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A.S. BROWN
25.8.1950

[Cover of notebook]

“A”
Cabinet Notes No 1.
25.8.50

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Friday, August 25, 1950

In addition to Ministers the following were in attendance:

Sir F Shedden	Sec, Dept of Defence
Mr A.S. Watt	Sec, “ “ Ex Aff
Admiral Collins	}
Lieut Gen Rowell	} Chiefs of Staff
Air Marshall Jones	}

P.M. reported that he was disturbed by world events. Stalin is not contemplating a world war but is hoping to win without a [? – unable to transcribe] war. He is using two methods but we are not to say anything because of a policy of make believe. The first method is to recognize that W. Europe, Mid East and UK are vital and that UK is stretched and France is hard put to raise forces. His plan is to disperse our forces. He has therefore promoted Korea so that he can attract democratic forces there – the more the better because he is not using his own forces. The same is true

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of Malaya, Indo China.

Likewise he is getting great satisfaction out of Kashmir. Nehru is closer to him than us. Egypt is being tiresome and Persia is difficult but the Pacific places are irrelevant to a major conflict with the Soviet Union.

This results in forces being left then in the places that matter and secondly in distorting the psychology of the democratic countries. If Australia is committed in Far East then it is harder to swing public opinion to the Middle East. The same is true of USA and Stalin is counting on this.

This doesn't mean that Korea can be ignored. Korea must be won. But we must decide the extent of our co-operation having in mind the overall strategic considerations. How can we match our liabilities with our assets. If we leave our liabilities to the Security

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Council our liabilities will be without limit. Our liabilities may perchance be limited by a veto by Russia and by Communist China if they get on to the Council.

The other of Stalin's plans is his economic policy. The more I can force the democratic countries towards war preparations the more inflation will succeed. This will prove communism right and capitalism wrong, and so they will not be in a position to fight a real war.

We are largely in a world at war. U.S.A. has a large body of opinion which favours instantaneous atomic bombing of USSR if war breaks out. We are pretending that Korea is a U.N. operation. But we would not be in it unless U.S. were in, and we are in it because they are in it.

But for years we have made our military planning on a realistic basic – how do we co-ordinate with UK, US, NZ.

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What are our real dangers, what are our real friends. But on a political basic we have been pretending that everything is based on the U.N.

Korea is the perfect ~~basic~~ example of this. MacArthur had been ordered to evacuate it. Even now if the Chinese Communists helped the N. Koreans we could not hold any part of Korea. But all of a sudden a political decision is made that this is aggression and Korea must be defended.

But the President's announcement about Korea also included an announcement about Formosa. There was inconsistency in this. Korea was based on ~~UN~~ aggression and the charter, but Formosa but based on arguments of strategy.

Formosa can't be brought within the scope of the Charter. The real question is – is this place strategically vital?

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MacArthur explained that Formosa is vital because its loss would effect a breach in the chain of island bases. Who ever controls Formosa can reduce the efficacy of the bases on either side. This view has been accepted in Washington.

We and the U.K. and N.Z. have a duty to make up our own minds on this question & MacArthur is willing to provide facilities for us to examine this on the spot.

Hong Kong, Indo China, Malaya etc should be included.

We should present our views to Washington once we make up our minds and we should do this very quickly.

We ought to make up our minds and saying what are the spots which are vital and it is only in those spots that we will be committed.

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If we can learn out of this to adopt completely realistic policies then it will be worth while.

In relation to Korea a small force very quickly is what is really needed for its psychological effect in USA.

There are two other things – W Germany & Japan being outside Russian orbit we hold 80% of industrial power. We are thereby short of manpower for other purposes. Hence the importance of India and Pakistan. Hence also arises the re-armament of W Germany (and also migration to Australia). The only question on migration is are they good citizens & they are. The other question is Is W Germany to be defended? If so by whom. They must help to defend themselves.

Likewise, is Japan important? Of course it is. If Russia gets

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control of Japan she becomes a warm water power. How do you prevent Japan falling to Russia? Who is to fight for Japan? The Americans? Or are the Japanese to do it themselves.

MacArthur says he would not re-arm them – but what about defensive re-armaments. ~~MacArthur~~ MacArthur would agree to a police force of 5 or 6 divisions trained on military lines. You must determine who the major enemy is and you must decide your policy in relation to this.

