

Chapter 2

Labor in Office

Labor's policies

Within hours of the announcement on Saturday 2 December 1972 of Labor's majority in the House of Representatives, I spoke by telephone to my new Minister, Lance Barnard, in Launceston. He said he wanted me to continue in office to assist him. Whitlam arranged with the Governor-General that he and Barnard would share between them all the portfolios as a temporary measure pending the Senate results, which would enable a full caucus to be formed to elect the full Ministry.

In contrast with the vacuum in policy-making and the politically defensive attention to trivia that had characterised the last months of the McMahon Government, Labor deluged us with policy objectives and organisational changes. In the first weeks the auspices were good for someone in Defence wanting to serve the new Government's policy with enthusiasm. I believed that I understood their central defence policies, some of which I had long been advocating to their predecessors with little success. But I could not know Labor's intentions, as distinct from rhetoric, in respect of the American connection. I was uncertain as to how the Ministers in office would handle publicly declared policies of disclosing, or possibly terminating, the activities of the United States in the facilities shared with Australia at Pine Gap and Nurrungar. I hoped to dissuade the Ministers from either course when they were given the facts to which, under the strict rules that had been established by previous governments, they had not been made privy when in Opposition.

Having spent Sunday looking over papers prepared on various changes predicted by Labor, I took them to Barnard in Parliament House on Monday. Shortly afterwards Whitlam joined the discussion, which picked up some matters from my meeting with Barnard in October. Both declared that they would look to me to help achieve Labor's priorities.

In that first meeting the Ministers said they wanted the Service Departments abolished and the Services put under the control of the Defence Minister. Without any prompting the Prime Minister said he wanted me to use my authority to achieve this for the Minister. My diary records that in the conversation Barnard said he wanted to strengthen the role of civilian advice. When he went on to say that he wanted to delegate more to the Department I counselled caution, because there would be sensitivities in the Services.

It was the beginning of a very busy three months. In my area of interest the Government was encouraging and forward-looking. In that first week I was given more policy directions than in the 21 months since Fraser had left the Gorton Government. I (and other senior officers in Defence) did not suffer the debilitating distrust of some of Whitlam's Ministers towards their Departments. Although Whitlam was giving most attention to foreign policy changes of a declaratory nature that did not require approval by Cabinet or Parliament, neither of which had yet met, he also spent time on Defence matters because of the interconnection. He called me in on several occasions to hear progress.

In response to the stated intention of the two Ministers to reform the fragmented Defence system, I had recommended that, before legislation could be prepared for a merger after a necessary inquiry, Barnard should be given all three Service portfolios. I also said he should continue to hold them after a new Ministry had been formed because, if other Ministers were appointed, his continued control of the Services would be lost.

Due to the workload, I recommended that the Supply Department be placed *pro tem* under another Minister, with whom Defence could rely on continued good cooperation. However, on this aspect Barnard thought otherwise, citing his interest in controlling the Defence factories and their large workforce.

Other matters requiring urgent attention were the cessation of National Service, and the notification to allies of the intended withdrawal of ground forces from Asia. Various senior officers were involved in these tasks, particularly the Secretary of the Army Department, the experienced Bruce White, and one of my deputies, Eric Dwyer. To inform Whitlam without delay of the nature and purpose of the joint facilities in which the Americans were involved fell to me, assisted by the Chief Defence Scientist, Dr John L. Farrands, who could speak with authority on the operations. Almost two hours were spent answering the Prime Minister's questions. We stated our view of the global importance of their activities, given the then state of relations between the Soviet Union and the Western allies, as well as their other beneficial capabilities.

These various encounters with the country's new leaders led me to confide to my diary some enthusiastic sentiments about the prospects of 'changes to come, ideas, constructive ideas, attacks on some myths behind which shoddy ideas and careerism have been sheltered by conservative Ministers and the active backbench'. These bottled-up sentiments, expressed in the purple prose that comes naturally late at night after an exhausting day, did not spring from any partisan adherence on my part to the Labor side of politics. Working at different levels under the Curtin, Chifley, Menzies, Gorton and McMahon Governments, I had tried to understand policy without being passionate about party success or failure.

My enthusiasm for the new regime was soon tempered when we experienced in the first months the lack of concerns for confidentiality, rejection of the system of security clearances, undisciplined public trespass by Ministers outside their portfolio, and unwillingness or inability to control free-ranging Ministerial staff.

Labor's reforms had to be fitted into the ongoing management of the Services, and satisfaction of the daily requirements which do not wait upon changes of government. Barnard had to cope with a deluge of decisions, while fending off attacks on him from Labor's left. He had still to absorb the content of the current year's defence programme and the forward projections into which any changes would have to be fitted. We had to caution him against making changes in a hurry before the consequences were understood—for example, acquiring new fighter aircraft while the *Mirages* were still serviceable. There were election promises that had to be implemented, such as the improved pay and conditions recommended by Justice Woodward, along with some welcome industrial principles for deciding these matters.

We felt ourselves fortunate to have an industrious and congenial Minister, who sought advice from civilian and Service officers and who refrained from premature announcements of decisions affecting Australia's allies. This contrasted with the actions of some of his colleagues, who were addressing *démarches* to foreign ambassadors or publishing denunciations in language offensive to American leaders. On 30 December I remarked in my diary (in mixed metaphors) that 'men unused to power flex their muscles, and crow like victorious cocks'. Moreover, after we gave our sobering advice the Defence vote was spared the spending frenzy spreading elsewhere, in the absence of Parliament and of any effective Treasurer's control. As my diary recorded: "'Come and get it" is ringing out of Ministerial offices.'

Principles of pay-fixing got short shrift from some Ministers as they demanded high salaries for personal staff. At the same time the salaries of all departmental Secretaries were put on the same levels, presumably reflecting the demand for equality among Ministers. We had the bizarre result of the Secretary to the Treasury and the Secretary of Defence receiving the same pay as the Secretary of the new and insignificant Department of the Media.

To bring about many of the changes, I handed responsibility to other senior officers. Their numbers were not large. They had assistance from the Joint Military Staff under Rear Admiral Bill Dovers. Manpower decisions were handled by a deputy secretary, Eric Dwyer (who had been brought in earlier from the Public Service Board) and by the three members of the Service Boards responsible for personnel. Farrands (who later was to be appointed head of a Department of his own) was put in charge of preparation for negotiating changes at the US–Australian joint facilities. Financial programming under our unique 'rolling' system was in the hands of Matt Hyland. His task was to devise an integrated

system applicable after the separate Departments had been abolished. Intelligence assessments for the new strategic review were provided by Gordon Jockel, formerly a senior Foreign Affairs officer. He was aided by Paul Dibb who, a decade later, was to make a major impact on the force structure under Minister Kim Beazley.

I retained for myself the last word on the new strategic assessments for the Government and in addition, in consultation with the Chairman of the Chiefs of Staff Committee, Admiral Sir Victor Smith, coordinated what was being served up to Barnard.

Various international discussions also fell to me as early as the last week before Christmas 1972 when Whitlam included me in his visit to New Zealand to meet their new Labour Prime Minister, Norman Kirk. That journey had an unintended consequence. Over the Tasman Sea, the Air Force's BAC-111 lost one of its two engines with a ruptured turbine. We limped slowly back to Fairbairn. During the silence in the cabin that followed the ominous jolt that shook the aircraft, when I and others were silently studying the height of the waves not far below, our ex-Air Force Prime Minister seemed to be enjoying himself, making quips up and down the cabin. It was later decreed that the hazard to Ministers of trans-oceanic flights called for a four-engined Boeing 707 for the VIP flight. Its purchase was grafted on to the Defence programme, although it had no combat priority.

One task that I could not delegate was planning the review that I was to conduct into how best to integrate the Service Departments into Defence, along with the defence industries and science laboratories, to give the Minister for Defence effective control over the Services.

Consultations and plans for merging five Departments

In January 1973 I began preparing material for the announcement to be made by the Government as soon as Parliament met in late February. In addition, I needed riding instructions, in the form of terms of reference for the inquiry into the desired integration.

To gain support for Labor's intention Whitlam wished to publish the 1958 report of the Morshead Committee to the Menzies Government, which Labor believed had much the same objective as theirs in 1973. This led to a somewhat arcane discussion with the Cabinet Secretary, John Bunting, who explained the convention against Ministers being given access to the Cabinet records of its predecessor. Was the report a Cabinet document or not? Whatever the answer, Whitlam, with his sense of propriety, decided to obtain the approval of the Leader of the Opposition once he had been chosen.

The Government announced its defence reorganisation intentions in a statement made by Barnard (conjointly with the Prime Minister) on 19 December,

only days after taking office. The statement of some 2000 words, which I had drafted, incorporated the Government's intention to spread the workload by appointing a person having Ministerial status in another portfolio as Minister Assisting the Minister for Defence (a course that I recommended). This clumsy and not wholly effective device to bring the load on a Minister to manageable proportions had been used by the Menzies Government in 1960 (on my advice on that occasion as well). Legal opinion had warned that the appointment within a portfolio of a second Minister enjoying emoluments might be found to be unconstitutional, in breach of Section 64 of the Constitution, with severe penalties under Section 44 (iv) for the Member of Parliament so appointed.

Barnard's press statement contained, in effect, the terms of reference that I wanted. It is publicly available, both in Hansard and in the Tange Report, and need not be reproduced here. In drafting it for the Minister I thought that he should, for several reasons, confine himself to broad objectives, avoiding precision about detailed organisation. Obviously any conclusions I might reach would have to follow consultation with those already experienced in the daily management of the activities of the Services and in the satisfaction of the essential requirements of each Service (and they differed).

Unlike defence policy-making, this had not been the function of my Department. Because the Services had the constant requirement of a steady morale in meeting current and potential deployment demands, they needed assurance that arbitrary solutions would not be imposed on them by a new and unfamiliar Labor Government, and that consultations would be real. Politically, the Government would need to safeguard itself in Parliament on these points.

The stated objectives were the creation of a single Department containing the staff of Defence and the Service Departments (the Department of Supply being left for further study, which accorded with my own request). The statement said each Service would retain its own identity and exercise substantial delegation of authority; some areas under single-Service control would be transferred into central functional management in the Department; there was to be more effective central military control of operations and related military activity; and there was to be improved presentation to Parliament of the contribution made to Defence by the activities of the Services, and their cost. In later years, as other agencies developed programming of the kind pioneered in Defence, this was to be labelled measurement of 'output'.

As the Ministers had accepted my draft, the words identified virtually everything that I had found deficient in the system in the previous three years. Approval by the new Government was encouraging and established a political signpost to the future.

How the statement was received in the Services I would learn only later. With their minds occupied with the redeployments and force reductions (in the

Army), along with the daily tasks of the units and formations around the country and abroad, including Vietnam, there was likely to be less attention than we gave it in the Department of Defence.

To start the process I called together the three Service Departmental Secretaries. They were Sam Landau (Navy), Bruce White (Army) and Fred Green (Air). I spent several weeks meeting them from time to time and seeking their views on the shape of the future. I wanted to know how they functioned in relation to their two-star colleagues in the Service Boards and much else, before meeting with the Service Chiefs.

I did not expect that the Government would want the inquiry to examine the command structures of the Services at the operational level, below the boards to which the Departmental Secretaries belonged. This would in any case have been outside my experience and competence.

Strategy for making the changes

Early in my consultations the Services had asked whether I would follow the experience of other countries. Apart from great disparities in size, I reacted firmly against this familiar lack of confidence in the ability of Australians to create machinery relevant to their own constitutional situation without running for tutelage from the mother country or any other. In any case the failure of the British to reform their system was attested to by a former Secretary of State for Defence and later Prime Minister, Harold Macmillan. It seemed that we had already made all Britain's mistakes.

In his book *At the End of the Day*, Macmillan said:

The Act of Parliament which established the Ministry of Defence after the war clothed the Minister with doubtful authority and gave him insufficient means to fulfil even the functions which he was supposed to carry out.

The similarity in Australia was striking when he wrote:

Their Lordships of the Admiralty, with their hierarchy of Admirals under the First Sea Lord; the War Office with its Secretary of State and Army Council; even the later-created Air Ministry again with its Secretary of State—it was in these historic bodies that rested the real, practical control. Moreover, the responsibility of their political heads to Parliament had scarcely been altered by the emergence of the Minister of Defence.

When he became Prime Minister, Macmillan was still frustrated. In 1957 he suggested to his Defence Minister, Duncan Sandys, the creation of a single integrated Defence Department. 'All through the spring of 1958 there was a kind of smouldering fire in Whitehall.' When a White Paper emerged in 1958 four separate Ministers remained. A Chief of Defence Staff was created, but on the

basis that 'he was to have no control of his own'. Australia seems to have followed this course. In 1962 and 1963 Macmillan tried again. In 1964 a reorganisation established 'the principle' of functional organisations serving all three Services. But, on my observation years later, practice was different. His frustration led Macmillan to say in 1963: 'If we have to decide between two possible courses of action we must always choose the more radical.'

As I said earlier, I decided that gradualism rather than radical change was better for a new and inexperienced Labor Government. Others might think that the political judgement of the Prime Minister of Britain was better than mine. I do not remember any cries for swifter change when I was preparing my report. But there was plenty of opposition to the content of the changes.

