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# STUDENT ESSAY

AUSTRALIA AND NEW ZEALAND:  
OUR PACIFIC PARTNERS

BY

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28 APRIL 1983



US ARMY WAR COLLEGE, CARLISLE BARRACKS, PENNSYLVANIA

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**USAWC MILITARY STUDIES PROGRAM**

**AUSTRALIA AND NEW ZEALAND:  
OUR PACIFIC PARTNERS**

**INDIVIDUAL ESSAY**

by

**Lieutenant Colonel, Terrence M. Wallace  
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**US Army War College  
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ABSTRACT

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## AUSTRALIA AND NEW ZEALAND: OUR PACIFIC PARTNERS

In today's turbulent world of politics, economics and cultural expansion, few alliances remain as firm as originally forged. Almost every major treaty has come under review as the forces of trade, energy dependency and political ideologies take their toll. Yet amidst all the international tensions of the past thirty years, there is one pact which has not only survived, but has grown stronger. It is the mutual security agreement between Australia, New Zealand and the United States. The ANZUS treaty, though represented by a signed document ratified in 1951, is really embodied in the spirit of cooperation, protection and mutual respect which has existed between the three signatories.

By way of background the treaty is the product of the efforts of one man in particular-Sir Percy Spender of Australia. Spender, the Minister of Foreign Affairs for Australia during the late 40's and early 50's, recognized the interdependence of our three nations and travelled a difficult political course over a period of almost two years to insure the mutual acceptance of the ANZUS pact. Sir Percy's face to face diplomacy with Acheson, Dulles and Truman as well as the government of New Zealand, resulted in a solid understanding of the security interests of each nation. It is true that an atmosphere of fear and anxiety existed in all three capitals at the time of the treaty negotiations, particularly with regard to the intentions of China and the Soviet Union in the Pacific. That fact notwithstanding, there was an implicit trust between the three administrations in Washington, Canberra and Wellington which has never appreciably diminished. It is that deep trust which was responsible for the smooth

sailing the treaty enjoyed during ratification hearings in the three democratic legislative forums of 1951 and with various administrations since that time.

#### REGIONAL STATUS

Over the past three decades the interests of Australia and New Zealand in the South Pacific region have not been significantly altered. Both countries are "island nations" who, although clearly rating as developed countries, nonetheless depend heavily on foreign industrial imports for their life styles. A recent New Zealand defence report stated that country's strategic interests clearly:

New Zealand is geographically the most isolated developed country on earth. Yet our level of development, our standard of living and our pattern of life depend on the trading and other links we maintain with the rest of the world. New Zealand may be far removed from present areas of conflict, but distance confers no protection these days. Moreover our interests can be put at risk in almost any part of the world, so dependent are we on external trade and communications. Isolation, a small population and limited industrial strength, create difficult defense and foreign policy problems for New Zealand.<sup>1</sup>

It is the limited industrial strength of New Zealand which has baffled many outside observers over the years. She is a country of 3.16 million people of exceptional culture with high standards of education, and satisfactory resource accessibility, yet one which has remained distinctly import dependent for most industrial products. During the recent years of Prime Minister Rob Muldoon's administration, he has endeavored to chart a course of "think big" economic policies; one which centers around such projects as hydroelectric power plants, aluminum smelters and a NZ \$700 million steel mill expansion. At present the jury is still out on the success of Muldoon's economic power structure, but 1982 was not a good year and 1983 has not started out any better. In effect the poor start is a result of a

domino reaction which began with the collapse of the Clyde Dam hydroelectric plant project and the resultant fall of a nationally supported aluminum smelter. These were followed by the withdrawal of a joint New Zealand-Australian venture to set up a massive pulp mill, and a NZ \$600 million oil refinery expansion.<sup>2</sup> The future of New Zealand's think big economic policy is therefore in grave doubt and she appears destined to remain industrially dependent in her corner of the world.

