Australia's Naval Alliances:

Lessons of History

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By

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Cambridge
Scholars
Publishing

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This book first published 2025

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

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ISBN: 978-1-0364-4879-0
ISBN (Ebook): 978-1-0364-4880-6

For Heather

and

In memory of my father,
Lieutenant-Commander Douglas Seymour, RNZNR.

"All history is contemporary history,"
—Benedetto Croce.

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ACKNOWLEDGEMENTS

I have benefitted greatly from the advice and support of numerous scholars and friends. Special mention must be made of the late James Goldrick, AO, Rear-Admiral RAN, Rtd. He was an outstanding naval historian. He took a special interest in my book and generously offered comments and helpful suggestions at a time when his health was failing. I wish also to acknowledge the vast contribution to the writing of Australia's naval history made by David Stevens, AM. His numerous books have provided an indispensable foundation for the historians who have succeeded him.

Among British naval historians who responded to my requests for help were: Roger Knight, Andrew Lambert, Derek Law, and Nicholas Rodger. Canada's Christopher Bell also pointed me in the right direction. Supportive Australian colleagues included Roger Beale, Geoffrey Lindell, Peter Stanley and Christine Wallace.

The friends who came to my rescue when I encountered formatting and computer problems were Maureen Brooks, Rado Faletič and Nic Welbourn. The staff of the National Library of Australia were unfailingly helpful; special thanks go to Andrew Sergeant. Similarly, the staff of the National Archives of Australia – a rich resource – were prompt and understanding in dealing with my questions about the location of relevant materials.

Finally, I express my gratitude to Cambridge Scholars Publishing. I have been fortunate to find a publisher willing to take on an old-fashioned scholarly monograph. Commercial publishers are increasingly uninterested in supporting academic authors. I appreciate the opportunity to see the product of my research in print.

ABBREVIATIONS

AJCP	Australian Joint Copying Project (an NLA site)
ANZUS	Australia, New Zealand, United States
AUKUS	Australia, United Kingdom, United States
CID	Committee of Imperial Defence
Cmnd	Command
CNS	Chief of Naval Staff
COS	Chief/s of Staff
CPD	Commonwealth [of Australia] Parliamentary Debates
CPP	Commonwealth [of Australia] Parliamentary Papers
First Lord	First Lord of the Admiralty
H of R	House of Representatives
HMAS	His or Her Majesty's Australian Ship
HMS	His or Her Majesty's Ship
IJN	Imperial Japanese Navy
NAA	National Archives of Australia
NLA	National Library of Australia
RAF	Royal Air Force
RAN	Royal Australian Navy
RN	Royal Navy
RNZNR	Royal New Zealand Naval Reserve
SMH	Sydney Morning Herald
USN	United States Navy

PREFACE

Australia has in the past looked to powerful friends for protection. This book examines Australia's long-lasting naval defence alliances with Great Britain and later, as a member of the British Empire. In the final years of World War II, Australia turned to the United States as its major ally when it became obvious that the Royal Navy was incapable of providing a dependable shield in the Pacific. Against this background, the book explores the questions posed by the announcement of the AUKUS alliance. History has lessons to teach about the problems that might arise in committing to this new alliance.

As a British dominion, Australia's relationship with the mother country gradually weakened, reflecting the nation's inevitable progress towards increased independence. Before this was achieved, Admiral Jellicoe undertook a mission to Australia in 1919 to advise on the future development of the Royal Australian Navy. His visit was the catalyst for outpourings of imperial fervour and, being a man of his time, Jellicoe assumed that, in time of war, the Australian navy's principal role was to operate as part of a British fleet in the Pacific and so contribute to the defence of the Empire.

To understand the significance of the recommendations made in his lengthy report, it is necessary to appreciate the history of the earlier relationship between the Royal Navy and Australia's naval forces. In the colonial period, it was agreed that the British navy should accept responsibility for Australia's naval defence. However, growing nationalism and a consequent emphasis on the importance of self-reliance led to unease about this view. In addition, as early as 1858 doubts were expressed about the capacity of the RN to make available a sufficient number of warships for service in the Pacific. These doubts were to grow in the following century. Also, the United Kingdom government was soon to demand that the people of Australia should share the financial burden.