Another British Minister, Alan Clark, had said publicly that in considering proposals that came to him for decisions on new weapons acquisitions, he would consider first to what extent approval would further the career of the applicant. I began with a less cynical view of the motives at work in our Services. But I wanted a system of testing that went wider than the operational preferences of the applicant Service.

Defining the general objectives was relatively easy; but a replacement organisation had to be one that could be worked cooperatively and efficiently by Service personnel accustomed to procedures unique to each Service wherever located throughout Australia and at overseas bases.

Gradualism would be needed to avoid any sharp break in the operational state of the Navy, Army and Air Force. It would not be possible to foresee every possible hitch, psychological or otherwise, that would affect the working together of the senior personnel of the three Services in their support of the operational commands. There would be a testing period for the acceptance by some of new lines of authority, and acquiescence in new sources of material support. It would be prudent to leave some areas untouched, at least for the present. Rather than looking for complete solutions to be handed down from above (or from outside as many in the Services might see the Defence Department), the better approach would be, in my judgement, to create new organisations in the Department, covering clustered functions, where rationalisation would become a self-generating process.

The work of the advisers, then and later, was essential to the reorganisation. We did not always agree. White, who knew the military way of looking at things better than I, warned me against, as he put it, 'opening war on too many fronts at once'. But, personal conviction apart, I had been given a deadline for satisfying a somewhat impetuous government's demand.

As to that, I had to make a judgement as to how far the Whitlam Ministers and Caucus would stand up to resistance that could be expected to any change

I might recommend. I could foresee the kind of opposition that some changes would draw from a core of members of Parliament likely to oppose any changes, particularly by a Labor Government; from the Returned and Services League, from the conservative press (fed by the disgruntled), and from the many who held a sceptical view of the competence of public servants, particularly if the much admired Services were to be made beholden to them in some respect. I would be under the disadvantage, on that emotional issue, of the seeming lack of awareness among them of the extent to which a conservative Menzies Government had in 1958 already endorsed the essential place of civilian Secretaries as one reason for rejecting the then proposal to abolish the Service Boards. Indeed, the same unawareness of the accepted role of civilians existed within the Services themselves, especially among personnel who were located at some distance from Russell in Canberra.

The task, essentially, was to find a form of public administration that would effectively support the military forces acting under Ministerial control in conformity with Government policy and under scrutiny of the amount and purpose of expenditures they incurred or committed for the future. I was not asked to share with any military officer the management of the inquiry, and still less that I carry the weight of a committee of three arguing about what areas I should or should not explore in an exercise in public administration in which I had accumulated some experience. I was simultaneously guiding an inexperienced Minister through plentiful problems and recurring crises.

I needed advisers who understood the constitutional and administrative principles to be embedded in the reformed system of Ministerial control. I arranged that I be assisted full time by Bruce White, whom I considered to be the most competent as well as the most experienced of the three Service Departmental Secretaries.

Abolition of the Service Boards: Reasons

Integration of control of policy into Defence was not possible if the Service Boards remained with the legal powers they possessed. Nor would it be possible to give effective command of the Services to the senior military officer so long as the legal authority of the Chiefs of Staff within each Service differed. In the Navy, executive command rested in the Naval Board and not with the Chief of Naval Staff. In the Army Department the Minister presided over the subordinate generals who were members of the Board. Since it is axiomatic that Ministerial decisions necessarily embrace some considerations that are never revealed—such as party considerations, electoral advantage, trade-offs within the Government and doubtless much else—the Army Minister adopted the device of absenting himself if he foresaw that a Board item was likely to be submitted to Cabinet.

Furthermore, the functions of some Board members would be lost, wholly or in part, to whatever new directors of common Service functions were set up in the reformed Defence Department, in accordance with the guiding principles.

As to accountability, the dispersion of authority among the 15 two-star officers and their three three-star Chiefs made it difficult to establish precisely who was accountable to the Minister for actions (or lack of them) in the Service. This was important when things went wrong. Not the least challenge would be the disappearance from the Board, after his Department was abolished, of the civilian carrying the traditional and legal powers of a Departmental Secretary. What would be necessary was to 'boil down', into a single formula applicable to all three Services, the existing relationships of Service officers and Secretaries. Much of my discussion with White, Landau and Green was directed to this idea and to the practicalities involved.

All the Secretaries agreed that continuing three separate systems of controlling expenditures and financial commitments, as required by the *Audit Act* and financial regulations, had to be rejected. In April I had set up a more formal system of consultation in the form of a Senior Consultative Committee, provided with investigating staff, to advise me. Bruce White was its leader. The Service Departmental Secretaries were charged with keeping the Chiefs of Staff informed on where the inquiry was going. By September several sticking points emerged.

Direct discussion – The Secretary and four Service Chiefs: Conclusions reached

While the Committee continued to meet—in about 17 meetings in all—I decided I should sit down with the four Chiefs and deal with them directly. My report describes the main matters that arose. In my discussions I gave way on some matters recommended to us. An example was the idea of moving the Service Chiefs of personnel into the Defence Department.

It was surprising that (as far as I recall) the Chiefs did not challenge my intention to continue to keep strategic assessments under departmental control; nor my intention to have departmental control of the staff examining Service equipment and manpower bids, to ensure their conformity to strategic need and to a balanced force structure. The challenge on the second was to build up and remain continuous, as I shall later record.

All the Chiefs had the right to go to the Minister with any complaints; as far as I know none did. It was helpful to me that my colleague as Chairman of the Chiefs of Staff Committee, Admiral Smith, was trusted by Barnard. I surmise that the absence of any complaint from him would have been reassuring to Barnard that Service interests were properly considered.

For the Chiefs a major recommendation, with which they all concurred, was that the chief military officer in the Department of Defence (already of superior

rank) be given for the first time legal power of command over the three Services, while providing that the Chief of Staff of each Service would be responsible to the Minister 'through' the renamed Chief of Defence Force Staff. The single-Service Chief would be acknowledged as 'the professional head of his Service' and have command of it, subject to certain stipulations.

I took the opportunity to employ symbolism to reflect the concept that a common purpose must govern the activities of the three Services. I restored to usage the compendious title 'Australian Defence Force' which the 1915 *Defence Act* had declared to be composed of 'three arms'. Fraser's 1970 statement, for example, had not once used the term. In due course (after my time) the commander had his title changed to the unambiguous 'Chief of the Defence Force'.

With the Department now planned to contain a commander of all the Services, and the Service Departments and the Service Boards to be abolished, the three Departmental Secretaries (or Chief Officers) would disappear likewise. The *Audit Act*, and the many regulations stipulating financial controls, called for substitute appointments. The history of Defence administration and the known views of governments from both sides of politics clearly required that the function be vested in the sole remaining First Division public servant—the Secretary of the Department of Defence.

Whereas in each Service Board this officer operated in conjunction with a three-star Service Chief and four or five officers at two-star level, I had to propose an arrangement for relations between two individuals to share the administration of the Defence Force. Some questions of principle had to be disposed of. I had no hesitation in riding off course the idea that had previously surfaced in the Army of having the Chief of Defence Force Staff solely responsible for representing the Department to the Minister, converting a Department of State into a *de facto* military headquarters.

But the Secretary could no longer have his powers and duties identical with those of civilian Departments under the *Public Service Act*. Behind these organisational challenges lay some deep-seated tensions in some areas between civilians and Service officers carrying out their respective duties. I needed to recognise this in proposing the new administrative arrangements—a subject to which I shall return later.

In the discussions some Chiefs were more constructive (whether in support or in criticism) than others. One I went to see privately in his office to remind him that the Government's call for reforms in the system called for ideas and cooperation from him no less than from me.

Discussion gradually reduced the areas in contention. The Chiefs were reluctant to accept abolition of the Service Boards, even though achieving a

commander of the Defence Force with access to the Defence Minister. I held to the view, already explained above, that their existence would be inconsistent with the new line of command and, in addition, obscured accountability. Most accepted the idea when they were reassured that there would be no objection to their setting up their own advisory committees, when the Chief assumed direct responsibility for activities previously controlled by their two-star officers and for which they had been accountable to the Service Board.

There were reservations (particularly from the Air Force) about my concept of some Service officers being appointed to serve under the Secretary in policy positions in a 'two-hatted' arrangement—responsible to the Secretary in respect of financial and other policy directions, and to his Service Chief in respect of his operational priorities. One example I proposed was in the area of supply. Another concerned the construction activities of the Services in their bases, ports, airfields and training establishments. I argued that being answerable to two persons was already a fact in the Services. Other issues debated are recorded in the Tange Report.

With the disappearance of the Service Departmental Secretaries, it would be necessary to establish the relationship between the Chief of Defence Force Staff and the Secretary of the Defence Department, both housed together and responsible to the Minister. My proposal was

that the Government distribute elsewhere the powers of the Boards (including the power of administration of the Services and executive command in the case of the Navy), thus permitting abolition of the Boards. This can be done by the Minister for Defence retaining most of the powers and functions given to the Service Boards by statute, regulation or directive; and by delegating some of them through two principal streams, one military and one civilian in the Department of Defence. The powers pertaining to command, discipline and personnel management of the Navy, Army and Air Force should be vested in a Chief of Defence Force Staff and associated senior officers—whether solely or collectively as may be appropriate.

The 'two streams' of administrative control became, when incorporated in legislation in 1975, the so-called 'diarchy' at the centre of the organisation under the Minister. As I shall show, it lived through opposition and misunderstanding, and it administered the newly resurrected 'Defence Force' through several decades that followed. At the time of writing, several modifications have since been made by Coalition Ministers.

My conception of the way the system would work was that practices in the relationship would vary according to the actual content of matters arising for decision or report to the Minister. They could be predominantly military (such

as satisfying training or morale concerns); or predominantly financial (such as purchasing or contracting practices). One or the other of the two officers would act, in effect, as *primus inter pares*, by taking the lead in formulating the decision, with the other invited to concur.

Personalities would affect the relationship, as they always had done in past associations among those sharing authority. It would be for Ministers to take this into account when selecting individuals for appointment to the two offices.

I recognised that the obligation on the Secretary to support the Services needed to be confirmed. It would not be sufficient to rely on what new legislation said. Legislation allots authority, but does not specify in what ways it is intended to be used or not used. (This was later confirmed after reading the stark legalese of the 1976 *Defence Reorganisation Act*.) I proposed that the Minister issue directives to the Secretary stating the responsiveness expected of various parts of the Public Service structure to meet the priorities of the Chiefs; and requiring that duty statements reflect the duty. All integrated Service officers would continue to be subject solely to their Chief in respect of discipline. The Chief of Defence Force Staff would have his functions and responsibilities spelled out in regulations.

I now turn to some observations on the general question of civilian–uniform relations in our defence system.

Civilians and Service Officers: Their relative authority

My experiences in earlier years, as already described, indicated to me that the role of civilians would be an issue underlying the response of the Chiefs to my proposals. It is not that attitudes to civilians were identical. The Navy followed the historical Royal Navy tradition of trusting civilians to look after their finances and help in the processes of accountability to Minister and Parliament. The Air Force had few hang-ups about using civilians in subordinate positions on the ground, but subject to an attitude shared with the Navy. That was that civilians should not intrude into specifying what ships, aircraft and weapons systems, and in what numbers, they set out to acquire. I was aware that the Air Force had cause for dissatisfaction with the inability of the civilians in the computer services area of the Department to satisfy their need for reliable records on their enormous inventory of stores.

The Army view of civilians (other than those in subordinate jobs in the commands) was more combative towards civilians in analytical and policy-advising positions—with an expansive view of the role to which Army officers were entitled. Perhaps the explanation for these differences lies in the milieu in which each operated. The possibility of civilians sharing sea-going or flying duties does not arise. The Army administers supplies and personnel in multiple locations throughout Australia and has relations with local authorities.

I recall a good-natured exchange with my colleague (and friend) General A.L. MacDonald, when I observed that the Army seemed to think they could do anything that a civilian does. He replied amiably: 'Yes! And they often do.' This reply omitted to say that each answers to a different authority, one of which is Parliament through the chain of accountability.

The Army's officer corps had the weight of numbers (as many as the other two Services combined); and the advantages of an education system that produced more liberally educated officers at tertiary level than did the other Services, which specialised in engineering and technologies. Indeed there were some officers who left the Army to become prominent scholars. Some Army officers seemed to be less interested in principles of accountability than in the question as to who would exercise the power of decision in any changed arrangements. Historically, the strength of the Defence Department had, over and beyond its once-a-year control of broad expenditure levels and its survey of major equipment proposals, rested on whatever capability it had in reasoned argument. The persuasive strength of this had not easily prevailed against resistance backed by the legislative authority possessed by the Service Boards. Moreover, all Services used unattributed backgrounding of sympathetic journalists to ventilate their chagrin about Defence denials—a technique in public pressure that I was not willing to use myself.

I expected this customary attitude to continue. Entrenched attitudes in institutions are slow to change. Fairhall's injunction 'to think defence' rather than single-Service interests made slow progress in the Army in such matters as accepting credible threat scenarios that foresaw maritime challenges rather than those that justified Army claims for more manpower. This situation was exacerbated, in my view, by the remarkable lack of understanding that I detected in each Service about the needs and problems of the others.