Australia shares with New Zealand the security interests of an island isolated country but one which has developed its industrial capacity to a far greater degree. The economy, though still dependent on substantial imports of manufactured goods, is an exporter of wheat, copper, tin and, most important, pure uranium. It has its own automobile factories and produces quality cars. Like New Zealand, Australia is a world leader in agricultural exports with almost limitless potential for grain, wheat and meat production. The key interest therefore lies in finding lucrative markets for these products. Over the years the agribusiness export scene has changed considerably in the Pacific region. While the two countries have always traded freely with one another and continue to do so, there are new markets opening up every year. The United States was perhaps the first major country to import a significant quantity of beef and lamb from the region, but today Japan and China have come to the fore as substantial importers. Currently Japan is the number one customer with over 30% of Australia's export business and a very substantial portion of the New Zealand market. China is in the fourth spot on both export schedules and is importing more every year.<sup>3</sup> In addition both countries are seeking markets in the Indian Ocean area to further develop trade. The importance of exports of agricultural items lies in the fact that they represent a continuing source of income and a reliable production base. The combina-

tion allows Australia and New Zealand to plan a strategic defensive concept with both depth in terms of the "out year" spending, and flexibility to make changes. Finally such a position gives the two countries the opportunity to assume a clearly respected status in the Pacific and Indian Ocean regions.

The responsibility felt by the ANZAC (Australia, New Zealand Army Corps) countries for the security of the region as well as their own shores is an old burden. Each nation has shown repeatedly that it stands ready to dedicate its national assets to insure a secure Pacific. Both sent troops to Korea and Vietnam in support of the war efforts, and both have offered considerable basing and forward deployment facilities for US South Pacific and Indian Ocean operations. In return each nation looks to the United States as a "great and powerful friend" without which a viable defence is impossible. They recognize the realities of their isolation nonetheless as indicated by a recent edition of the Pacific Defense Reporter which states, "It is clear that there are circumstances where US support may not be forthcoming, at least in the short run."<sup>4</sup> With that in mind it is appropriate to examine the ability of Australia and New Zealand to protect themselves and secure their quadrant of the Pacific until help could reach them.

#### DEFENSE FORCE STRUCTURE

Historically both Australia and New Zealand have made their wartime contributions by supplying troops to the effort. New Zealand for example sent a reinforced division of men to Europe during the Italian campaigns of World War II. They followed with backup units that brought their total strength to almost two divisions. In population comparative terms such a force would be represented by over 200 US divisions in the war, a force

that America never approached. Today the immense cost of arming and equipping a strategic force which can be projected any significant distance requires that our South Pacific allies seriously review their defensive concepts. The total active armed forces of both countries is less than 100,000 (Australia 73,183, New Zealand 12,913) with each having the ability to double their strength in a relatively short period by the use of reserves and territorial forces. The equipment used by each nation is modern and exceptionally well maintained. Australia's Army Arsenal includes the LEOPARD main battle tank, the SCORPIAN armored reconnaissance vehicle and the M113A1 armored personnel carrier. The Royal Australian Navy is perhaps the most strategically capable force in South Pacific waters aside from the US Navy. While the aircraft carrier MELBORNE has been taken out of service to make room for Australia's planned acquisition of a carrier from the United Kingdom, it appears that exchange will not take place. Britain, because of the Falkland situation will not only retain both her carriers, but will probably bring another on line. The Australian Navy still maintains significant strength in 6 modern submarines, 3 guided missile destroyers, 2 guided missile frigates, 6 standard frigates, and an extensive air arm. The naval arsenal also includes more than 40 support and coastal protection craft of recent vintage and with considerable auxiliary armament. Whether or not the new labor government will elect to reactivate MELBORNE is unknown. If they decide against the burden of supporting an aircraft carrier, the air arm of 20 attack aircraft and 6 armed helicopters will probably be integrated into the RAAF. That Air Force is also a most formidable defensive group. It includes 23,000 personnel, 20 F111, 4 RF111C, 68 Mirage III, 20 P3 A&C Orion and one of the largest air transport wings in the free world. With the addition of an extensive command and control network it is easy to see why Australia is

able to project a defensive framework which extends well past her northern archipelago.<sup>5</sup>

New Zealand is limited in its capacity to operate outside home waters. The Army is a 5,600 man force which is designed as a light infantry divisional size unit. Only two battalions and one artillery battery are active while the remainder of the combat troops are in territorial units spread throughout the North and South Islands. The New Zealand Navy is centered around 4 active frigates and a number of fast patrol boats. With the exception of the LEANDER and SECANT class frigates, New Zealand's is a coastal navy. The RNZAF is also a home defensive group made up of 11 A4 Skyhawks and 16 Al67 Strikemaster with limited transport and helicopter support assets.