Debate was to continue as to whether Australia should do its share by paying the United Kingdom government a subsidy, or by the colonies building or purchasing their own warships. The Admiralty remained firmly opposed to the latter solution and looked with disdain on colonial naval aspirations. In

Whitehall's view, what was needed was a single navy devoted to imperial defence.

In the closing decades of the nineteenth century and for some years after Federation, the subsidised system was to prevail. It was accepted that the colonies (and later the Commonwealth) should not acquire their own blue-water fleet. A newly established RN Auxiliary Squadron would protect trade in Australasian waters, with Australia remaining liable to contribute to the cost. This did not appease the critics. There were frequent complaints about the Admiralty's resistance to the operation of infant navies: a British squadron manned by British seamen would do nothing to satisfy local naval aspirations.

In 1907 there was an abrupt change of policy. While adhering to the view that a single imperial navy would still be the most effective means of preserving British naval supremacy, the Admiralty announced that it would not oppose the legitimate aspirations of "the Colonies" (a term intended to include the Commonwealth of Australia) to maintain naval forces under their own control. This decision resulted in an agreement in 1909 to approve the acquisition of Fleet Units by what were now recognised as "overseas Dominions." Australia took advantage of the policy change; its Fleet Unit, headed by HMAS *Australia*, arrived in Sydney in 1913.

Some heralded the arrival of these ships as the long-anticipated acquisition of an Australian Navy, but this was incorrect. What was envisaged by the Admiralty was the creation of the Eastern Fleet of the Empire, which would be tasked with protecting imperial interests in the Pacific. The Australian unit would be an integral part of the planned fleet. This fleet, however, was never established. With war against Germany looming, Britain needed to concentrate its capital ships in Home Waters and the North Sea. There was no more talk of the Eastern Fleet. The outbreak of war saw all Australia's naval forces transferred to "the King's Naval Forces."

The subject of imperial defence was not forgotten. In 1917 the Admiralty was directed to identify "the most effective scheme of Naval Defence of Empire." The Admiralty responded in May 1918 and cast doubt on the value of Fleet Units. It reverted to its earlier policy by asserting that "a single Navy is necessary for the security of the whole Empire." The aim should be "one Navy, all effective units being under the control of an Imperial Naval Authority, both in peace and war."

This represented an explicit rejection of the concessions made in the 1909 decision to establish distinctive dominion Fleet Units. The arguments favouring regional navies – arguments acknowledging dominion national sentiment – were ignored. One critic suggested that the continuance of the RAN had been threatened. Concern about the new Admiralty policy was to lie at the heart of all the debates on the role and status of the Australian squadron until the outbreak of the Second World War. Was the squadron to be recognized as an emancipated regional force or was it a minor element in an imperial fleet?

At an informal meeting after the 1918 Imperial War Conference, the dominions' concerns were made clear. The dominion representatives rejected the Admiralty's proposal for a single navy: they were not prepared to place their naval forces under a central authority over which they would have no control. Nevertheless, at this meeting it was agreed that the operation of these forces should be modelled on the practices employed by the Royal Navy. This led to a request for visits from "a highly qualified representative of the Admiralty" to provide advice on the development of the local navies. Hence the appointment of Jellicoe. He was to be confronted by policy questions that had been debated in Australia for over 60 years.

The most important recommendation in his 1919 report was that the protection of the British Empire in the Pacific required the establishment of a strong force to be known as the Far Eastern Seagoing Fleet. It would operate from the Singapore base which was "undoubtedly the naval key" to the region. Underlying this recommendation was a recognition of a new factor. Jellicoe indicated that he had "no difficulty in deciding on the source from which danger might come." He referred to "the actions and aspirations of Japan." Some years before his arrival in Australia, reports noting the expansion of the Japanese Navy had been submitted to the Commonwealth Naval Board. Australia was isolated and vulnerable. The Board's reports were outspoken in their criticisms of the Admiralty and the government of the United Kingdom for failing to develop a plan to counter Japanese aggression.