An occasion arose for me to address Army attitudes in a Chief of the General Staff Exercise (under Lieutenant General Sir Mervyn Brogan) in August 1973, as I was heading towards making definite reform proposals. I opened my address as follows: 'What I want to do tonight is to promote some discussion on where you and I fit into the scheme of things.' I went on immediately to refer to the service-civilian relationship, which had fundamental importance and yet, as I said, 'was subject to much prejudice, ignorance and a degree of ribaldry'. There were differences in ethos or credo, in attitude to government, in work-style, and in a willingness to explore the ramifications of complex subjects; 'but the differences are sometimes trivialised and vulgarised by civilians and Servicemen alike'.

I also spoke of the grip on the Services of the experiences of the Second World War, while parliamentary committees went back even further—five and a half decades rather than three as a guide to equipping the Services. In speaking thus,

I also paid respect to the great traditions of the Services that were embedded in our national history.

On a more personal note, addressing the problems that the Department of Defence continued to have, I condemned as a failure of courage that practice of seeking approval from Defence of bids for technology suited to a superpower, leaving it to civilian officials in the Defence Department to propose a more modest and adequate alternative.

The *Bulletin* reported an indignant reaction: 'That would be the most highly offensive address I have listened to, said one General to another.' A well-disposed Major General, who did not share this indignation, later told me that the visiting American Chief of Army had whispered to him: 'This is war.' Whether it would have been more persuasive if it had been less challenging is a matter for judgement. But, as I doubted whether much of what passed between the Secretary and the Chief of the General Staff in our consultations went far into the rest of the officer corps, an audience of so many senior officers had to be made use of to create awareness of changes to come.

Ministerial acceptance of the Recommendations

My consultations drew to a close in late November 1973. With the deadline imminent I was able to report that the several Chiefs 'agreed that the organisation is workable subject to reservations ... recorded on certain points' and, in the case of the Chief of Air Staff and Chief of Naval Staff, subject to their reservations being satisfied. We all agreed that experience might call for further changes. I took the lukewarm endorsement by the Chiefs as sufficient to warrant recommending the plan to the Minister. In early December, Barnard met with the Chiefs (and me) to hear any objections they might have. Again the preservation of Service Boards was raised, and I repeated the arguments about inconsistency with the new structure. The Minister gained the approval of the Foreign and Defence Committee of Cabinet, and subsequently of Cabinet itself, with an exception concerning the Department of Supply.

The functions of the Department of Supply, extensive and employing a large staff, had, in Barnard's initiating statement, been left (as I had recommended) for later study and decision. My report recommended that those activities central to defence policy control (such as procurement, contracting of acquisitions and related industry participation and the Scientific Service) be brought into Defence. Management of government factories and other matters I considered optional, though at risk of overloading the Minister if retained. Cabinet decided to put the factories under a separate Minister. I surmised that direction of factories to start producing in areas other than Defence was attractive to a socialist government, and perhaps the unions.

After release of the report, and in the flurry of public criticisms from various directions, it emerged that the Chiefs did not carry all their dispersed regional commanders with them. Some made public protests, the most prevalent being the claim that ‘civilians have taken over’. I believe that not only did they not understand the careful distribution of authority that had been drafted, but also the already existing role and authority of the civilians in their own Service Boards. Nor, in some cases, did they understand the established functions of the Defence Department.

Only then did I recognise the limitations of relying on the Service command system to inform subordinates, rather than to issue orders to them. I had wrongly supposed that the careful explanations made during the top-level consultations would be passed down the line. In the event it seemed to me that officers far removed from Canberra, with no previous experience at the policy level in Canberra, were being driven by what they read in the local newspapers and by the rather jaundiced Australian view of public servants (whether state or federal).

The Department was not equipped to engage in a public information programme. Eventually a team of officers from the three Services was sent to explain the intended structure to personnel in the commands around the country. Throughout my term as Secretary I had given addresses at training courses to explain the role required of the Services to conform to the practices of responsible government in a parliamentary democracy, as well as discharge their mission as fighting forces. Given the normal rate of discharges from the Services on age grounds, the impact was probably small. The weakness of understanding of these matters led me earlier to arrange with the then Chief of the General Staff, A. MacDonald, to incorporate some material of this kind in the Army’s staff course for its majors. However, the solution required Service leadership from the top.

Members of Parliament and others: Reactions in Parliament and elsewhere – extent of command power

My proposal for the establishment of a number of committees containing representatives of the Services and civilians from the Department came under particular criticism. They were seen as time-wasting ways of frustrating decisions. It was ironic that what I had intended as reassurance that decisions by, for example, an officer of a particular Service, placed in charge of an area of policy, would not be taken without consultation with another Service affected, would be so misrepresented. I had in mind the longstanding rivalry (and occasional outburst of antipathy) between the Air Force and the Navy that I had witnessed in the past. In the event, I decided later that one or two committees were superfluous and did not set them up.

Probably the most extravagant public criticism came from Professor T.B. Millar. Millar was a Duntroon graduate who had retired to academic life with the rank of Lieutenant Colonel. I doubt that he had had experience at the level of Army policy-making and higher administration.

I do not recall any criticisms of my report from my former Minister, Malcolm Fraser. In the Senate, doubts about the intrusion of civilians into command decisions were taken up by the Opposition. Some were concerned about military command being centralised and remote from the battlefield. Much was made of past campaign experience (in which some Senators had been involved 25 years earlier). The Minister did not give the obvious answer that the arrangements left open the delegation of command.

The official definition of command issued by the Chairman of the Chiefs of Staff Committee was as follows:

Command includes the authority and responsibility for effectively using *available* [my emphasis] resources and for planning the employment of, organising, directing, coordinating and controlling military forces for the accomplishment of assigned duties. It also includes responsibility for the welfare, morale and discipline of personnel under command.

This was read by some as requiring unqualified control of resources needed for military action. One simple fact tended to be overlooked by speakers on both sides of the Parliament and by public commentators on the new organisation. Military command cannot extend to resources that the military do not already have. Yet much of policy activity in Defence, and control by the Defence Department of commitments falling on future budgets, involve requests from the Service Chiefs and not resources in their hands. When the Chiefs express their view of future needs, it comes to Defence in what, in the jargon, is called 'bids'. Examination of the cost-effectiveness, and conformity to other standards in the use of taxpayers' money, is exercised by suitably objective civilian and military officers. This was supposed to be the practice in Service Boards, whose members included a sole civilian who was outweighed by the uniformed petitioners from the various commands. The flaw was the absence of a test of overall Defence effectiveness. This was what the Defence Department, with its limited legal authority, was supposed to remedy.

I did not think it needed to be said that the nearer our commanders got to an actual battlefield, external supervision of their use of resources was bound to be modified. Yet much was made of the view that the recommended organisation was designed for peace and not for war. It was, in my opinion, very unlikely that in 1973 the public and Parliament would agree to a command by the military of money and other resources applicable in a time of war. What was needed was an organisation capable of adaptation, but not necessarily with the

immediacy to meet a war without warning. Some doomsayers saw such a war as a possibility in our strategic environment in the 1970s. It was a view that suited the Services wanting more resources. It was not a view shared by me or by those making considered strategic assessments for the Government based on massive sources of information.

Nor did the critics acknowledge the intended use of Ministerial directives to provide safeguards for the Services from a so-called 'civilian takeover'. One such critic who gained media attention was the former Director of Naval Intelligence and then Member of the House of Representatives, later Senator, David Hamer. Writing in the *Melbourne Age* he depicted the Defence Department as having had limited functions in the past and having only recently acquired some increase in authority, leaving the implication that this had been done by the Department's officials. He chose not to acknowledge that Ministers of his own party had recognised the deficiencies in oversight of the Services, and had not shared his disparaging assessment of the professional capabilities of public servants.

Some objectives not achieved

There were other reforms canvassed in my Report which did not come to full fruition. This was partly due to my belief that the civilian side of the Department should not enter into the promotion and appointment practices in respect of the uniformed members of the Services—for reasons of respect for military leadership and for the unique relationship between officers and the rank and file in a fighting Service which were the foundation of morale. The Report suggested areas needing examination by the occupant of the new position of Chief of Defence Force Staff in exercise of his newly acquired power of command. In the event, reforms were few (for reasons that I shall return to later). One example was the failure of the Services, more particularly the two that are oriented to use of complex technology, to fill the posts they were offered in the Defence Department with people possessing, in my judgement, the requisite qualification for the intellectually demanding judgements needed for policy advising. I noted that one Service in particular had a promotion policy that advanced officers with past prowess in combat who could not meet this test. The Air Force had a practice of not promoting to two-star rank officers other than pilots (unless filling the chief engineer's post). The result was the loss, through compulsory age retirement, of men qualified for defence policy advising. The exhortations of Minister Fairhall in the late 1960s were not having the intended results.

Intervention from Defence was needed in other areas in the moulding of a Defence Force out of disparate Services. Establishment practices differed, as did job evaluations, particularly among the many engaged in technical work. Manpower, beyond his control, was a substantial element in the budget that the Secretary of Defence was responsible for preparing.

A Chief of Staff and a civilian administrator look at Service personnel selection, education, training and promotion from different perspectives. The overriding objective is to satisfy the Service Commander's need to have capable leaders of operational activities in war. The civilian adviser to Ministers has the lesser concern of wanting some Service officers to be available with ability to participate in strategic assessments or to assess the cost effectiveness of equipment proposals from Services other than their own; or to judge the risks and advantages of contracting with foreign manufacturers and much else. Such tasks call for analytical capability, fostered by education, as well as proven good judgement and willingness to overlay objective and critical judgement upon their single Service loyalty. The number of positions is small but, because of the unavoidable Service requirement to rotate its personnel, a large number of potential appointees are required throughout the Service at all times.

Streaming of some officers into continuous advising on strategic policy or force structure analysis might not be acceptable, for reasons of morale in which combat leadership rather than desk-bound achievement would command respect. However, I detected no effort to examine this or alternative means of improving the quality of officers available for this area of Service responsibility. It was disturbing to see training courses presented as a substitute for education, and confusion between training (skill in doing things) and education (ability to think). There were also some questionable standards in the free use of the term 'graduate' for some Service courses of study.

I was aware of (and opposed to) the Service demand that each Defence Department posting be rotated among the three Services, irrespective of the quality of people presented for appointment. Value systems for the bringing on of these officers differed from Service to Service. A clue to differences is suggested by noting which Service produced occupants of the top position of Chairman of the Chiefs of Staff Committee and its successor positions in later years. I considered and described the rotation practice as mindless. But ultimately I thought it was for Ministers to direct the Services to raise intellectual standards. In this I was disappointed after Fraser had strongly stated the need for an Australian Defence Academy at tertiary level. Resistance delayed its achievement. Few Ministers after Fairhall and Fraser were interested in this matter. Ministerial objectives can be frustrated by rigid Service practices, or perhaps by poor communication. I recalled Casey, a Minister with great regard for the Services, prevailing upon a Defence Minister in the 1950s to appoint Service Attachés to diplomatic missions in Asia as a way of developing better understanding in the Services of the new environment of Australia's important independent neighbours where they might have to be deployed. I discovered that the Services, far from preserving and spreading the experience of Asia by officers appointed in this way, in most cases sent officers not eligible for promotion and destined to retire from the Service when their two-year posting was finished. I suspected that

some appointments were intended as a reward rather than a task (while other officers performed admirably).

Interim arrangements – changes needed in the Department

It was necessary to put aside changes that could only be made when the legislation had been promulgated. But it would have been disastrous to leave matters in limbo for a year, while staff remained uncertain of their future and the disaffected in the regional Service Commands (where most outspoken criticism resided) encouraged the various lobby groups to try to force a re-think on the Government. Accordingly we developed a plan for an interim reorganisation, to be put into effect in chosen areas as soon as staff could be found. While the preparation of my report had imposed a burden on a few (mainly me), the preparation for full integration and reorganisation involved massive changes in legal authorities, preparation of duty statements, directives, documentation setting out chains of financial control and much else. The burden on civilian and military staff in the Department during 1973 was substantial. All of this was superimposed on the normal daily activities of the Department (budgetary and otherwise), as well as various requirements arising from our international associations described elsewhere in this memoir.

Until such time as the new command arrangements became law, the Services continued to be governed by their Boards and, the positions of Departmental Secretaries having been abolished by an impetuous government decision (referred to elsewhere), I had to accept their former responsibility. For practical reasons, I obtained approval to have the three individuals appointed as special deputies to act as my agents on the respective Boards.

Once the new Act was promulgated, each of the Services had to review and change its command structure. It was necessary for each Chief, now in sole command and made entirely responsible for what went on in his Service, to have the backing of specialist advisers, revised lines of command and, perhaps most importantly, effective arrangements for coordination and cooperation. For example, the Air Force, because of its highly advanced technology and given the vulnerability of air safety as well as combat readiness to any shortcomings in the association of engineering maintenance with the supply function and its vast inventory, had some perplexing problems to address. In the Air Force and in the other Services, time had to be allowed for careful review by suitable teams during 1975. The absence of any immediate threat made it possible to proceed slowly.

While awaiting the passage of the reorganisation legislation, I went ahead with changes not dependent on legislation. There were also changes in the top military staff due to retirements. Admiral Sir Victor Smith retired after five years as Chairman of the Chiefs of Staff Committee, being replaced by General Sir

Francis Hassett (who became the first Chief of Defence Force Staff in 1976). He was followed by General Sir Arthur MacDonald, and he in turn by Admiral Sir Anthony Synnot (who was my co-administrator when I severed my connection with Defence in August 1979).

