

COMMONWEALTH OF AUSTRALIA.

SPEECH

BY

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ON

DEFENCE REVIEW.

MINISTERIAL STATEMENT.

[From the "Parliamentary Debates," 22nd May, 1963.]

Sir ROBERT MENZIES (Kooyong—Prime Minister).—by leave—May I begin with some general observations of no great novelty, but the recollection of which is essential to a useful review of Australian defence. Every defence programme must, in its nature, be flexible. As international strategic considerations change, so we must be ready to change our own defence arrangements. Every measure we adopt is so adopted with knowledge of the appreciations put before us by our expert military and diplomatic advisers. In other words, the condition of an effective defence programme is that it should be based upon as accurate an assessment as can be made of the probable source and nature of the apprehended attack, the area of possible conflict and the nature of the operations, and the nature and extent of the co-operation we may expect from and give to the United Nations in general and our allies in particular. Plainly, most of these elements are not static; hence the importance of being ready to accept changes when their need arises.

Again, there are internal and equipment factors which, whatever new proposals are adopted, will affect the rate of increase in defence expenditure. For example; Naval vessels have to be designed, laid down, built

and equipped over a substantial period of time; aircraft cannot be bought out of existing stocks, and their domestic production, having regard to their enormous complexity, cannot be encompassed except over a period of years; and the Army cannot in time of peace be strengthened numerically and in terms of equipment and training very suddenly. I give those illustrations for this reason: I will be giving some new figures for our anticipated defence votes. They will indicate substantial increases; but, because of the time factors which I have referred to, those increases will be smaller in the earlier part of the programme than in the later. In brief, no government in Australia should announce a dramatic increase in defence expenditure for 1963-64 just for the sake of doing so. All new proposals must be phased over the necessary period of time.

In October last, my colleague, the Minister for Defence (Mr. Townley), whose continued absence through ill health we all regret so deeply, announced a new three-year defence programme covering the years 1962-63 to 1964-65. He emphasized that the programme was not static, and that adjustments would be made as new circumstances developed. In January of this year, following a review of the naval programme, which had been left a little vague in the

October proposals, we announced some additional measures for strengthening the Royal Australian Navy. I will not repeat these two announcements in detail, as copies of them are available to honorable members. But it may be helpful for an understanding of the financial quantum of our new measures if I now set out the financial involvement of those earlier announcements—that is, October plus January. Based on a continuance of the approvals given before our current review, the annual expenditures were estimated to be as follows:—

	£
1962-63	212,200,000
1963-64	219,200,000
1964-65	220,000,000
1965-66	222,000,000
1966-67	220,000,000
1967-68	220,000,000

Those figures give a total—necessarily approximate in the case of future years where costs are unknown—of £1,313,000,000 over six years—£651,000,000 in the first three years and £662,000,000 in the second three years. I want no confusion on this matter. I repeat that this is the last October three-year programme plus the January addition in the case of the Navy.

We have now completed a further comprehensive review of developments in South-East Asia. We have noted the uncertainties in Laos, the acute problems in South Viet Nam, the conflicts which exist over the creation of the new Federation of Malaysia—which we heartily support—and events in and concerning West New Guinea. It certainly cannot be said that we have entered a period of stability in the area of immediate strategic concern to Australia. We have made this recent review in the light of our treaty arrangements, but particularly in reference to the security of our own country and of the Territories of Papua and New Guinea. We will defend these territories as if they were part of our mainland; there must be no mistaken ideas about that.

We have decided that there should be a further progressive increase in our military capability and preparedness. I will take the three services in order. It will be recalled that as recently as January we announced two large naval projects—the purchase of a third guided missile destroyer and the procurement of four “Oberon” class submarines. We have now approved of provision for fitting the Ikara anti-submarine

missile, which is under development in Australia, with United States of America co-operation, into the Type XII frigates and the guided missile destroyers. This will be a most significant development in anti-submarine warfare. We have also approved of the building in Australia of a 15,000-ton escort maintenance ship. We have reviewed our 1959 decision that fixed-wing naval aviation should cease in 1963. After recent re-appraisals of the wing-fatigue life of the Venoms and Gannets, and reports of the very low wastage and accident rate, we have decided that fixed-wing flying is to continue until the Venoms and Gannets reach the reasonable end of their service life. This will be about 1967 when the position can be reviewed. These aircraft will, of course, be used in conjunction with the Westland Wessex helicopters already under delivery.

The personnel strength of the R.A.N. will be increased from the present approved total of 13,900 to about 14,300.

I turn now to the Army: Last year it was decided to increase the permanent Army strength from 21,000 to 24,500 by June, 1965. We have now approved of a further increase to 28,000. The order of battle of the permanent field forces will be expanded by the formation of a third regular battle group. This will add considerably to the flexibility of our forces and their ability to operate in a variety of circumstances. The Australian Regular Army Reserve will be re-constituted to ensure that its members are medically fit, up to date in their training, and ready. There will also be an increase in the strength of the Pacific Islands Regiment, which includes Australian officers and some senior Australian non-commissioned officers. The present strength of the regiment is about 700. This will be doubled as soon as possible, consistently with adequate training and equipment. When that has occurred further developments will then be considered. No major change is at present proposed in the organization of the Citizen Military Forces, but its target strength of 32,500 will be increased to 35,000. Major purchases of new equipment for the C.M.F.—and that is very important when it comes to recruitment—have now been approved.