Jellicoe's proposal for a strong fleet showed that he was aware of the need to respond to the threat. However, the size of the fleet he proposed was later to be described as bordering on "fantasy." It was to be made up of RN warships, together with ships provided by the dominions. Its character was to reflect the Admiralty's 1918 directive: it would be a British fleet "organised to act under one single direction in war."

Within a year after the submission of the Jellicoe report, it became clear that Australia could not meet the increased cost which would result from contributing to the Far Eastern Seagoing Fleet. More important, it was soon evident that Britain would never be able to establish such a fleet and base it in Singapore. The Admiralty quickly distanced itself from Jellicoe's recommendations. Instead, it fell back on a promise to despatch some capital ships to the Pacific in an emergency. These were to be drawn from its Home and Mediterranean fleets. In the 1920s and 1930s this offer was increasingly greeted with scepticism in the dominions. There were many who doubted the capacity of the RN to provide a sufficient number of ships to safeguard the Pacific. The doubters were proved right with the sinking of HMS *Prince of Wales* and *Repulse* in 1941 and the fall of Singapore soon afterwards.

These events were to underline the gravity of the threat posed by the strength of Japan's armed forces. From the antipodean perspective, the significant change was the need to face up to the fact that Australia could no longer rely on the RN for protection. In the years leading up to the Second World War, Australia's leaders were acutely aware of this fact and endeavoured to persuade their American counterparts to commit to providing a naval force in the Pacific. In 1942, the attack on Pearl Harbor left the United States with no choice. Australia pivoted to a new ally.

This book, while initially focussing on the decline of earlier alliances, also addresses the emergence of the AUKUS agreement, announced in 2021. This alliance will be dominated by the United States. An understanding of the benefits and burdens which will accompany it is illuminated by scrutinizing the operation of the alliances in Australia's colonial period and, after Federation, in the years dominated by the two world wars. This book traces a pattern of events, examination of which will throw light on the dilemmas likely to arise as the new alliance takes shape.

In assessing Australia's naval defence needs over a span of more than 150 years, it is apparent that there has been continuing uncertainty about the policies to be adopted to promote Australia's best interests. Should a pre-occupation with collective security prevail or should the focus be on local and regional defence? Might pursuit of the former involve fighting other people's wars?

Under the AUKUS agreement, Australia will acquire nuclear-powered submarines from the United States. These will become part of a combined naval force controlled by the United States. On one view, the primary aim

of this force might prove to be the promotion of American policies in Asia, policies designed to confront the rising military power of China. Australia's future navy might therefore contribute to the pursuit of this aim, rather than meeting naval needs in its own backyard. It is not self-evident that Australia will be safer in the alliance than out of it.

One or both of Australia's alliance partners may prove unreliable. Questions might well be asked about the future commitment of the United States to the alliance. Britain had already shown that it had been unable to honour its undertakings. These arose because in both wars it became necessary to confront the German threat rather than fulfilling promises to establish a fleet in the Pacific. It became apparent that the RN was unable to wage naval war simultaneously in two hemispheres. This illustrates the obvious fact that the needs, capacities and priorities of an alliance partner may at any time have to be re-assessed. When the unexpected occurs, new policies will be adopted. These will be fashioned on the basis of what is in an ally's best interests.

For its part, Australia will continue to feel the effects of financial constraints on defence planning. It might be unwise to assume that future Australian politicians will remain committed to the heavy expenditure accompanying the AUKUS alliance. The proposed expansion of the Commonwealth Navy might be attacked as over-ambitious. The decision to acquire and operate several nuclear-powered submarines might, as in Jellicoe's day, be described as a "fantasy."

As in the past, there will always be politicians who will assert that money can be better spent on social welfare rather than on costly warships. Alternatively, a more radical change in the political climate might occur, as happened in Britain and Australia in the 1920s, when sustained campaigns for disarmament resulted in calls for cut-backs in defence spending. While this possibility might be dismissed in the current climate, the lesson to be learned from the story told in this book is that any alliance will inevitably confront unexpected head-winds.