I made changes in the civilian staff. An early objective was to get effective control of the tasking and priorities of the Defence scientific and technical laboratories. This purpose was assisted by the energy of Farrands as Chief Defence Scientist, who also contributed more than his predecessor (Wills) to defence policy decisions.

Much of their work was of the highest quality in the opinion of the American and British with whom they shared much advanced and innovative research. Yet some parts of the system had grown up primarily serving the production and repair activities of defence factories when all were part of the Supply Department. They tended to act for the Services as problem-solvers, and the connection with the policy objectives of the Department of Defence was tenuous. The appointment of a Chief Defence Scientist in the Department had been one of the half-baked reforms of 1958. Without any control over the laboratories dispersed around Australia or any organic link with the fast-moving technologies and new research findings, the occupant of the post in Canberra had become a rather detached science guru, expected to offer off-the-cuff opinions on weapons acquisitions and maintenance problems. Under my changes he was given new line authority, through appropriate procedures; and in later years there were more radical changes to the management of this important part of our national defence capabilities.

I also drew some of the scientists into becoming analysts in Canberra in the enhanced role of systems analysis of Service bids for new weapons systems and platforms.

Managing the Department—The 1973 political environment

I now return to the early days of the new Labor Administration. There were many unexpected problems to deal with while simultaneously developing the reorganisation.

For example, a January 1973 publication of some classified information roused interest in the attitude of Ministers towards security in the context of its belief in open government. A classified minute of the Defence Committee appeared in the media. In some sensitive areas public servants were feeling concern about the willingness (or ability) of Ministers to control the activities of private office advisers who were enthusiastically taking it upon themselves to implement open-government policies. Barnard's staff, consisting of Clem Lloyd, a long-time adviser during his Opposition years, and Brian Toohey, a self-assured journalist, exhibited distrust of the Department's loyalty to Labor's mandate—or perhaps

its understanding of it, particularly in respect of matters under attack by the Labor Left, of which the American defence connection was a prime example. There was a related problem. For the first time in my experience, a Department could not be sure that submissions and reports sent to the Minister actually reached his desk. When, as I shall relate, both of these appointees departed, I was told of papers having been sidetracked in this way.

There was a certain irony in this, given the propensity of those suspicious of the Public Service to accuse us of withholding information in order to serve some agenda or policy bias of our own, a charge which in my case at least was as baseless as the alternative, which was that we set out to confuse Ministers by 'snowing' them with a surfeit of paper. The Labor movement is notorious for inventing conspiracies perhaps because, as I have heard its critics say, it sometimes organises them against its own.

We were entering an era when people with ideological convictions, but with no experience of the problems and constraints that fall on Ministers of any party when they enter Cabinet, were setting up as rivals to seasoned departmental advisers. Later administrations learned to make room for both sources of advice. It was beneficial for career public servants to be relieved of such tasks as preparing material for Ministers to discredit political opponents. But no precepts were laid down: Whitlam was content simply to issue a minatory direction to Departmental Secretaries not to issue instructions to Ministerial Staff. What was needed was a policy *modus vivendi*. Fortunately in our case, Barnard's later staff replacements established harmonious relations with his Department.

Disclosure of the American presence – Conflict with Labor Left

In the early days there was pressure on Barnard from two directions on the subject of American activities on Australian soil. There were demands for disclosure of the nature of certain installations while, on the other hand, the Americans wanted reassurance that defence activities important to them conducted in cooperation with Australia would not be nullified by disclosures from which the Soviet Union in particular would be the beneficiary.

After examination, it was shown that not all American activities required secrecy and Barnard was able to describe them to Parliament. Two installations were in a different category.¹ They had the highest significance in the nuclear standoff between the United States and the Soviet Union. They were the Joint Defence Space Research Facility at Pine Gap near Alice Springs, and the Joint Defence Space Communications Facility at Nurrungar near Woomera in the North of South Australia (near the site where earlier British ballistic missile experiments had been conducted).

Physical isolation from hostile intercepts, and from monitoring of the downlinks to the satellite dishes that later became a prominent part of the landscape, along with an available airfield and housing, were considerations which led the original exploring parties to recommend these sites. For the Americans, the trustworthiness of its Australian ally was doubtless vital in their final decision to select Australia.

Whitlam's and Barnard's conflict in Parliament with the Left, and with the Party at large, deepened in January and February 1973 over the Government's modification of its pledged withdrawal of all Army units from Asia. Publication of an explanation, which breached security, of a secret intelligence activity added a problem of a different kind. Having been told that the ground forces in Singapore contained an unacknowledged signals intelligence unit for which there was no immediate alternative site, the Ministers decided to retain 600 troops there. The decision and the reason found their way into the media without acknowledgment of the source. The Leader of the Opposition (Billy Snedden) surmised that the Prime Minister had given an off-the-record briefing. Whatever the source, there was an added reason for Australia's intelligence partners to be concerned as they watched for signs in the new Government of a slackening of protection of the information they entrusted to Australia. That extended beyond classified intelligence to weaponry, operational techniques and much else. Calming their anxieties—usually but not always unfounded—was to occupy me at various times during the Labor regime.

The Department had now to help the Minister contend with further troubles within the Labor Party over the American defence connection in general, but directed particularly at the Government's announced refusal to disclose what went on in the Joint Facilities at Pine Gap and Nurrungar. My own attention to these serious policy matters became complicated in late February and early March by a distracting political storm over an inherently less important matter—the alleged treatment by me of Barnard's office staff—to which I shall return later.

Suspicion had built up in the Labor Party while in Opposition, as it had in various public interest groups, over these facilities about which Labor leaders had been denied any information to justify the secrecy covering them. Labor Ministers were able to point to the contrasting treatment of the Coalition leader when in Opposition. In my External Affairs days in the 1950s, the then Government rejected suggestions from time to time that Labor's then leader (Evatt) be 'briefed'. The idea of an Australian equivalent of Britain's Privy Councillor's oath to respect confidentiality on matters of state had been canvassed but not proceeded with. Ironically, such a briefing offered on one occasion was turned down by Labor itself as potentially muzzling them from opposing policies that deserved to be attacked.

There were troubles, too, within the Labor Ministry when, following discussion with Departments, the Whitlam/Barnard leadership adopted the longstanding practice of confining access to certain high security matters to Ministers who had a demonstrable 'need-to-know' relevant to their portfolio. The demand for equality among Ministers put this in contention by those left out. In December, at a meeting called by the Prime Minister, I witnessed an invasion by several Ministers not invited because the defence subjects for discussion lay outside their portfolio responsibilities.

Newly appointed members of a Ministry that had never had the responsibility of preserving the confidences of allies, or of knowing what their content was, would understandably resent being kept in the dark while others (including officials) were not. They were touchy too. Barnard told me that there had been a reaction from some Ministers when they saw that a submission of mine had innocently suggested that a certain question 'would be for future governments to decide'. 'Predicting—maybe even plotting our downfall!'

A decision on the Government's intentions towards public disclosure on security matters came to a head when the two leaders addressed the demands for release of information about what came to be called 'American bases' and, from some quarters, their expulsion from Australia.

The Joint US–Australian Defence Facilities

One of my first actions after the 1972 election had been to arrange for the Prime Minister and Minister to be informed of the nature, purpose, and capability of the activities at Pine Gap and Nurrungar. For the purpose of this memoir I can find authority, and the degree of detail permissible by way of explanation, in official announcements made by the then Prime Minister, Bob Hawke, and the Minister for Defence, Kim Beazley, in the 1980s.

As recorded earlier, the Chief Defence Scientist, Dr John Farrands, and I were privy to the operations. In addition, each of us had paid visits to the sites at various times and had been given demonstrations of their capabilities and of the type of data collected. I had been given assurances at the site that activities in Australia were not made targets for information gathering and had heard this reinforced when accompanying Ministers in high-level meetings in Washington.

The Hawke statements in 1989 declared that 'among the functions performed are the provision of early warning by receiving from space satellites information about missile launches and the provision of information about the occurrence of nuclear explosions'. The statements went on to refer to the existence of 'other technical functions', disclosure of which would damage both American and Australian interests. In October of that year Defence Minister Beazley enlarged on the advantages of the data derived. Hawke had stressed, and Beazley now repeated, the contribution made to achieving current and prospective nuclear

force reductions by the assured verification that agreements on this, and bans on nuclear testing, were being honoured. Without such verification, no American commitment to force reduction would get through Congress.

Beazley declared in addition that the Facilities contributed most significantly to the avoidance of a catastrophic war (something in my opinion even more fundamental than preserving promises to disarm). By way of explanation, Beazley pointed out that there was danger in either side miscalculating the other's intentions and getting in first by initiating a nuclear attack. Because of that, 'early warning systems take the guesswork out of the situation and greatly diminish the interest that either side could possibly have in initiating nuclear war'. Warning of a launch (along with other means of tracking the location of impact) would give time for a retaliatory launch against the attacker.

Later statements specified the different roles of Pine Gap and Nurrungar while nevertheless declining to publish details of operations and methods.

Fifteen years earlier we were not in a position to claim the existence of all these advantages when advising our Ministers. To be certain that possession of the early warning capability would deter a first strike rested on the assumption that the knowledge had been convincingly conveyed to the Russians; and Australia was not a party to the dialogue between the two superpowers. Moreover, Leonid Brezhnev's Soviet Union was exerting unrelenting pressure both in political propaganda in Europe and in nuclear deployments at that time. Arms control agreements were not in place. Some arguments justifying the Facilities, of a kind that would mollify if not satisfy opposition in the Labor Movement, were therefore not available to Whitlam and Barnard. As to the value for deterrence of the Soviet Union, we officials had no independent evidence that the early warning capability had been conveyed to them. In effect, we had to accept American assurances to us of the vital importance of the data, without any comprehensive understanding as to what effect it was being used. In my advising, I accepted that the United States would not itself initiate a first nuclear strike—a view not universally shared within the Labor Party.

Our knowledge of the data being collected satisfied me that it would be used by the United States to maintain its military capability of matching the Soviet Union's advances. I saw the preservation of this capability (what in the later Hawke years was described as 'strategic stability') as the principal benefit to the security of Western democracies.

There was another dimension—ANZUS, under which the Facilities agreement with the Americans had, in its terms, been declared to rest. No alternative sites could be said to be available. I believed that unilateral steps to terminate the agreements would have profound consequences for the American interpretation of what we were entitled to expect from them under the ANZUS Treaty, and for

our standing as an ally; and that this in turn would alter the perception in [the region to our north]² of the strength with which Australia could be defended.

In the briefing of Ministers, I do not recall any necessity to labour these points.

As regards my own convictions as an adviser, then and later, I should add that the value to Australia, beyond the contribution that we were making to the nuclear balance, was far reaching. Our scientists learned for the first time of techniques of using space phenomena to study terrestrial objects in detail. To apply the data to practical applications in our own decision-making was more difficult, because the Americans in contrast had a vast machine in which to correlate the input from the Facilities with other sources that they possessed. We believed we were told all that we needed to know. There was a valuable inflow of highly sensitive material to our system not confined to this subject.

A complete balance sheet of the benefits gained by Australia by allowing Australian sovereign territory to be used in this way would require us to look beyond Pine Gap and Nurrungar. It would require bringing to account the strong flow of information received on a preferential basis about American tests of weapons systems, sensors and their software used in our own equipment decisions, and for which there was no substitute at that high level of technology.

Beyond assessing the value to us of the ANZUS alliance lay the great policy question as to how far Australia was ready to make this contribution to the global security of the Western democracies while the Soviet threat was unabated and, in some respects, becoming greater with the deployment of new nuclear missiles targeted against Europe. It was this contribution which some of the protesters breaking down the fences at Pine Gap were wanting to halt.

In reporting all that we knew to the Ministers in private briefings, we were in a position to enlarge considerably on the matters which, as I have said, Hawke was later to describe enigmatically in public as 'other technical functions'.

The Ministers decided to accept the continued presence of the Facilities, subject to the Americans agreeing to greater participation and observation by Australian personnel, and to recommend this course to the Labor Party.

They remained shackled by the limited amount of information they could disclose in order to satisfy party and public. As administrator of a policy of such national importance, my task was easier. Primarily, it was to preserve secrecy and to reassure our allies on the point. Over and above guarding against wilful breaches of security, my experience told me of the necessity to prevent leakages of secrets from carelessness or from people with an urge to parade their unique possession of information. Potential risks of this kind had increased with the influx to positions of trust of people openly scornful of the security practices

thought to belong to outdated Coalition party attitudes towards informing the public.

Keeping secrets requires some drastic practical measures which attract criticism and no doubt accusations of excessive zeal. I took a highly restrictive view of those entitled to know the unpublished functions of the Facilities. If Ministers had to be informed of developments in writing, I conveyed it personally by hand, declining to use the customary procedure of trusting Ministerial staff to place material before a Minister.

My objective was not secrecy for its own sake. It was to prevent the Soviet Union learning about a vital intelligence activity by reading the newspapers simultaneously with the Australian public. Within the Government there had been a strictly limited 'listing' procedure. Most of the Public Service was excluded, including members of my own Department and Foreign Affairs except at the very top. I kept personal control of any discussions with the Americans that developments might make necessary. Barnard approved the list and the procedure I was following when he was preparing his statement to be made to Parliament on 28 February 1973.