Perhaps the real key to determining the defense strategy of both nations is the fact that the annual defense budget of each (particularly New Zealand) does not allow for the projection of combat power over an extended range. Australia's 1981 defense expenditure was US \$4.2 billion and New Zealand's was US \$463 million. The fact of rising inflation rates and the new danger of creeping unemployment make the near future dim for any larger expectations on defence dollar allocations.

An offsetting factor lies in the level to which both forces are trained and the degree of professionalism demonstrated by their leaders. Both assets join together to make the ANZAC forces a strong contingent on any operation with navies which are welcome in any port in the Pacific.

## POLITICAL IMPLICATIONS

The South Pacific political scene is a combination of liberal and conservative views but with a very heavy labor influence in the case of New Zealand and Australia. For the past six years the conservative influence has been very strong in each nation. In 1975, Prime Minister Robert Muldoon defeated the incumbent William Rowling, giving the conservative National Party the reins of government in New Zealand. Muldoon has been perhaps the most outspoken anticommunist leader in the free world, and his defence policies would almost certainly mirror that stance, all things being equal. Of course they were not equal, as the world recession impacted on every western nation, but in particular on those who, like New Zealand, depend so heavily on foreign exchange and industrial imports. Mr. Muldoon's gamble to invest in the "think big" economic policy is currently in difficulty but still with a chance of success, should the free world economy continue to turn upward.

New Zealand's Ministry of Defense recognized in their annual report for 1982 a number of developments which have altered the security environment of the world in general and the Pacific in particular. Principal among them is a situation which Mr. Muldoon has been decrying for some time. The report states that the year had witnessed the growing ability of the USSR to project its forces into the region, and to maintain them there through the use of bases in Southeast Asia.<sup>6</sup> To counter this danger Prime Minister Muldoon has, in 1982, pushed through the funds to purchase two LEANDER class frigates from the United Kingdom. The two ships are HMS DIDO, which will become HMNZS DIDO, and HMS BACCHANTE, which will become HMNZS WELLINGTON. While the acquisition of two frigates may not seem to be a particularly large expenditure, it must be pointed out that the ships

doubled the blue water capability of New Zealand and were acquired during a year of extreme fiscal constraint. Unquestionably Mr. Muldoon and the rest of the New Zealand political power structure have chosen to meet the increased Soviet threat in their region with some preparations of their own. In spite of the strengthened resolve toward resisting Soviet influence, there are some dark clouds forming on the "KIWI" political scene. The absence of a bipartisan stand on defense is best shown in the fact that both opposition parties have rejected ANZUS as the security answer for New Zealand, and the labor party in particular has raised continuous questions against nuclear arms in general, and the presence of US nuclear-powered ships in particular. As a result of this controversy Mr. Muldoon is under increased pressure not to rely on other countries for support in time of crisis. The Annual Defense Report gives an indication of emerging political opinion showing that small nations like New Zealand, with a very limited industrial base, can partly cope with their inherent limitations by alliance relationships, as New Zealand has done in the case of ANZUS. However, for a number of reasons, including changes in the security environment, the alliance may not cover all contingencies. In the words of the report,

the traditional line of thought that New Zealand's only role is to contribute forces in the pursuit of the interests we share with our larger partners is no longer sufficient as a defense doctrine.

Both government and the opposition find a limited agreement on this score. It leaves the government, however with a difficult problem in determining defense policy. The dilemma faced by Mr. Muldoon is whether the need to contribute to a wider alliance or the needs of New Zealand's own region should take priority.