This story also illustrates the dilemma that will continue to confront Australia. A choice must be made. The shield provided by an alliance with a powerful ally or allies might in future be welcomed as a response to a recurring fear of being abandoned and alone. The difficulties associated with membership of a defence alliance must be recognised and accepted. Such an alliance might prove to be frail. It will inevitably involve dependence on an ally, some uncertainty, and perhaps friction and loss of

sovereignty. Alternatively, Australia might pursue a defence policy based on a determination to go it alone. This would require a fundamental re-assessment of defence needs and a decision significantly to increase the sum budgeted for defence spending.

CHAPTER 1

THE JELLICOE MISSION: SETTING THE SCENE

On 23 December, 1918, Sir Oswyn Murray, Secretary of the Admiralty, wrote to Admiral Jellicoe confirming that he had been appointed to lead a mission to Australia, New Zealand and Canada. His task was to provide these dominions with advice as to their future role in the naval defence of the Empire. Early the following year Jellicoe was instructed to include a visit to India. The battle cruiser HMS *New Zealand* was placed at his disposal.

The admiral was instructed "to advise the Dominion Authorities whether in the light of the experience of the War, the scheme of naval organisation which has been adopted or may be in contemplation requires reconsideration, either from the point of view of the efficiency of that organisation for meeting local needs, or from that of ensuring the greatest possible homogeneity and co-operation between all the Naval Forces of the Empire." If the dominions were willing to consider the possibility of taking "a more effective share in the naval defence of the Empire," the admiral "was to give assistance from the naval point of view in drawing up a scheme for consideration."[1]

The selection of Lord Jellicoe for the mission was unsurprising. He was a dominant figure in the Royal Navy in the opening decades of the twentieth century. He served as the Commander-in-Chief of the Grand Fleet from 1914 to 1917 and commanded the fleet at the Battle of Jutland in 1916. He then served as the First Sea Lord until he was dismissed at the end of 1917. He was created Viscount Jellicoe of Scapa Flow in March 1918. While his reputation had become somewhat tarnished, he was still widely respected. "He was a great gentleman, sincerely loved by all who served with him. Yet … it was just as well that [he] left Whitehall when he did. It was time for a change: he had lost the confidence of important segments of the Service."[2]

In 1918 in his retirement, he had occupied his time writing *The Grand Fleet, 1914-16* and the bulk of *The Crisis of the Naval War*. However, an official

appointment was slow in coming. He was offered the Devonport command in April 1918, but when he learned that it was proposed prematurely to retire the incumbent to make room for him, Jellicoe declined the position. In May it was suggested that he be appointed Allied Naval Commander-in-Chief in the Mediterranean, but nothing came of this. He decided not to serve on a committee to consider the organization of the Royal Ordnance Factories since this committee's work had "no real connection with the war." He did serve on a naval committee on capital ship design. In November, Jellicoe was offered the position of Governor-General of Australia, but he declined.[3] He was hoping to be appointed as Governor-General of New Zealand, an appointment he was to take up in 1920.

On 18 November 1918 Jellicoe agreed to head the mission to the dominions and India. This mission represented one more stage in a long-running debate about the role and character of the force that ultimately became the Royal Australian Navy. To understand the situation confronting the admiral when HMS *New Zealand* dropped anchor off Albany on 15 May 1919, it is necessary to know something of the early history of Australia's naval forces and policy issues that had been fiercely debated since the 1850s. What follows is a brief summary of the more important features of the development of Australia's navies during the colonial period and in the early years after Federation in 1901. This period witnessed a gradual and hesitant process resulting in the emergence of a naval force moving towards independence but not yet fully emancipated.

The Colonial Period

Throughout the nineteenth century it was generally accepted both by the imperial government and the colonial governments that Australia's naval defence was primarily the responsibility of the United Kingdom. It followed that any suggestion that Australians might acquire warships of their own would be opposed by the Admiralty. For the Admiralty it was self-evident that the seas were one and that the Royal Navy had the duty and capacity to police those seas. This demanded one homogeneous navy under central control. It was not long before pursuit of this policy prompted complaints from the United Kingdom government that it should not be solely responsible for maintaining an imperial navy. It requested that the colonies should share the financial burden.