There was a concurrent need to get Ministerial acceptance of the practice of resisting media probing into defence secrets by cumulative speculative gambits. Whitlam readily agreed, and announced, that it would be settled policy 'neither to confirm nor deny' speculations about defence secrets.

Apart from damage to our interests that might follow unauthorised revelations on matters in which the Americans (or the British) were concerned, I formed the impression that it was a matter of honour for Whitlam to ensure that arrangements legally made under undertakings of confidentiality were implemented. Equally I thought there was a touch of naïveté in his respect of the sovereign rights of the Republic of Singapore when he terminated an Australian intelligence unit operating out of that base.

The Americans took precautions to avoid speculation when any senior official in their intelligence community visited the Facilities. On the other hand, it was possible to be open about the visits of defence officials. I myself accompanied the then Deputy Secretary for Defense, David Packard, on such a visit when he demonstrated in this way the strategic importance to the United States of the Pine Gap Facility.

Australia could claim to have been highly successful in maintaining secrecy in those years. Later some speculations by academics eroded the secrecy.

Limited disclosure on Pine Gap and Nurrungar

For the Ministers, the pressure from the Labor Party, the media and interest groups for more information remained. In the Department we found it difficult

to find new suggestions to offer, given the constraints. The best I could suggest, without injury to the truth, was for the Government to declare that 'neither station is part of a weapons system and neither station can be used to attack any country'. This formula was used by Barnard in the February statement to Parliament. (Beazley's statement 16 years later was not very different, although he was then free to add much more).³

In his statement Barnard listed all the installations in which US activities were conducted. He described the functions of several installations that were contributing to the monitoring of conformity to the Test Ban Treaty.

As to the Pine Gap/Nurrungar twins he said that, in the light of what Labor now knew, they would want to make some changes; but they were governed by treaties that gave them current tenure. We would protect them from unauthorised disclosure; and he declared that, more widely, Labor would protect all classified information entrusted to us by the United States, Britain and others. He certified that 'the details of the techniques employed, and of the data being tested and analysed at the two stations must be kept highly secret if the two stations are to continue to serve their objectives'.

He went on to offer a political palliative. Members of Parliament must have a special right of access to the two installations, which will enable them 'to see something of the nature of the operations'—all subject to orderly procedures. In passing, he said that 'only the very few people directly associated with the central execution of the defence programmes of the United States and Australia' would have greater access to information.

His words confirmed publicly that the limitation that I had exercised on dissemination of information in the Departments and Services would continue under Ministerial authority.

There ensued a visit to me by a team of American officials, led by Ambassador Walter Rice, expressing concern about the consequences for security of disclosure of further details about the operations of the Facilities. They complained about the intention to allow visits by Australian Parliamentarians when there was uncertainty as to what seeing 'something of the nature of the operations' would mean in practice. I had the Minister's authority to tell the Americans that access would not be unlimited and that their secrets would be protected. I was not able to predict how little interest our politicians later showed in visiting the sites. But I had to speak bluntly to the visitors following some remarks to me about the erosion of American rights and the lack of an equivalent right of American Congressmen to pay such visits. I said that 'they would be a long way from their electorate whereas some of our members of Parliament would not be'. Our Parliament had to be satisfied for its part that Australian sovereignty was being respected.

I have observed that American engineers responsible for the brilliant technologies of the stations working in outer space, like those in the US Navy on occasions, were not always sensitive to the political facts of life in sovereign states. Moreover, confidentiality about the Facilities was sometimes eroded by leakages to journals in America, probably as a result of much of the research and production of equipment being contracted out to private industries.

When Caucus was shown the intended statement, there was, according to press reports (including one by Toohey, Barnard's lately departed Private Secretary), a storm of criticism and a heavy vote of opposition which delayed presentation to Parliament. It was reported that only the strongest intervention by the Prime Minister saved Barnard from having the plan repudiated. A prompt offer by the Americans to discuss changes helped, I was told, to placate the Party critics.

Labor's problem with the North West Cape Naval Communications Station

Review of some of the other arrangements with the Americans remained unfinished business in 1974. The United States Naval Communications Station was controlled and manned exclusively by Americans. They enjoyed some privileges, although not as many as those they had sought when negotiating with Sir Garfield Barwick (the then Minister for External Affairs) in 1963 to establish the radio relay station with a very low frequency capacity to communicate with submerged submarines. Then Barwick gave the Americans an authoritative (and cheerfully didactic) lesson on the Federal Constitution and on State jurisdiction. When the US Navy spokesman plaintively explained his need to avoid giving the Portuguese a precedent for an agreement limiting American rights in their territory, Barwick had bluntly said: 'Brother! This is not Portugal.'

I confess to having in later years no great understanding of Labor's objections. None of the rights given to the Americans seemed to prejudice Australian security; moreover, the Station enabled us to communicate with our own submarines in the sea depths. American declared policy renounced any intention to launch a first nuclear strike and the Labor objection seemed to me to have much to do with symbols, and with their objection in 1973 to the provision that the agreement 'did not carry with it any degree of control of the Station or of its use'. Labor, when in opposition at the time, had declared this to be an infringement of Australian sovereignty. More substantial was the question of whether we were offering the Soviet Union a nuclear target. This issue, whether a probability or not, would remain an indeterminate question of high policy at the political level (Beazley offered an answer in the 1980s). Barnard was able to obtain agreement to have more Australians working in the Station. The Americans held out, reasonably in my opinion, against Australians being privy to the

contents of their coded commands (the practical value of which was uncertain since not all commands would pass through this Station in a threatening situation because of deliberate redundancy in the American control system which had multiple channels).

While Barnard was in office, some changes were made giving Australians a greater role. In later years, when Labor was in Opposition, arguments revived about the possibility of the Station being the channel for American strategic commands to direct military action for objectives that Australia did not approve. Bill Hayden referred to fears of a shift in American naval strategy, from preserving stable deterrence of the Soviet Union to the adoption of a warfighting role for its nuclear force, in which Australia would have no say in the use of our territory for relaying commands which might have cataclysmic consequences. This argument was resisted by the Fraser Government when in power; yet the most convincing rejection came from Labor itself in the 1980s. Labor's Kim Beazley then pointed out that any such major shift in American strategy would require, as a prelude, a far-reaching restructuring of that country's capabilities, open to be observed by us and everybody else. He and the Hawke Government strongly endorsed Australia's contributing to a stable superpower balance. Beazley said:

The Naval Communications Station at North West Cape supports the most invulnerable leg of the triad, the submarine-based missile force. These weapons are the final guarantor of deterrence. Any threat to the vital communications links to these submarines would undermine the security and effectiveness of the submarine-launched missiles they carry.⁴

Hayden's warped dissatisfaction with the Station led him into an attack on me personally that seemed to be the product of his misunderstanding of its basic purpose. Prime Minister Fraser having approved the briefing of the Leader of the Opposition, I had been instructed to inform him of all sensitive and secret activities involving intelligence gathering. This I did comprehensively in the Department's office. Later, Hayden complained to Killen that I had failed to inform him about North West Cape (which was not an intelligence operation). His letter became public and appeared to make a case of untrustworthiness on my part. I was incensed at yet another slur on my integrity, this time under parliamentary privilege. I told Killen that I did not think that my duty extended to conducting such briefings again unless the Minister was present to certify in Parliament, if necessary, that I had not been misleading. I was not sure that I ever got a response from Killen—which is one way of disposing of a nuisance.

The Lloyd affair—Barnard's rebuke of Tange

The British Government's new Defence Secretary, Lord Carrington, included Australia in a tour of Southeast Asia. I felt that his visit in early 1973 would not

be entirely welcome so early in the life of our Government, and might rouse fears of 'heavying' by a major defence power. But Carrington was received cordially by Ministers. His purpose was to ascertain whether Australia would continue to hold to its commitments under the Five Power Defence Arrangements with Malaysia and Singapore alongside Britain, entered into by the Whitlam Government's predecessors. Uncertainty had been created by the announced withdrawal of Army units. Britain's intentions would be affected by those of Australia. After the consultation with Barnard, and their frank discussion of the outlook, Carrington publicly declared himself to be well satisfied.

For my part, I had renewed a longstanding friendship which went back to 1956 when Carrington was appointed British High Commissioner to Australia. His young family and mine shared outings and picnics in Canberra, and we kept in touch afterwards. More recently he had stayed several days with me in the Australian residence in New Delhi, in preference to the British residence (and demonstrated his duck-shooting prowess in lakes in the Punjab). But his visit had some less pleasant consequences for me.

Lloyd alleged that my administrative arrangements for the conference with Carrington prompted his resignation from Barnard's office and, with the help of sympathetic friends in the press and in the Labor movement, he stimulated a sustained attack on Barnard. The focus was on Barnard's supposed inability to control his Departmental Secretary and on my allegedly exceeding my duty. That blended well with the conviction in Labor Party Left circles, particularly the Victorian Left, who alleged that I was a kind of Menzies relic, subservient to American defence interests and incapable of supporting Labor's platform.

In fact, what was to blame was confusion in communication and, on Barnard's part, an extraordinary (and, to me, inexplicable) lack of contact between Barnard and his employee, who was sitting outside his office when he was in Canberra.

The sequence of events had been that Lloyd (without, I was told, seeking any authority from his boss) applied to my staff to be included in the group of advisers to sit behind Barnard in the talks with Carrington. When I learned of this, Barnard was in Launceston, where he remained for several days, contactable only by telephone. I spoke to him, saying that I thought it unusual to include a Private Secretary; and that this one did not carry the security clearance needed in the event that certain joint intelligence arrangements came under discussion. After saying that he had had in mind someone other than Lloyd, Barnard agreed to drop the idea of either attending. In consequence I told my staff to tell Lloyd he would not be included. Thereafter, both the Minister and the orchestrated critics in Canberra took offence at my giving a direction to one of his personal staff. Barnard later changed his mind and one of his staff did attend. To avoid public argument with my Minister, I wrote a minute recording my view of events. I began by including the pointed words, 'you decided the composition

of the group of advisers to attend the Ministerial Defence Conference'. To assist him to justify publicly his own misunderstanding of the course of events, I included the word 'apologise'. Neither then, nor as I record the events now, did I believe that I had anything to apologise about.

But the storm blew right out of the teacup when the Opposition (with no thanks from me for their helpfulness) initiated several days of questions about the ill-treatment not of Lloyd but of Tange. They lent on the remark by Barnard that he had 'reservations' about my report that he had tabled in the House. It was a new experience for me to be the subject of multi-column headlines in the major dailies. I accepted the judgement of the shrewd Alan Reid that I was not the important target, but a scapegoat in the continued campaign against the Barnard/Whitlam leadership and their softer line on defence cooperation with the United States.⁵

As the *Canberra Times* observed on 8 March 1973: 'Sir Arthur has to put up with the occupational hazard of being the silent partner in a difference with his Ministerial superior.' In fact I remained silent and refused all the many media requests for an interview.

On 8 March the Deputy Leader of the Opposition, Doug Anthony, had, I have no doubt, my interest in mind along with an obvious political motivation, in calling on the Prime Minister to speak to me to ascertain the facts and to clear the name of (as he said) 'one of Australia's most experienced and highly regarded public servants'. But more reassuring for me, as I needed the trust of the Government so that I could get on with so much unfinished business, was to read that the Prime Minister, in confirming in his statement in the House his total confidence in his Defence Minister, also foresaw his Minister putting to use the talents he attributed to me. That evening, Barnard told a (possibly disappointed) television journalist that he did not want a new Permanent Head.

I addressed a minute to Barnard saying plainly that, after so many days without a face-to-face discussion, I would like one now. He then confided to me some details of difficulties of his own during his association with Lloyd—a confidence that I have no intention of breaching. It seems probable to me that Lloyd, a man of some intellectual substance, had some difficulty, emotional and otherwise, in translating from the calm of an adviser to a political leader in Opposition with no responsibility for national affairs, to a position requiring some response to the high national policy issues for decision swirling past him to his employer's desk. He later joined the staff of a University where I understand he gained respect for the quality of his research and writings.⁶

Redefining the threat basis for Defence planning

During my years as a member of the Defence Committee, I had observed how much ambiguity lay in the single word 'threat'. Some (in Parliament and in the

Services) would see a 'threat to Australia' in a military build-up or threatening posture to neighbours by a Communist power distant from Australia. Others looked for evidence nearer to the territories and seas in the approaches to Australia. A consequence of this confusion appeared in concrete form in sharp differences in the debates with the Services about the strategic relevance of the weapons systems and weapons platforms they sought approval to procure.

Historically, under the Menzies and succeeding conservative governments, the idea had lingered on that any shot fired in anger around the world was a potential threat to Australia—not necessarily to Australian territory but to 'Australia'. This view had its origins in our earlier acceptance of collective security and commitment to Imperial defence planning and action. A corollary of this belief, which had profound effects on how we spent our defence budgets, was that threats could arise without warning. It was a belief deeply embedded in the Services, where it provided a rationale for their training and their claim for only the latest technology.