In Australia as well as New Zealand the conservatives have forged the way for the past seven years. In 1976 the government of Malcom Fraser was swept into office by a large majority over labor leader Gough Whitlam. Since that time he has been a staunch ally of whichever American government happened to be in power. In fact, while it is true that his style and philosophy follow much more closely that of Ronald Reagan, he was nonetheless a strong supporter of any effort by President Carter to curb Soviet influence, particularly in the Pacific and Indian Ocean regions. During the early days of the Soviet's incursion into Afghanistan, it was Fraser who travelled to Washington to urge Carter and the United States to act decisively and quickly and who offered his support in whatever pressure could be brought upon the USSR. When the USA blocked grain shipments to the Soviets, Australia promised not to make up the shortfall. Both governments restricted scientific and cultural exchanges with the Soviet Union. The USA severely tightened up on transfers of high technology equipment, while the Australian government suspended fisheries agreements and barred Soviet cruise ships from its ports.<sup>8</sup> While Fraser may have considered that Carter's response to the Afghanistan affair was "measured" and "tempered" to the point of being ineffective, he would have no such reservations with the Reagan approach. Fraser's expectations, and those of his government, on how to handle the Soviets have clearly been met by the Reagan Administration. The tough-minded, even confrontive form of diplomacy is the favored approach in Australia. It is important to understand as we discuss the political implications of the Australian government that they carry considerable weight in the United States. As Dr. Henry Albinski, Director of Australian Studies at Pennsylvania State University writes,

the Fraser government's stress on the need for strength and credibility among those who oppose the Soviets, especially the USA, should not be dismissed as an Australian ego trip. With its conceptualization of world affairs, the government has concluded that Australia's own national security interests require Australian spokesmanship through the ANZUS alliance and otherwise, gives it special entitlement of expression, and access, to the Americans. Frankness, even and perhaps especially in instances of disagreement, will be respected. Australia does not portray itself as some kind of "bridge" or interlocutor between the USA and parts of the third world community. But it feels that as a resident Pacific middle power, a member of the Commonwealth, allied to America but not itself an imposing state, it can provide helpful perspectives.

This conduit of open and frank exchange on the issue of security may soon become a thing of the past. Inflation and unemployment have taken their toll on most democratic governments during the world recession and Australia is just another example. As a result of these economic problems and a general dissatisfaction with Australian progress at home, the Fraser government was voted out of office on 5 March 1983 and replaced by the labor government of Prime Minister Bob Hawke. Hawke, a former President of the Australian Council of Trade Unions, had been a long time pretender to the labor parliamentary leadership, previously held by Mr. Bill Hayden; he eventually overtook Hayden on the strength of consistent outstanding showings in national opinion polls. While the constant sparring between Hawke and Hayden had been for some time Fraser's main source of political ammunition, the fact remained that a deteriorating economy, a simmering tax scandal and a Royal Commission of Inquiry into the Federal Ship Painter's and Docker's Union, gave the engaging Mr. Hawke the popular majority necessary to assume the political leadership of Australia.

Whether the current outstanding defence relationship enjoyed by the United States and Australia will remain powerful is not known. It is clear however that the Australians are committed to an anticommunist strategy and a strong defence posture. Defence spending in 1983 is expected to grow by

A \$4.86 million to A \$4.62 billion with the bulk of the extra budget allocation being spent on new capital equipment items, primarily the F18 aircraft and progress payments on four new guided-missile frigates being built in Seattle.<sup>10</sup> The first ship, the DARWIN, has already been launched, and the rest are at various stages of construction.

#### PROSPECTS FOR PARTNERSHIP

In order to logically and legitimately assess the future of South Pacific security in general, and ANZUS in particular, it is important to view the region in terms of its connection with the rest of the world. It is apparent that the 1980s will set the mold for a political/military base which will have to support the region well into the next century. To assess the impact of current events in the ANZUS nations we must analyze these events in real terms from political, economic and military view points. All three areas have their place in the overall security picture.