Questions were soon raised about the forces assigned by the Royal Navy to Australian waters. In 1858 a meeting of the New South Wales Executive Council noted that its members were "of opinion that the Naval force at

present stationed in these Colonies … is not in any way adequate to the protection either in peace or war of British and Colonial interests."[4] The establishment in 1859 of what was to become known as the Australian Squadron on the Australia Station did little to inspire confidence. While the number of ships on the station gradually increased, the squadron in 1870s has been described by Australian naval historian David Stevens as "antiquated and virtually useless for operations against an enemy."[5] Such complaints were to become a recurring feature of discussions of naval defence policy. They were reinforced by the fear that the Royal Navy ships serving in Australian waters might be withdrawn to meet needs on the other side of the world and months might elapse before reinforcements arrived from England. Doubts were to continue to be expressed about the capacity of the Royal Navy to provide effective protection for distant parts of the Empire.

In view of such concerns, it was not surprising that the Australian colonists would begin to agitate to acquire their own warships. This reflected the belief that the colonies should display self-reliance. The stirrings of colonial nationalism prompted a desire to do more than "hire the services of the Royal Navy."[6] The payment of subsidies to the Royal Navy could only be interpreted as a refusal to accept responsibility for naval defence. Instead, the aim should be to engender a "naval spirit" in order to fulfil a patriotic duty. The Australian colonies should therefore create self-reliant, locally manned naval forces. The Admiralty initially opposed this development, an attitude to which it would cling tenaciously. It looked with "disdain" on colonies' proposals to acquire their own ships of war "and refused to encourage any links between them and the Royal Navy."[7]

Between 1856 and 1884 four of the Australian colonies acquired a variety of warships. In time these came to be tolerated on condition that their role was confined to providing coastal defence. The Admiralty's view was that imperial defence should remain the province of the Royal Navy. Only Royal Naval vessels crewed by properly trained and disciplined professional crews could operate a navy worthy of the name. There was no place in such a force for local squadrons of small, weak and inefficient vessels. The effective naval defence of the Empire required *united* action rather than a piecemeal approach.

The Carnarvon Royal Commission and Admiral Tryon's Recommendations

The next stage in the development of the colonies' naval forces saw a reinforcement of Admiralty policies. The groundwork for this conservative approach was laid in 1882 in the recommendations of a royal commission led by Lord Carnarvon. The Commission was appointed "to inquire into the Defence of British Possessions and Commerce Abroad." Its report accepted that, while local armed vessels should protect Australia's ports, "the naval defence of Australia generally as an integral portion of the British Empire" required different management. The Commission therefore rejected the view that the Australian colonies "should maintain sea-going ships of their own for action beyond their territorial waters." This was followed by a predictable recommendation: the Australian colonies should make a "moderate contribution in money towards the cost of that squadron which is maintained by the mother-country for the protection of interests common to the Colonies and herself." This was consistent with the view that Australians should accept a share in defence costs, "a burden hitherto exclusively borne by the mother country."[8]

In 1884 Rear Admiral Tryon RN took up the position of Commander-in-Chief of the Australia Station. He was tasked with persuading the colonies' leaders of the unsoundness of relying on coastal forces and convincing them that protection of Australia's international trade and commerce was more important than purely local defence. The latter, however, was not to be ignored. In Tryon's view, what was needed were two forces. This represented a recognition of the twin functions to be performed. There should be one force of small armed colonial vessels to undertake harbour defence. The other, to consist of more substantial warships – what he called "cruiser catchers" – should be capable of pursuing and capturing the enemy on the high seas. They would fulfil both an offensive and a defensive role. These ships should be manned by "thoroughly efficient crews, trained and inured to the sea." They should be under the command of the Admiral on the Australia Station. In Tryon's words, "I see no way, in 1885, of securing efficiency save by making such vessels *bona fide* men-of-war, on the same footing in every respect as all Her Majesty's ships in commission." The ships should be "furnished, manned, and maintained by the Admiralty at the cost of the Colonies."

The implications were clear: the Royal Navy did not welcome and did not need colonial assistance in matters of imperial defence. Tryon repeatedly emphasized the importance of an integrated navy capable of protecting "the

most distant parts of the Empire" and safeguarding the floating trade in Australian waters.[9] Support for the creation of an independent force of colonial warships had no place in this scenario.