As already indicated, we addressed this subject in the 1972 Defence Review. Early in the 1970s analysts in the Joint Intelligence Organisation, headed by Robert Furlonger and his successor in 1973 Gordon Jockel, were exploring another aspect of threats—their imminence. This entailed whether making assumptions about what the strategic situation would be in the 1980s was justified. Because of the hazards of predicting the future, 'futurology' was scorned by many as vaporous speculation, providing no sound basis for protecting the country. Yet the fact was that calculations of the future were implicit in every decision made by Cabinets and Service Chiefs and in all policy advice about the procurement of long-living capital assets, and even in the direction of training which, if strategic requirements changed unexpectedly, could only be redirected with time. Australian practice kept ships in service for 25 and even 30 years; and aircraft almost as long. While the systems they carried could be modified if international events called for it, past decisions heavily committed the future. Moreover, you cannot easily change the location or capabilities of static bases like an airfield, naval repair facilities or even Army training bases. They rested on past assumptions about where threats would need to be countered.

As Barnard prepared for his first budget in 1973, he asked for a review of Australia's strategic prospects and of the probability of threats to Australia occurring. At the time there was confidence that nuclear deterrence was effective.

Labor had made clear its intention to focus Defence objectives on the defence of Australian territory (without necessarily renouncing deployments outside Australia serving that purpose). It followed that a strategic review should not be devoted to analysing outbreaks of violence or a build-up of forces in locations remote from Australia, or involving the balance between the superpowers where Australia's military capabilities would not be significant. Indiscriminate findings

of 'threats' needed to be curbed. Drawing on analysis by the Joint Intelligence Organisation under Jockel, we persuaded the Defence Committee to present a threat assessment which addressed more specifically than before the time it would take for development of a threat of a kind and intensity to require a significant Australian military response. This judgement should be the foundation for many current decisions on such matters as stockpiles, factory capacity and the timing of weapon repair or acquisitions.

Malaysia and Singapore had developed strength and confidence was growing. The assessment found no immediate threat to the territory of Australia. It foresaw that this situation would be likely to remain for 10 years, extending even to 15 years, while recognising that there had to be uncertainty about those final years. The Report acknowledged that this uncertainty left a problem in making decisions in some elements of the force structure, because the acquisition of some equipments (and personnel skills to operate them) had a particularly long lead-time.

It was a bold new assessment in the face of past findings of threats worldwide. When Barnard announced his acceptance of it, there was an outburst of criticism, and some derision. Some academics (Professor Tom Millar being one) attacked the predictions. Some sought to refute the finding by measuring the lapse of time between the end of war somewhere and the outbreak of another somewhere else, producing what I thought to be a worthless and irrelevant contribution to deciding what we needed for this continent located in the Southwest Pacific and our nearer Asian environment. Faith in Australia's subjection to the 'peace is indivisible' notion of global involvement was still with us.

A concept growing out of the revised threat assessment was that there would be adequate warning time to prepare, provided we made full use of all the intelligence and surveillance resources, and of Foreign Affairs advice and that of allies. 'Warning time' lasted many years as a doctrinal basis for testing proposals for equipment and personnel growth. In later years, I understand it was displaced by recognition that some small-scale but testing threats to our territory or to other external interests could come with little warning. This led to a major shift of military units northwards and in other ways.

Under the revised threat estimate, some reductions were made in Barnard's time in defence industry production and in the holding of stocks. But, in respect of major defence equipments, some questionable replacement decisions won the day. For my part I later felt I should have opposed the replacement of the aged *Centurion* tank, given the difficulty of foreseeing a theatre requiring its deployment. It is not only politicians who are cautious about surrendering an area of unique expertise and training: the aircraft carrier was to be a later *cause célèbre*. As regards the tank, senior Departmental analysts were influenced by

the seriousness of what would be an irretrievable decision to terminate the Army's possession of this special operational expertise.

The Department's analysts had difficulty in finding a basis upon which to assess the Navy's claim to replace its light destroyer fleet progressively with the same numbers, but with enhanced modern firepower and surveillance capabilities. The generalities of the Strategic Guidance paper, set beside a government policy of concentrating on defence closer to home, were little help in assessing the need for capabilities to operate in far distant waters. The decision to replace the light destroyer project with the American-developed patrol frigate was a decision based not on strategy but on the risk that the complexities of marrying advanced sensors, firepower and hull design without unacceptable delays might be beyond Australia's capabilities.

Barnard in Opposition in 1972 had criticised the continuing growth during the planning in the size of what had set out to be a light destroyer. He had called for a new programme of patrol boats for coastal protection.

The problem of deriving a statement of military requirements from the generalisations of the Strategic Guidance document remained throughout the Barnard–Morrison period, and continued under Killen when the Fraser Ministry came to power.⁷

All the Chiefs complained that the Department gave them only the somewhat abstract findings of the periodic 'Strategic Basis' document, drafted by Defence and Foreign Affairs officials and endorsed by the Chiefs in the Defence Committee, as their Bible.

It was certainly not as precise as the Ten Commandments. I could see the Chief's problem, but I believed that it was beyond the experience and the responsibility of public servants under my leadership to propose what formations and equipment, in what locations, the Army should have; or whether the divisional structure should be retained; or the most suitable locations for the assets of the Air Force; or which ports justified countermine measures or new berthing facilities; or at a more general level, the preferred emphasis as between air to surface capabilities, as against air superiority or sub-surface means.

This area was, in my opinion, one for action by the Chief of Defence Force Staff. But it was largely unoccupied territory up to the time of my retirement and, as I understand it, remained so until the 1980s. Then, under a perceptive Defence Minister, Kim Beazley, a civilian public servant was charged with the task. Dr Paul Dibb brought to bear his accumulated experience of dealing with all three Services, his grasp of strategy and his experience in intelligence assessments. In addition, he had a much needed persuasive personality. The Dibb Report of March 1986 was accepted broadly by the Hawke Government.

Barnard's negotiations with Washington

Towards the end of 1973 Barnard made an extensive overseas tour. He included Washington, a visit to which is essential for any Defence Minister. In his case it was to set down some anxieties and negotiate some changes in certain agreements.

Before the visits in January 1974 for discussion with US Defense Secretary James Schlesinger and the Pentagon, Barnard had already arranged some changes, readily conceded, with the newly arrived Ambassador, Marshall Green. Green was a unique appointment—the most senior career man to occupy the Embassy, having been an Assistant Secretary in the Department of State. Some close to him let it be known that the more important post of Japan would have been his preference. Previous American Ambassadors had owed their appointment to favours to the political party of the President—usually money but in the case of William Battle in the 1950s, friendship with John Kennedy. Battle had been one of the few exceptions to a line of unrelieved mediocrity in occupancy of the post. Green was certainly not in that category, but his appointment was no compliment to Australia. Green was sent because of apprehension about Whitlam's policies and Nixon's resentment at the statements of some of his wilder Ministers.

In the event, I doubt that much calming influence on Washington was needed from Green once Whitlam made his intentions clearer. Indeed one high-ranking American told me that Green was given to sending somewhat alarmist reports to Washington. This of course is a fairly normal practice of competent trouble-shooters who are disappointed by the meagre trouble upon which to apply their skill. Nevertheless, when the man to take over as Acting Prime Minister during Whitlam's frequent absences abroad, Dr Cairns, became the new Deputy Leader elected by Caucus, one can assume some heightened concern based on his earlier statements on American policies.

Barnard was received in Washington with a cordiality that probably owed something to his status as Deputy Prime Minister. I did harbour a cynical suspicion that the Americans were out to impress (just as in earlier days we had seen lavish and generous British hospitality as a form of 'duchessing' of Australian Ministers). The Americans in official talks are business-like and not given to time wasting. Their day starts early and ends late; and the superpower has a stream of official visitors. But their entertainment in elegant historic venues is stylish and generous (but with a bias towards fruit juice as a beverage). US Secretary of State Dr Henry Kissinger attended a reception for Barnard, which I was told he rarely did for such visitors.

Following the preliminary work with Green in Australia, Barnard and Schlesinger agreed on changes wanted by Barnard in the North West Cape

agreement, limiting the land occupied and appointing an Australian Deputy Commander.

There was a good airing of views on the international security situation, and clarification of one Australian action that worried the Americans. Australia had suspended visits to some ports by American nuclear-powered warships. (Whether they carried nuclear weapons was a separate matter and in any case not for discussion, because of the American policy of declining for security reasons to confirm or deny the presence of such weapons in any particular location.)

The suspension was intended to last until Australian scientists had surveyed the ports to ascertain what berths (or what ports) occupied by such ships contained a risk to vulnerable populations (or institutions such as hospitals) in the event of an accident (such as collision) that released irradiated matter, such as steam, into the atmosphere. We were not fobbed off by the US Navy, present at the talks, continuing to tell us disingenuously that they berthed their vessels without hesitation on the Hudson River alongside Manhattan Island. The characteristics of wind direction and some other factors were unique to each location and each needed to be assessed as a prerequisite to giving a safety all clear. The chances of accident were remote but the assessment had to be made and reported to Parliament.

Barnard explained all this, but I thought I detected some scepticism in Schlesinger (who had formerly been in charge of American nuclear energy programmes). I took him aside privately to assure him that Australia's new Labor Government was not in this matter moved by some obscurantist fear of nuclear power generation as such, or confusion with nuclear weaponry. We had a Parliament to be satisfied by Australian rather than American scientists. This was a political reality in Australia. While Schlesinger said teasingly that he suspected there was a bit of obscurantism at work, he did not pursue the American objection to our suspension of visits.

But not so the US Navy—or at least part of it. Approaching the lunch table I was accosted by the formidable and testy Admiral Hyman G. Rickover, creator and guardian of America's devastatingly powerful sub-surface nuclear strike capability, and notoriously defiant of control by his nominal superior, Chief of Naval Operations Admiral Elmo R. Zumwalt. The Admiral abruptly dismissed my explanation about the need to satisfy Parliament in our democracy saying that, if we did not want the US Navy to defend Australia that was fine by him and, as a *coup de grace*, after listening to us he saw no reason why they should be shouting us lunch. As between umbrage and laughter, I thought the second was the better.

But Schlesinger was more diplomatic than his blunt sailor. Barnard was able to reach useful understandings on other subjects as well. They included clarification of the agreement on the Naval Communications Station.

Barnard had further exploratory talks about the acquisition of the American patrol frigates—the first launching of which was late in 1979.

Barnard made two other journeys overseas. With a need in prospect to order a replacement for our front-line fighter, Barnard decided to examine Sweden's *Viggen*. It was not high in the Air Force's preference. Perhaps sympathy with the country's Social Democrat Government may have been an influence, just as the Labor Government felt some affinity with West Germany's Social Democrats. While in Sweden I was offered a flight to neighbouring Denmark to visit my distant relatives but put the temptation behind me. Barnard visited some other defence plants in Britain.

He took on this long flight a BAC-111 aircraft from the VIP flight. Given its seating capacity he was able to include wives of officials and his own family. Despite our exclusive occupancy, it was not a restful flight. The machine was restricted to about four hours in the air and it landed us in odd places at odd hours for refuelling. By a similar flight, accompanied by his officials and their wives, Barnard visited Indonesia to deliver a patrol boat and later visited the Air Force units at Butterworth and other places in Indonesia as we returned to Australia. Barnard treated his senior officials and uniformed officers like family.

Other decisions for Barnard

Following Barnard's return from the United States, the formalities of a revised North West Cape agreement with the Americans were concluded. He announced several decisions: the intended location near Duntroon of a Tri-Service Academy originally endorsed by Fraser as Minister but put aside by the Gorton Government; the revised threat assessment that I described earlier; and the intention to adopt my recommended reorganisation after preparation of draft directives, arrangement with the Public Service Board and preparation and eventual passage of the necessary legislation.

Labor's new settings for its defence policy were now in place and were, in my view, a formidable achievement after 18 months in office.

There were other decisions reflecting Labor's social philosophy. The civil defence organisation was converted into the Natural Disasters Organisation for relief work in the community as required. Army support for school cadets was terminated (readily accepted by us, as this charge on the Defence vote showed no evidence of later delivering recruits).

He was keen to revitalise the volunteer Citizen Military Force. He established a Defence Force Ombudsman and pushed for better housing for the rank and file.

New problems for the Defence Department under Labor

Some unpredicted decisions by the Whitlam Government had created practical problems in organisation—particularly the sudden abolition by Whitlam of the Service Departments which had been headed by Barnard as a temporary measure. The action had the consequence, presumably unforeseen by Whitlam, of removing the Secretaries from the Service Boards, leaving direction of each of the Services solely in the hands of uniformed officers. In due course the Secretaries were relocated outside Defence, save for Sam Landau. I commented in Chapter 1 on the inadequacy of reporting to Canberra on defence policy debates in Congress and elsewhere. Indeed I had felt in earlier External Affairs days that the Americans served their Australian ally well enough with their views and their information about third countries, wanting no doubt to win our support where it mattered. But we were not doing enough independent studies on the Americans themselves. I never seemed to have enough embassy staff to remedy that deficiency. A similar situation existed in Defence in the 1970s. We needed to read the potentialities for change in American strategic policy and posture. Pentagon sources, cooperative in other areas, were unlikely to offer speculative opinion or forecasts of changes of this kind. In addition, we needed more contact with divergent views in Congress and in the think-tanks that are influential in the United States. Few Service officers were equipped for this kind of enquiry and judgement. More often than not they seemed to approach the Pentagon as a place for sharing operational and professional interests, and for keeping alive past associations in combat.