This is the broad picture as I see it and if there is some grievous error in it would you please let me know.

In answer to Mr Holt PM said Russia had plenty of internal difficulties. For example she has only 20% of world's industrial capacity and this is why she is not anxious to have a war at present.

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McEwen: Have they calculated how vulnerable Russia is to bombing.

~~Who~~ Menzies: That makes the base most important – hence UK becomes more important.

Casey: Is atomic energy in peoples minds.

Menzies: Many people said the bomb was the only thing.

Fadden: How many bombs has Russia.

Menzies: Russia 2 or 3. USA 300–500.

McEwen: Is Russian industry sufficiently dispersed.

Menzies: The large number of bombs is probably sufficient.

Casey: But have they a machine to deliver these bombs?

Holt: We must guard against being pushed too quickly into a total war organisation.

Menzies: I agree and if we determine our liabilities there is less danger of dispersing our resources.

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Menzies: We have three jobs instead of two. defence, stability & development¹

Casey: We cannot have business as usual.

Menzies: Congress is pushing controls down the presidents throat – taxatio n is being put back.

Page: We should co-ordinate our development and our defence.

Anthony: Is war inevitable or will the world settle~~d~~ down into two camps.

¹ 'defence' is inserted above 'three'; 'stability & development' is inserted above 'instead of two'.

Menzies: There is a school of thought which says war will come when USSR has enough atomic bombs to make them think that neither side will use it.

Admiral Collins

You have given a masterly summary of the position as we see it.

In the short run there are 3 possible courses of action –

1. Walk out
2. Be driven out because we do not give the proper resources
3. Make a real effort to hold it.

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For example Hong Kong is indefensible – let us remove defences and don't adopt course number 2.

How much can we put into our fighting forces –

My belief is that Formosa is vital.

Lieut Gen. Rowell –

Agrees also with PM's account. We must select and we must make arrangements to play our part. We must have something to pick up immediately – a small highly mobile permanent force. On Formosa I do not agree with US point of view.

Air Marshal Jones –

Satellites may attack places which are vital to us. We may ~~do~~ just let them go & we will eventually be forced out of Asia, Japan, Philippines and Malaya – not Formosa – are vital. Hong Kong is indefensible and this is recognized on the spot.

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Secondly, if we are engaged with Russia we must concentrate on Russia and we would then have to get out of some of these small wars. We must maintain sufficient forces in Australia to expand on demand. We should think in terms of fighting by machines & reduce our manpower commitment.

Menzies I raised with Slessor what would happen if we were squeezed out of Korea. We would not be wanted then. Slessor said strategic bombing was the only way – ie against the N. Korean installations.

Mr Holt mentioned that he wishes to get up to next meeting ~~on~~ a submission on migration program for next year. He will revise the paper which we took away with us.

Available Tuesday ~~at~~ 11.30 am

Available Wednesday, Thursday, perhaps Friday –

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Mr White WN Guinea. There are the elements of a naval force in WN [West New] Guinea and some battalions there. Would chiefs of staff give us some appreciation of the nearer islands to Australia?

Admiral Collins Dutch N Guinea is important. We must rely on natives to stop infiltration. We can't afford more than one base – Manus – Darwin as subs base.

Air Marshall Jones – Our preparations have been against submarines. We would have to organise patrols. Morotai we would like, but Beeac [sic – Biak, Dutch New Guinea] would do.

A.S. Watt Halligan & Murray report that they have no evidence of infiltration. C.G.S. does not think that there is any.

Francis Asks for special efforts for accommodation of a battalion in New Guinea.

Anthony Asks for an appreciation & in the event of war with Russia & China would it be possible to defend any place on the mainland of Asia. He does not think that it is.

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Menzies This is involved in the strategic appreciation which we have asked for.

Casey We must surely have to increase our defence arrangements. – We have arrangements for Korea and for National Service. ~~...~~ Should we discuss this ~~now~~ in a fortnight or so.

Menzies Yes.

Should I suggest to the other PMs that we have this joint appreciation.

Menzies What is position about battalion.