The procurement of modern equipment is, of course, essential. Current expenditure in this field is running at the annual rate of

about £11,000,000. We have now approved as an objective the provision of the equipment and reserves needed by the Australian Regular Army and C.M.F. components of a complete pentropic division of five battle groups with appropriate combat support and logistic units. To meet this, expenditure on Army equipment, which has been running at about £11,000,000 annually, will rise to £14,000,000 in the coming financial year, and to £17,500,000 in the succeeding years. The items will cover the whole range of weapons and ammunition, engineering and technical stores, radar and radio, vehicles and landing craft. There will be additional purchases for the Army light aircraft squadron. These are separate from the purchases under the Air Force programme, which I shall mention later. The increasing Army strength will require a considerable expansion of the construction programme. It is provisionally estimated that the Army vote, this year £68,000,000, will rise to £87,500,000 in 1964-65 and to £97,000,000 by 1967-68. But I will return to the general financial figures later on.

We have approved of a number of important new projects for the Royal Australian Air Force.

A major feature of the re-equipment programme has been the introduction of the Dassault Mirage III jet fighter to replace the Avon Sabre. The Mirage has an advanced supersonic performance and is regarded by those who are in a position to speak as the best fighter available in the world for our purposes. As honorable members know, orders have already been placed for 60 of these aircraft. The first, from French production, has already been handed over to the R.A.A.F. and is undergoing tests and trials. Deliveries of the remainder, which will contain increasing quantities of locally assembled and constructed components, will commence late this year. We recently secured an option on a further order of 40 Mirage fighters. We have decided now to take this up, thus bringing the total to 100. At the same time, since the effective employment of fighter aircraft depends more than ever before on adequate ground control of their movements and operations, we have approved the purchase of two new control and reporting units and these are vastly complex and costly things.

One of them is to be at Brookvale in New South Wales and the other is to be mobile.

Tactical air transport support for the armed forces has also received attention. We give it a high priority. Last October, we approved of the purchase of eight heavy-lift helicopters and twelve fixed-wing short take-off and landing aircraft, subject to R.A.A.F. evaluation and selection. It has been found that a suitable type of heavy-lift helicopter is not at present available. We have therefore decided to purchase a further eight Bell Iroquois utility helicopters in addition to the sixteen already approved, and to purchase eighteen Caribou Mark I. fixed-wing aircraft, which have a proved capability as a short take-off and landing aircraft in South-East Asian conditions. The introduction of both of these types will complement, in the tactical field, the strategic mobility provided by the Hercules C130 transports.

In addition to the current extensive programme of airfield works and development in such places as Darwin, Amberley, Williamstown, East Sale and Townsville, we have now approved of major and extensive improvements to the airfield at Boram, near Wewak, in New Guinea. This will have great value for defence purposes, for civil aviation, and for the general development of the Territory. Overall, the new projects for the Air Force will require an increase in personnel strength from the present target of 16,440 to something of the order of 18,300.

It will be observed that I have so far not spoken of the problem of the re-equipment of the strike-reconnaissance force. This is an important matter. The Canberra is by no means obsolete; it is still being used by overseas air forces, including those of Nato. But we are giving close consideration to the future as we must. There are, of course, great financial problems, but there are vital questions as to the availability of suitable types to meet our requirements. Having regard to our special geographic circumstances, we must consider range, the capacity to perform both reconnaissance and attack and the ability to use existing runways and services. An on-the-spot evaluation by a team of qualified experts is necessary, as it was in the selection of the Mirage. Such a team will be sent overseas at an early date,

under the Chief of the Air Staff, to investigate and report. Then, of course, the Government will consider the matter further in the light of the report.

I now turn to the total programme figures, putting in parallel columns, for clarity, the figures I quoted earlier, on the existing programme, and the new figures based upon the announcements I have just made, but without anticipating or estimating the cost of a striking reconnaissance replacement—

	Annual expenditure in existing programme based on a continuance of approvals given before this review.	Annual expenditure in new programme.
	£m.	£m.
1962-63 ..	212.2	212.2
1963-64 ..	219.2	237.5
1964-65 ..	220	253.4
1965-66 ..	222	269.6
1966-67 ..	220	277
1967-68 ..	220	269.5
Total ..	1,313.4	1,519.2

This means that, beginning in 1963-64, the average increase in the defence vote over a period of five years will be of the order of £41,000,000 a year, leaving out of account a Canberra replacement and assuming, of course, that no additional proposals are approved during that period.

The effect of these decisions, when they are carried out, will be to establish a fully equipped, fully modern, fully supported pentropic division. We will have an Air Force able to provide a measure of strategic and tactical mobility, and with 100

supersonic fighters, properly controlled, to provide air protection. We will have a relatively small but modern Navy equipped to defend our shores, and to seek out and destroy the submarines on which an enemy is likely to rely in order to deny us that command of the seas without which the overseas employment and support of a division is impossible.

Such forces will provide a significant and welcome addition to any allied effort required in our area of strategic concern. But they will do more in that they will provide a capacity for independent action to meet the initial shock of any emergency with which we may in the future find ourselves faced.

The increases I have announced will impose substantial additional burdens upon the Budget in a period in which the need for national developmental expenditure will be great and growing; greater in proportion than may be the case in older and more developed countries. But we feel that such burdens will be cheerfully accepted by our people. They are, of course, not solely financial burdens. The improvement of the nation's defences will require much public co-operation, by those who join the forces and, in the case of citizens who join the C.M.F. and the reserves, by those who employ them. We look for this co-operation with complete confidence.

I lay on the table the following paper:—

Defence Review—Ministerial Statement, 22nd May, 1963—

and move—

That the paper be printed.