. Not only were the treaties signed by Britain alone, but also Article 9 stipulated the treaty ‘shall impose no obligation upon any of the British Dominions, or upon India unless the government of such Dominion or India signifies its acceptance thereof’.⁷⁶ While these developments did not expressly define the status of dominions, they did make a clear distinction between the colonies and the dominions and their differing relationships to British sovereignty.⁷⁷

The formal status of dominions was defined at the 1926 Imperial Conference, which was called in part to discuss the implications of the Locarno Treaties and the dominions’ great diversity of interests.

74 ‘Forster to Churchill, 20 September 1922’, NAA: CP78/32, 1.

75 R. Eccles, ‘Australian Perspectives and the Balfour Declaration of 1926’, in *Dependency? Essays in the History of Australian Defence and Foreign Policy*, ed. John McCarthy (Canberra: University College, University of New South Wales, Australian Defence Force Academy, 1989), 23. Among the most vocal opponents were Canada and South Africa.

76 ‘Treaty of Mutual Guarantee between Germany, Belgium, France, Great Britain and Italy, 16 October 1925 (Locarno Treaty)’, in Arthur B. Keith (ed.), *Speeches and Documents on International Affairs, 1918–1937. Volume 1* (London: Oxford University Press, 1938), 116.

77 Andrews, *The Writing on the Wall*, 5; Eccles, ‘Australian Perspectives and the Balfour Declaration of 1926’, 25–6.

The Inter-Imperial Relations Committee was formed to consider the future form and substance of imperial relations within this context. The result was a declaration by Arthur Balfour, chairman of the committee:

They [the dominions] are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.⁷⁸

The wording of the 1926 Balfour Declaration had been carefully deliberated, as historian John Darwin has noted, with care given not to equate self-governance and equality of status with independence and a lapsing of empire membership. The effect of the prudent declaration was, first, to recognise and embrace the varied interests of the dominions. Second, the declaration redefined the imperial connection by appealing to the sentimental terms of shared 'positive ideals', including 'peace, security and progress'.⁷⁹

The final step in the decentralisation of the imperial relationship came at the 1930 Imperial Conference, when it was decided that legislative independence should be extended to the dominions. This brought to an end the ability of the British Parliament to legislate for the dominions, granting full independence in areas such as foreign policymaking. The 1931 Statute of Westminster ratified this resolution and the 1926 Balfour Declaration.⁸⁰

Far from dispelling Australia's fears of imperial disunity, the developments in 1925–31 generated greater anxiety. In light of Hughes's indignant response to the Chanak Crisis, Australia's reaction may at first appear counterintuitive. The concern of Hughes and other likeminded individuals was not with a definition of dominion status and freedoms, but an acknowledgement of the varied interests of the Empire and

78 'Summary of Proceedings 1926 Imperial Conference, 23 March 1927', in Department of External Affairs: Correspondence files, annual single number series [Main correspondence files series of the agency], 1890–1968, NAA: A1, 1927/14972.

79 Darwin, *The Empire Project*, 406–7; '1926 Imperial Conference, 23 March 1927', NAA: A1, 1927/14972.

80 'An Act to give effect to certain resolutions passed by Imperial Conferences held in the years 1926 and 1930, 11 December 1931', in Nicholas Mansergh (ed.), *Documents and Speeches on British Commonwealth Affairs, 1931–52* (London: Oxford University Press, 1953), 1–3.

a framework for integrating these interests into a unified imperial foreign policy.⁸¹ Hughes voiced these concerns in a lengthy review of the 1926 Balfour Declaration delivered in the House of Representatives:

I wish to point out that every important act by one dominion may affect other dominions ... We claim the right of an equal voice with Great Britain in moulding British foreign policy ... Britain's foreign policy conditions our very existence, and we should insist upon our right to have an effective voice in shaping it. Without some control over foreign policy, self-government is a farce, and we are living in a house built upon quicksands ... [A]s long as peace lasts all will be well; but if, and when, war comes along, we shall be blown to the heavens as by a charge of gelignite. Unless we are able to influence the foreign policy of the Empire our boast of freedom is nothing but empty words. No dominion parliament can be said to be master of its own domestic circumstances, unless it exercises the right to assist in moulding the foreign policy of the Empire. That applies no less forcibly to the right of all dominions to be consulted by other dominions before treaties with foreign countries are ratified.⁸²

These concerns explain in part the Australian government's delayed adoption of the Statute of Westminster (in 1942).

Australia's diametric opposition to the 1926 Balfour Declaration and Statute of Westminster can understandably be viewed as reluctance to take steps towards greater autonomy in foreign policy. While the Australian government did rely on the imperial framework, the main concern was consultation—that is, full knowledge of and a voice in imperial affairs. On the basis of this assessment, Australia was not necessarily shying away from responsibility. Rather, it hoped to participate in a cohesive imperial foreign policy that gave equal attention to all the regions and the distinct interests encompassed by the Empire.

The Manchurian Crisis

Despite the persistent concern surrounding Japanese intentions, Australia made little effort to engage with the nation or the wider Asia-Pacific. Richard Casey, for instance, wrote of a remote Asia-Pacific with which

81 Eccles, 'Australian Perspectives and the Balfour Declaration of 1926', 30–1.

82 *CPD: Representatives*, 22 March 1927, No. 12, 864.

Australia had little need to engage.⁸³ In 1925, when the newly appointed Japanese Consul-General in Sydney, Prince Iemasa Tokugawa, arrived in Australia, he brought with him an invitation from Japan's Prime Minister for Australia to make a reciprocal appointment. This appointment was part of Foreign Minister Kijūrō Shidehara's campaign to heighten Japan's international representation for economic and diplomatic purposes. Australia, however, made no such appointment.⁸⁴ Events in 1931 brought into sharp focus that Australia could no longer continue with its wilful isolation.

In September 1931, as the Statute of Westminster was being debated in the British Parliament, the Japanese Army attacked and proceeded to occupy the Chinese province of Manchuria, contravening the Covenant of the League of Nations and the Nine-Power Treaty—one of the treaties signed at the 1921–22 Washington Naval Conference, which required members to respect the territorial integrity of China and aid the nation in developing and maintaining effective government.⁸⁵ For Australia, the Manchurian Crisis confirmed fears that had fermented in the previous decade: neither the league nor the Washington System could adequately maintain peace in the Asia-Pacific. This realisation was the genesis of a distinct Australian policy for the Asia-Pacific. This policy was twofold, aiming to increase Australia's regional presence and to develop a more assertive voice within the Empire with a view to incorporating regionally specific interests within the imperial outlook. The next chapter considers how this approach developed.

83 Richard Casey, *Australia's Place in the World* (Melbourne: Robertson & Mullens, 1931), 9–15, 18, 62.

84 Shimizu Hajime, 'Japanese Economic Penetration into Southeast Asia and the Southward Expansion School of Thought', in *International Commercial Rivalry in Southeast Asia in the Interwar Period*, eds Shinya Sugiyama and Milagros C. Guerrero (Newhaven, CT: Yale University Southeast Asia Studies, 1994), 19–22; 'To Win Esteem', *The Sun*, [Sydney], 26 November 1925, 12.

85 Andrews, *The Writing on the Wall*, 35–7.

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