This attitude seemed to be reciprocated by the Pentagon because, when I nominated Landau to be Defence Attaché, there was an indignant protest and a threat not to cooperate with a civilian. I insisted on keeping Landau in the post. But his wings were clipped. Fortunately, Defence needs were met to some extent by some Foreign Affairs officers with particular aptitude in this field who happened to be in the Embassy.

Reforms of varying merit were being applied throughout the Public Service. We had to fight off some that showed ignorance of Defence requirements. One was the planned creation of a centralised government purchasing agency for the purpose of exploiting the Government's muscle against suppliers—a project with an ideological flavour, pitting the Government against the private sector. A report by a business adviser commissioned by the Government confused procurement by identifying it with the act of purchasing. Doing so (in the case of Defence) failed to accommodate the various elements that entered the procurement process and selections, preceding the purchase contract with a supplier. Big ticket items such as aircraft, ships, sensors, and fire control systems are not bought ready made like motor vehicles on a display lot. Procurement involved an iterative process between an officially approved Defence requirement

and the equipment suppliers who showed themselves to be technically capable of producing in a required time scale, with an assurance of maintenance feasibility and much else, in a process involving hundreds of defence experts. Some worked almost as part of the production process in the United States or Britain or France, particularly on the modifications that the Australian buyer required because of the unique atmospheric or geographic features of the continent. There was no such capability elsewhere in the Public Service; and the concept of an adversarial relationship between supplier and purchaser confined to price is inappropriate.

But several years later in 1978 the then Minister, James Killen, announced the scrapping of the system and the restoration of Defence control of procurement processes. His explanation (in succinct terms not always employed by Killen) was as follows: 'Presumably my colleagues opposite reasoned that a civilian Minister, having nothing to do with the defence portfolio, would accept responsibility to the nation for whatever results in war, this socialist apparatus would impose on the Services.'

We had difficulty with the Commonwealth Auditor-General's failure to recognise that some procurement of high technology still in development required management of the inherent risks, which he should judge on that basis rather than simply calling into question the costs implicit in delivery delays as a result of unforeseeable problems in the development process. That said, prudent supervision by the Department of Defence required it to judge when a Service's ambition to acquire the highest technology used by major allies (rather than, as they would say, 'buying obsolescence') involved unacceptable cost risks. Debate on this issue in the Department's policy committees was frequently heated, and was a major contributor to the recurring complaint by the Service users of interference by the civilians. To deplore such Service-civilian tensions as avoidable missed the point. The issues required that there be tension, provided it was constructive in purpose. What was needed in those early days of invigorated Defence Department authority was respect for the different criteria brought to the discussion, and tolerance of people doing their duty. Unfortunately, these emollients were often absent in the debates during my time as Secretary. There were personality faults on both sides.

While we were engaged and stretched to the limit in managing the ongoing programme, and while I was personally tied up in devising Defence Force control for the Minister for Defence, a major investigation of programmes and priorities in the civil Departments was underway. The individual who had much to do with recommending and planning for Whitlam was H.C. 'Nugget' Coombs. This remarkable man served Prime Ministers on both sides of politics and was, in my estimation, the greatest of all those who served the national interest in several capacities, all of them outside of politics. This admiration had been first forged when I had earlier been his subordinate in various international endeavours.

Those investigating the Departments called me up for an investigation. Coombs was not one of them. They were mainly members of the new breed of Ministerial advisers/promoters. Typical of the culture of the times, several were consuming beer while asking their questions (and in one case wounding my vanity by declaring that my opinion would not satisfy an economist). I explained our in-house process of reviewing against policy criteria, the Service and defence factory programme. There is a suggestion in Coombs' autobiography that he was not satisfied by whatever he learned from his advisers in this process (and I was not invited to meet him directly).⁸ His memoir reflects his chagrin at not being able to examine whether Defence priorities were adjusting to the new strategic outlook (which of course was precisely what we were doing for Barnard). Coombs had John Stone, one of Treasurer's most competent investigators, as his axeman, but lamented that, like other Treasury officials, Stone was reluctant to target Defence's programmes. My own reflection, on reading this in later years, was that Stone understood that there was no quick fix in Defence, comparable with cutting fertiliser subsidies or business tax concessions—much simpler than making judgements about the relevance to policy of Service activity. Moreover, Treasury had long been a member of the Defence Committee. We were spared educating the Task Force on these matters, while I was myself at the time absorbed in pulling together the ramshackle system of financially managing Defence activity. Labor's Defence budget in 1974–75 made the first step to conform to the new strategic review that had preceded it. In my career I have had few such reasons to be grateful to Treasury.

Reshaping the force structure under Barnard

The new doctrine of the timing of threats, and Labor's emphasis on the defence of the Continent, started a process of change in the structure of the Defence Force. But it was slow and hardly radical. There was resistance at different levels. Politicians in office are reluctant to mothball low priority equipment when the Opposition and media will protest about loss of jobs. When they had been a long time in office, as the Coalition had, they might be admitting past procurement mistakes of their own.

The Services, for their part, continued to table requests to replace whatever equipment they possessed with technologically advanced equipment being developed by the Americans and Western Europe to match the Soviet Union. The beguilingly innocent expression 'up-date' was part of the Service jargon. There being no incentive for a Service to drop out of competition with the other two for a place in the programme, only effectively disciplined priorities in a programme endorsed by the Minister could, if wisdom and foresight prevailed, mould the components into a force called for by the endorsed strategic outlook.

Along with his second budget in July 1974, Barnard presented Labor's first five-year Defence Programme for the years 1975–79. He endorsed the

methodology of the system initiated by his Coalition predecessors. There remained the passage of the reorganisation legislation still in the hands of the draftsmen. Even without it, the authority belonging to the Minister for Defence was now beyond question; but the interpretation of the processes for deciding the priorities, along with subjects such as continuity in management of each of the major weapons procurement projects, remained to be dealt with.

As to the content of the budget, and of the new programme beyond it, the share of the Defence Vote going to manpower continued to rise under Labor's expansionary decisions on pay and to conditions of service, and the increase in the regular Army, which had consequences for other elements of the programme. Capital expenditure—the foundation for the future—remained low in the budget. It was possible to move a greater share into Defence facilities around the country. As an example it was necessary, because of the paucity of effective port facilities along our vast coast, to give the Navy adequate facilities for berthing and provisioning for its short-range vessels patrolling the north and northwest. I had myself observed, during a visit to Cairns, the inadequacy of the berths adjacent to a mangrove swamp and of the on-shore facilities placed in a Chinese laundry.

While preparing for the 1974 budget and in later months, contacts with colleagues in other Departments made me aware of the disputes and constitutional crises developing elsewhere. They included the so-called 'loans affair' and the disquiet over the fiscal profligacy of the Treasurer, Dr Cairns, as inflation grew, while he remained determined to finance all of Labor's social objectives. In contrast, Defence, while subject to the various experiments imposed on us that I have described, was sheltered from the acrimony developing elsewhere, particularly as the assault from the Labor Left abated. Our discussions were internal to the portfolio and involved few Ministers other than our own to bring them under control. Whitlam's support of Barnard was an advantage for what we hoped to achieve.

As for myself, I did not try to ingratiate myself with Labor Ministers and had not done so when they were in Opposition. Some Public Service colleagues were more ready than I to try to demonstrate their political sympathy. Unlike others, I declined to attend Labor Party conferences. I had acted similarly when the Coalition Ministers were in Government. I believed that talking to unofficial groups of private Members of Parliament to satisfy the dissatisfactions of Caucus with their leaders was not a requirement of a public servant. I recognise that being so stiff-necked added to a reputation for aloofness and denied me the opportunity to dispel false ideas about my being wedded to the policies of the previous Government.

Barnard's budget statement described equipment decisions that reflected his view of where our strategic interests lay. He told Parliament that we needed to

pay primary attention to 'the surveillance and patrol of surrounding maritime areas' along with concepts and doctrines and the build up of forces with 'a better capability for independent actions in our own neighbourhood'. The Navy was to get more patrol boats, and the Air Force acquisitions relevant to the objective. Under this programme, the Navy's prospect of acquiring a blue-water modern aircraft carrier disappeared over the horizon on a reckoning of absence of strategic need. (Its champions nonetheless were to be rewarded a decade or so later.)

The July 1974 defence debate was notable in two ways. One was the participation of the Leader of the Opposition, Fraser, to criticise the withdrawal of concerns for events in distant places. His shadow Defence Minister, Killen, provided more entertainment than content on the Opposition's policy intentions, save for a warning that the new defence organisation would have to be scrapped in war. There remained the differing emphases—on the one hand on capabilities needed for the ultimate defence of the continent; and, on the other, those needed for deployment in support of the Association of Southeast Asian Nations area and other places where security was deteriorating. With hindsight, it can be said that Fraser's insistence on the need to deal with distant threats (consistent with his views in 1970) was a forewarning of what to expect if he became Prime Minister. But I cannot claim to have given Opposition views much attention when immersed in steering Labor's programme, with no expectation of them losing office in the short run.

It was satisfying to me that the Coalition no longer based the case on the need to attract the support of the Americans under ANZUS. The idea of a more self-reliant attitude, and the expectation of acting alone if necessary, seemed to be taking hold. For example, Bill Morrison (shortly to become Minister) drew on the 1972 Defence Review issued in Fairbairn's time to urge acceptance of the responsibility for defending the continent as the priority.

The Darwin cyclone

Labor's Natural Disasters Organisation was tested by the devastation of Darwin by Cyclone *Tracy* in December 1974. In support of the organisation, the Navy mobilised and transported supplies for reconstruction of the city and relief of its stricken and homeless citizens. The head of the Natural Disasters Organisation (Major General Alan Stretton) flew north and took control during the serious disruption that followed the violent winds and new flooding. Defence doctrine had assured us that the country was immune from unforeseen military attacks by an enemy. But Nature was not so predictable. Ministerial support and directions were made difficult by the dispersal of Ministers around Australia for the Christmas break and the absence of the Prime Minister abroad. Senior administrators (Service and civilian) were absent from Canberra. I myself was recalled from my mountain retreat by a message shouted across the river by a neighbour who had been telephoned. Legal authority for orders that had to be

made affecting people and property in Darwin was obscure, but Stretton overcame this problem by force of personality.

Vice Admiral Synnot and I concerted in Canberra in conveying to Stretton whatever advice or instructions were called for. Among other things, we sensed that Stretton's success in restoring reasonable order and confidence among the shattered population had imposed a stress on him. We made a point of being present at the airport when his flight south eventually bought him home (after a decision to stay overnight with the acting Prime Minister, Cairns). He later made his record of events, writing a book and by deciding to publish it while still in service.⁹

A retrospect on Barnard

It was one of Barnard's achievements to carry through radical changes in the control of the Services with so little resistance or evidence of animosity. (Where such animosity existed, it had been directed to a different target.) His success can, on my estimation, be attributed to the response by his subordinates, particularly the Services, to attractive elements in his personality. He was not forceful in stating his views, indeed sometimes rather inarticulate. But the former Tasmanian schoolteacher showed evidence of a strong moral code and respect for propriety (which contrasted with the antics of some of his Cabinet colleagues). He relied on his advisers. He showed courtesy and respect to senior Service officers that perhaps attracted a loyalty to him beyond the requirements of duty. He recognised his limitations. He came into office volunteering candidly to me his own and his Party's lack of administrative experience. This shortcoming did unfortunately reveal itself in his strangely inept management of his two private office assistants and his unawareness of what they were doing. He was vacillating in those early days.

In Parliament he was not a striking speaker, somewhat handicapped by a hearing disability from his days as a gunner in the Second World War. He needed, and received, the support of Whitlam in resisting the campaign from the Left against them over the American connection—in the media, in Labor's policy forums, in Parliament and, as he told me, sometimes in the Cabinet.

Reliance on public servants by Ministers is sometimes misrepresented to their detriment. Barnard brought to his portfolio a range of ideas for change. I should note for example that before receiving my advice that I have been describing, he had earlier published proposals for integrating the Service Departments and giving the Services better direction. On the strategic front he had argued for a withdrawal of forces from Asia and for the contention that 'Australia's strategic frontiers are the natural boundaries' (contained in a Victorian Fabian Society pamphlet in January 1969). Whatever research assistance he might have had, he himself clearly articulated orally these thoughts to me several years later

when giving me my riding instructions to come up with concrete proposals and objectives.

It is noteworthy that so much of the Barnard/Labor reforms were kept intact during the eight years of Coalition Government that followed Labor's loss of office in 1975.

Barnard chose to leave for his diplomatic appointment as Ambassador to Sweden after he lost the deputy leadership and before the 1975 crisis which overcame the Government. His successor, Morrison, was not so fortunate.

Some of the early confusions of the Whitlam reign, over objectives and sometimes facts, from which Barnard was not immune, stemmed from the new Government's impetuosity and passionate zeal for reform (some would call it a lack of understanding of what governing the country requires of Ministers beyond conforming to the letter of the Party's platform). A more relaxed timetable (requiring confidence in winning a second term of office) would have avoided some of the tensions and disputes. With more time the reorganisation in Defence could have been more comprehensive, using additional investigators, and could have left fewer problems for the future, whether in the military organisation of the Services, or elsewhere in the defence production and procurement areas that were shut out by the timetable given to me and which had to be left unattended while Barnard and his adviser concentrated on what was achievable.