Politically speaking the "reign" of conservatism in all three countries of ANZUS must now stand the test of dissension and time. In Australia the new liberal government is almost sure to reduce future defence spending once its current arms purchase obligations have been met. The future of ANZUS support in the Hawke government is not at all certain. During the campaign Hawke called for a complete review of the treaty. Yet when placed under pressure by then Prime Minister Fraser to explain himself in specific terms, he backed off to the position of advocating normal periodic reviews of policy and administration. The fact remains that any new government comes into office with preconceived ideas and particularly so if elected by a large majority. In the case of the labor party one might expect their popular majority to be reflected in an "Australia First" policy which should begin to show up soon, and may last throughout the

current economic hard times. The subject of Australian participation with peace-keeping forces in unstable areas of the world may well come under the scrutiny of the new government. Currently Australia contributes security forces to the Sinai and to the United Nations' effort in Namibia. Neither effort could be considered directly related to the defence of Australia or to achieving defence objectives. The realities are that both the old government and the current powers have aimed their defence policies largely toward maritime activities, the defence of the sea lanes and the coast line. It is the labor point of view that if the country is going to give priority to affairs of the sea and at the same time send five hundred to a thousand army personnel overseas, there has to be either a decision to cut back on Australian capabilities to support ANZUS, or a decision to reduce army activities in Australia to an almost nonexistence level in some areas.<sup>11</sup>

Although the laborites while on the opposition benches made a commitment to the same levels of defence expenditure projected in the Fraser government's five year program announced in 1980, it is doubtful that the new government will be able to meet that commitment. Not because they lack the desire for a strong defensive posture capable of fulfilling any realistic commitment to ANZUS or the UN, but because the economic indicators simply will not allow it. Hawke's popularity and much of his vote majority rests in his potential, ability to improve the critical economic factors. Until he realizes that potential Australia will maintain the status quo at best and may even have to make some reductions in their alliance support efforts for a time.

New Zealand under Prime Minister Muldoon has also set a conservative even hawkish course, the resolve of which will be severely tested in the coming year. The dependence of that nation on the economic success of

Australia, as well as her own economic strength, require the National Party to hold to a steady and somewhat calm course in international politics. Meanwhile, in New Zealand there is increasing domestic pressure on Muldoon to concentrate on the framework of the ANZAC agreement of 1944 as the basis for New Zealand's defence. As stated earlier, the constraints on the ability of the United States to respond to security threats in the region in some instances is one reason for a greater degree of ANZAC cooperation but certainly not the only reason. Any deterioration of the international security environment will affect the availability of supply to the region, and the limited capability of Australia and New Zealand seems to favor a coupling of their efforts. Perhaps the most important aspect of the pro ANZAC stand in New Zealand is the fact that Australia has become a power in their own right in the region. With that as the case, the important security decisions of Oceania will be made by Australia, and one of the fruits of closer cooperation will be a valued New Zealand voice in those decisions.<sup>12</sup> It is difficult to determine whether the inequality inherent in the relationship will allow Australia to take New Zealand sufficiently into account or appreciate its special problems. While both nations still seek and respect strong United States leadership, there is an absence of bipartisanship on matters of defence in both New Zealand and Australia and a rising spirit of local nationalism and economic interdependency.

#### THE ROLE OF THE UNITED STATES

The basic reasons for the original ANZUS pact are as valid today as they were in 1951. Irrespective of which party is in power in Australia or New Zealand, the defence of those two nations in the scope of US and

Pacific security is not diminished. In fact, with the constantly increasing ability of the Soviet Union to project considerable power to any area of the world, their positions make them key to the security both the South Pacific, and the East Indian Ocean. As allies these nations have proven themselves to be loyal yet frank. Since they are also respectful of the special responsibilities of the United States, it stands to reason that they deserve our understanding of their particular problems and objectives as well as their vulnerabilities. Neither country makes unacceptable demands on the United States and both pay cash on delivery for any foreign purchases they make. The United States' role in return should be a clear indication at every opportunity that we recognize their strategic importance and cherish their international friendship. Whether the course be increased military exchange exercises or the sharing of strategic intelligence, it is in the best interest of all three nations of the alliance to maintain that course.

#### ENDNOTES

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3. Albinski Henry, The Australian--American Security Relationship St. Martin's Press New York, NY.
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