Rowell – 450 people in Japan – by 11th or 12th September the rest of them will be there. On military grounds the two arms should be married in Japan rather than Korea. It should not be available for operations until they are ready. Robertson's reply is that once they go to Korea they will be used. It should go to Korea only when Robertson ~~certifies~~ is satisfied that it is ready for operational service.

Menzies agrees with Rowell's recommendations.

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McEwen: Russia plans all these things with the idea of dominating the world. They will bog us down in Korea, Indo China, in Germany. There are the 3 choices that the Admiral mentioned. Are we to avoid war by becoming so strong that they will not ~~fight~~ fight us. But the Russians as orientals ~~can~~ take no account of time. We cannot hold armaments for so long. The logic of this is to fight them now. The British will not decide to do this, but the Americans will. We should examine just how candid we can be with our own people. This is all brought about by the fear of an aggressive war with Russia. This will be decided in Europe & Mid East. We will not be bogged down in Asia. Australia's role is to fight with the British in Europe and the Middle East – we need an army that will be able to fight immediately.

Menzies: That feeling is growing in the U. States.

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In the US the feeling about communism going back to Russia is stronger than any where else. Congress is in fact ahead of the President on this matter. I am doing a broadcast on Monday night. Should I not be quite blunt about this in my broadcast.

Holt: There may be some reason why Attlee & Truman have not adopted this line.

Menzies: I want to talk to the newspapers and it may be as well to condition them first.

AS Watt Will I dig out all the latest statements in case you may find them of use. – Yes
[in pencil]

Jones. The Russians have a pretty complete set up in the maritime provinces for everything that they need.

Rowell. This is not a national emergency, this is not a British war. The reservoir of trained personnel does not exist. – There are jobs at good wages. These are the reasons why recruiting is not going too well.

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We had some 4,000 applicants. We will be able to keep the battalion up to strength. It is the second thousand that we are after – we have 1,800 now.

Jones. Unit equipment 24 aircraft – total of 35 aircraft & 35 pilots. We can operate for at least 6 months. We have 2 squadrons in Malaya & we need to do more to keep them in fighting. Main effort has been against tanks, foxholes, transport, 500 lb bombs & rockets against tanks.

Resume 11.30am, Tuesday morning.

ASB

Persons mentioned

Surname	Given names	Position
Anthony	Hubert Lawrence	Postmaster-General
Attlee	Clement Richard	Prime Minister, UK
Brown	Allen Stanley	Secretary, Prime Minister's Department
Casey	Richard Gardiner	Minister for Works and Housing <i>and</i> Minister for National Development
Collins	John Augustine	Chief of Naval Staff
Fadden	Arthur William	Treasurer
Francis	Josiah	Minister for the Army <i>and</i> Minister for the Navy
Halligan	James Reginald	Secretary, Department of External Territories
Holt	Harold Edward	Minister for Labour and National Service <i>and</i> Minister for Immigration
Jones	George	Chief of Air Staff
MacArthur	Douglas	US General
McEwen	John	Minister for Commerce and Agriculture
Menzies	Robert Gordon	Prime Minister
Murray	Jack Keith	Administrator, Territory of Papua and New Guinea
Nehru	Jawaharlal	Prime Minister, India
Page	Earle Christmas Grafton	Minister for Health
Robertson	Horace Clement Hugh	Commander-in-Chief, British Commonwealth Occupation Force, Japan
Rowell	Sydney Fairbairn	Chief of General Staff
Shedden	Frederick	Secretary, Department of Defence
Slessor	John Cotesworth	Chief of Air Staff, UK
Stalin	Joseph Vissarionovich	President, Soviet Council of Ministers
Truman	Harry S	President, USA
Watt	Alan Stewart	Secretary, Department of External Affairs
White	Thomas Walter	Minister for Air <i>and</i> Minister for Civil Aviation

Abbreviations and symbols

[...]	crossed out text unintelligible
ASB	AS Brown
CGS	Chief of General Staff
Dept	Department
Dutch N Guinea	Dutch New Guinea
Ex Aff	External Affairs
Mid East	Middle East
N Guinea	New Guinea
N Korea/n	North Korea/n
NZ	New Zealand
PM	Prime Minister
Sec	Secretary
UK	United Kingdom
US or U States	United States
USSR	Union of Soviet Socialist Republics
W Germany	West Germany
W Europe	Western Europe
wld	would
WN Guinea	West New Guinea