Whitlam's Royal Commission: Enquiry into Intelligence Services

In 1974 Whitlam had decided to appoint a Supreme Court Judge (Mr Justice Hope), with the powers of a Royal Commissioner, to examine the country's Intelligence Services. It was no surprise to have the Australian Security Intelligence Organisation investigated in view of prevalent doubts, not confined to the Labor Movement, about whether its procedures and judgements on individuals had always been consonant in the past with respect for the rights of the individual. I had had doubts and inadequate responses from the Australian Security Intelligence Organisation 20 years earlier, when I was Secretary of External Affairs.

I thought it a perplexing judgement on Whitlam's part to authorise a person eminently equipped for a judicial finding on matters touching the rights of individual Australians, to investigate and make recommendations on the gathering and evaluation of intelligence about other countries where the individual rights of foreigners were not an Australian responsibility. Problems of organisation and control did exist, and there was a case for examining whether there was efficiency in responding to the actual needs of Ministers, officials, and the Services. These were questions of public administration and not judicial findings, save for the question of conformity to law (and the Crown had its own

legal advisers to call on). But this confusion did not deter the Prime Minister, and I heard no evidence that he sought from experienced senior officials advice on the terms for a government-organised enquiry. Politicians find solace in Royal Commissions whose findings are unlikely to do them harm politically, and their appointment silences the critics. When the Hope Report was issued, Whitlam was out of office. I would hazard a guess that some of its findings (to which I return later) would have been uncomfortable for some members of his Party had he been in office and required to accept or reject them.

From my earliest time as Secretary in External Affairs I was carried by my then Minister, Casey, into contact with allied Intelligence Services, meeting their Chiefs in London and Washington, and listening to Casey's enthusiasm for the value of such Services. 'War winners' was his opinion, perhaps reflecting his own recent wartime position in the Middle East. But, nearer to home, I was asked to advise him (and the Prime Minister) on suitable arrangements for supervision of a fledgling external Service that had been set up, whose energetic activities and discussions in Washington and London were causing disquiet among senior Ministers. I had no conviction that it would successfully add to the mountains of information coming to us from overt sources. I was apprehensive that, at a time when we were setting out to break down reservations in Asia about our immigration and other policies, any blunders by intelligence gatherers could be serious.

Greatly strained as we were, coping with recurring international military and other crises in the mid-1950s, I tried to avoid being lumbered with any role for me in this. I was also distrustful of the swashbuckling individuals, relishing some high-level contacts they had made in Washington, who were heading the venture. They appeared to bring about their own demise when Ministers decided to abandon the project. But, after the individuals were disposed of, the project was revived and I was told to create some kind of supervisory role for the External Affairs Department, without being involved in knowledge of any clandestine project. This was squaring circles, and the Charter I drafted was later criticised by Justice Hope. Yet it preserved the constitutional validity of Ministerial authority through a conventional Departmental Secretary, while enabling the Minister to disavow, for diplomatic reasons, knowledge of any cause of complaint by a foreign government. The Charter was applied during the remainder of my service in Canberra—one of my least rewarding duties. Later when I had moved to Defence, I tried to get inter-departmental agreement to have the unit confined to a training role, until it developed adequate expertise in intelligence gathering without risks to good defence relations abroad.

By the time Justice Hope started his enquiry I had several years experience with both the product and (somewhat loose) supervision of the Defence Signals Division, which was concerned (as was later publicly declared) with intelligence

from foreign communications and with protection of the security of our own. Use of the assessments of the Joint Intelligence Organisation under its National Intelligence Committee was vital to some Defence decisions, including major weapons acquisitions, whether as to timing or content. The system served very well the requirements of the Defence apparatus and its Minister.

We took it as a duty to answer the Judge's questions. I took control of the Department's responses on policy and opinions about how things worked in practice, although he had in addition direct access to the various agencies. When his Report was supplied several years later to the Fraser Government, I was to learn how little influence my views had made. Various changes that he recommended, in areas where I had administrative responsibility, were not discussed with me.

He had no administrative experience. In Chapter 3 I question the validity of some of his assumptions about how Ministers in Canberra would concern themselves with studying intelligence assessments; I also note the superficiality of his treatment of the extent to which the Services and the Defence Department rely on the credibility of the intelligence assessment process in making decisions on weapons selection and otherwise.

Reflections looking back: Whitlam and the Central Intelligence Agency

In the later months of 1975 another phase of anti-American fervour erupted. This led to a renewal of American concerns about the security from public disclosure of those defence activities known to the Minister and the Department but not made public.

Whitlam it seemed had a deep antipathy to the Central Intelligence Agency's involvement in destabilising left-wing governments. The toppling of the elected (Salvador) Allende Government, and its replacement by the repressive (Augusto) Pinochet military government, in Chile was such a case. The Prime Minister ordered that the names of all Central Intelligence Agency personnel in Australia be supplied to him. No doubt scenting political advantage, he publicly declared the tenant of Doug Anthony's house in Canberra to be a retired Agency employee, and former Director of the Joint Defence Space Research Facility at Pine Gap. As I said earlier, it was not until the 1980s that it was revealed by the then Labor Government that the so-called space research activities at Pine Gap employed intelligence officers; and as explained earlier, I considered it important in Australia's interests, for several reasons, that the Soviet Union should not be informed in this way of the information-gathering functions of this highly classified and valuable facility.

The Prime Minister was about to make a public address in Melbourne and I tried to contact him to warn him about the security implications of his campaign

to embarrass Anthony by declaring the former senior American at Pine Gap to be a member of the American intelligence organisation. But I met again the obstacle of my attempt to make contact being filtered by his personal staff. In this case, my attempt was treated with derision and a leakage to the press.

To make matters worse, a ham-fisted American intelligence official, Ted Shackley, in Washington fired off a telex to his contact in our Australian Security Intelligence Organisation, extravagantly predicting serious consequences for Australia's relations which could follow the Prime Minister's disclosures. When I saw a copy I decided that this man's threats were not a matter for concern and that higher level policy people in Washington could be relied upon to hose him down. But I did not count upon the mischief of some person publishing the message, perhaps deliberately using the Australian media to regenerate hostility to the Government's defence ties with the Americans. A few copies were distributed within the Department (and possibly Foreign Affairs) and at the political level. I reported to my Minister by having a copy sent to Morrison's electoral office in Sydney where he and some of his personal staff were located. The Australian Security Intelligence Organisation took the message to Whitlam.

Knowing Whitlam as I did, I did not share American concern, and certainly not their excited reaction, except in respect of one aspect of our intelligence sharing arrangement with the Central Intelligence Agency. The problem grew, unwittingly, out of the Prime Minister's distrust of the Agency, which was widely shared in the Labor Movement. I was not in a position to know whether there was any basis for suspecting domestic interference in Australia by the Agency, this being the responsibility of the Australian Security Intelligence Organisation. But I was completely aware of a fully disclosed Agency activity of benefit to Australia. It was one that would be held to be so by members of government of any political persuasion who were made privy to its nature and purpose.

Our principal Defence Department intelligence liaison was with the parts of the American systems which provided us with intelligence, on a reciprocal basis where that capability existed. The liaison gave us intelligence gathered by technology that we did not possess. Some informed us of the state of the nuclear balance between the superpowers on which stable peace depended.

The Defence Department did not have, or need, liaison with any Central Intelligence Agency operations by individuals working under cover in other countries—the most notorious and, to some, objectionable activity of the Central Intelligence Agency. One of the valuable elements in the Hope Report was certification of the value to Australia of 'close intelligence links with some of the major intelligence agencies in the Western world'. During one of my meetings with the Director of the Central Intelligence Agency, I told him of the burden of popular obloquy that partners had to carry, because of the lack of public

awareness of the Agency's work in independent analysis of situations in addition to its covert illegal activities on the ground by its agents which attracted criticism and notoriety. I suggested that he could do more to publicise the difference in the multifaceted activities of his organisation. I have no reason to believe that my suggestion had any practical effect.

The 1975 changes: A new Minister, Chiefs of Staff and 'the Dismissal'

Barnard resigned from Parliament in June 1975 and was appointed Ambassador in Sweden. His place in Cabinet was taken by Bill Morrison who had been Barnard's Minister Assisting (and earlier, Minister for Science). Morrison therefore needed little briefing about the full range of portfolio interests.

My own relationship with him was not new, but subject to a complete reversal of status. Morrison had been an officer in External Affairs subject to my authority. He had taken a specialised course in Slavonic studies in London. I had posted him to Moscow as First Secretary and Chargé (his second posting there). In that post he had attracted the attention of the Soviet system and, following our expulsion of a Soviet First Secretary from their Embassy in Canberra for espionage, the Soviet Union retaliated and declared Morrison *persona non grata* on a spurious charge of breaching diplomatic decorum. Barwick as Minister robustly defended Morrison's reputation and rejected the Soviet claim. But the expulsion of Morrison proceeded.

What followed led me to issue a sharp instruction to Morrison. In the media excitement in Australia over the expulsion, Morrison was met by the media at all staging points of his exit. He so clearly enjoyed talking to the media and the light of publicity cast on him that I told him while *en route* to Australia to cool it or, more precisely, to shut up. While the Minister was dealing with Parliament, and I with the Russians and the media, with the truth of the matter as best we could ascertain it, it was necessary to avoid inadvertent conflict with what was being uttered by a distant voice off-stage. What I failed to detect was a budding politician enjoying being a public figure. He left the Department in 1969 after successfully contesting a Sydney seat for the Labor Party. He had had a remarkably rapid rise to the Ministry in the Whitlam Government, holding several portfolios.

As a subordinate of Morrison the Minister, what I had said to him in 1963 did not appear to have affected our official relations. Unlike most of his predecessors, he was well informed on international security and defence issues. He took me and others on the customary call on the Pentagon and other American officials. He investigated the US Coast Guard Service, prompted by the current strain on our naval patrol boat capabilities caused by the flow of 'boat people'

into Australian waters. He also examined progress by the Americans with the light frigate programme.

Back at home, the Defence Reorganisation Bill was debated in the Senate in August and on 28 October the Governor-General approved the Act and directed that it be proclaimed and enter into force on 9 February 1976. But before then events were moving into a crisis for the Government.

Morrison's 1975–76 budget sought an estimated 2.8 per cent of the Gross Domestic Product. It reflected the increased cost of Barnard's earlier decisions on manpower and conditions of service, as well as the price inflation which Labor's fiscal policies had generated throughout the economy. Nevertheless, an increase in capital equipment's share was achieved.

But in late 1975 the Government was forced into finding ways of paying for government services as supply dried up under the Senate blockade. Treasury initiated a plan for paying members of the Services with vouchers, redeemable at banks. It was unworkable. An example of this was the situation in which wives and dependents of the Navy's other rank seamen, away at sea, found themselves—unfamiliar with banking and fearful of what might happen next.

Before this bizarre, but constitutionally significant, situation developed further, 11 November arrived. I had no knowledge of the Prime Minister's intentions or, indeed, of any of the political manoeuvres leading to that day. I attended the Remembrance Day service at the Australian War Memorial, returned to my desk briefly, and went to lunch, returning to my office before 2.00 pm. I remained in complete ignorance of what was going on at Yarralumla, and have since relied, years later, on the details provided by Paul Kelly in his book.¹⁰ While I was sitting at my desk catching up with accumulated papers, my secretary burst into the room to say that the Prime Minister had been dismissed and replaced by Malcolm Fraser. This seemed so improbable that I asked where she had received the information. 'From my mum, listening to the radio,' she said. I told her, no doubt with some acerbity, not to interrupt me in future with tales from her mother. Nonetheless, I switched on the radio. I heard Malcolm Fraser speaking from the Government benches. I do not recall whether I gave my secretary the apology for my disbelief that she undoubtedly deserved.

ENDNOTES

¹ Tange's draft at this point stated 'Three installations ...', but there is no other indication that he intended to refer to another facility, such as the Naval Communications Station at North West Cape in Western Australia.

² Tange's draft at this point referred to 'our Northern region'.

³ Barnard's Ministerial statement on 'United States Defence Installations in Australia' is at *Commonwealth Parliamentary Debates*, vol. H of R 82, 28 February 1973, pp. 67–70.

⁴ This quotation comes from a speech by Kim Beazley, Minister for Defence, entitled 'Checking the Arms Race: Australia's role in international verification' on 13 May 1988.

⁵ Alan Reid, 'ALP left looks for scapegoat', *Bulletin*, 3 March 1973, pp. 17–18.

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⁶ Lloyd became the founding professor of the journalism school at the University of Wollongong. His books included *The Last Shilling* (a history of repatriation, with J. Rees), *Parliament and the Press* (a history of the parliamentary press gallery), and *Profession: Journalist* (a history of the Australian Journalists' Association). He died on 31 December 2001.

⁷ Bill Morrison succeeded Barnard as Minister for Defence in June 1975, and was in turn succeeded by James (later Sir James) Killen in December 1975.

⁸ H.C. Coombs, *Trial Balance*, Macmillan, South Melbourne, 1981, p. 304.

⁹ Alan Stretton, *Soldier in a Storm: an autobiography*, Collins, Sydney, 1978. Tange tried unsuccessfully to prevent Stretton from publishing this book while still in government service.

¹⁰ Paul Kelly, *November 1975: the inside story of Australia's greatest political crisis*, Allen & Unwin, St Leonards, NSW, 1995.