The Colonial Conference held in London in 1887 accepted Tryon's recommendations. The Australian colonies and New Zealand passed statutes ratifying a new agreement with the Admiralty. The preambles to these Acts stated that the Admiralty and each of the Australian colonies and New Zealand had "recognized the necessity for increasing the Naval Force for the protection of the Floating Trade in Australasian waters at their joint charge." To achieve this, it had been agreed that "an additional Naval Force" ("the Auxiliary Squadron") would be established as part of the Australian Squadron. The Acts' preambles indicated that the Auxiliary Squadron would be responsible for protecting trade *in Australasian waters*. It was thus to some extent a localized force, albeit one that would operate outside territorial waters. This was something of a compromise: it satisfied the colonies' demand for regional protection rather than making a contribution to imperial defence as a whole.

Those who supported the view that the colonies should be encouraged to acquire warships designed to operate on the high seas were not appeased. William Creswell emerged as a leading proponent of this view. A retired Royal Navy Lieutenant, he had migrated to Australia in 1879 and in 1885 he accepted a commission in the South Australian Naval Forces.[10] He was to play an important role in the debate about naval policy. He was a strong advocate of "a self-reliant colonial naval service." In his memoirs he complained of the Admiralty's continuing opposition. "And it was an opposition, I have reason to know, such as only the Admiralty is capable of: an obstinate resistance of unhallowed tradition; an obduracy, inflexible and implacable, against which ordinary mortals beat their knuckles in vain." The Admiralty saw itself as entrusted with "the gigantic task of defending the Empire. … It neither desired nor would tolerate a family of infant navies overseas, and resolutely set its face against providing a nursery for the brats. Colonial control would have spelt dual control, and dual control of the sea forces of the Empire was not to be thought of, for it seemed bound to lead straight to disaster."[11]

The Auxiliary Squadron was also open to objection not only on the ground that its support would still require annual financial contributions from the colonies, but also because "it still belonged to Britain and was manned by British seamen, exactly as was the imperial squadron. Training for Australians was still confined to the colonial naval forces, and these were

rapidly becoming more obsolete and inadequate."[12] In addition, in a newspaper article Creswell expressed doubts about the capacity of the Australian Squadron to provide effective defence. He noted the "many thousands of miles" of coastline and drew attention to the colonists' abiding fear: that in time of crisis the Royal Navy ships would be occupied in far-distant seas, allowing enemy forces to attack.[13]

The Jubilee Conference 1897

Naval policy was again considered at the 1897 Colonial Conference. At the opening of the conference, Joseph Chamberlain, the Secretary of State for the Colonies, stressed the expense being borne by the United Kingdom Government for imperial defence. He pointed out that military forces and the Royal Navy's fleets "were not maintained exclusively, or even mainly, for the benefit of the United Kingdom, or for the defence of home interests." They were maintained "as a necessity of Empire" for the protection "of Imperial trade and of Imperial interests all over the world." He repeated the point that had regularly been made by his government: the colonies had a responsibility to accept "their fair share" of the financial burden.

George Goschen, the First Lord of the Admiralty,[14] addressed the role of the Auxiliary Squadron. While stating that the Admiralty was content to abide by the 1887 agreement, he hinted that he would prefer the Admiralty to have "a free hand." Here he was referring to the fact that normally the squadron was to be retained within the limits of the Australia Station. He dismissed the "rumour" that the Admiralty was unhappy with this and wished to have "full control of the Australian Squadron in time of war, even so far as to send the ships paid for by the Australian colonies thousands of miles away to attack the commerce of an enemy."

He explained that what the Admiralty wanted was "freedom so to manage the ships as best to protect that zone and that sphere to which they belong." The Royal Navy, he said, should not adopt a strategy of "hugging the shore." He continued: "[O]ur policy must be aggressive, seeking out the enemy, a policy which, as regards Australia, might aim at attacking the possessions of other powers at war with us in the Australian zone, or at seeking out their ships within the Australian station wherever they might be. Hence our claim for freedom for the navy."

Having been re-assured, the conference passed a resolution: "That the statement of the First Lord of the Admiralty with reference to the Australian Squadron is most satisfactory, and the Premiers of Australasia favour the

continuance of the Australian Squadron under the terms of the existing agreement."

There was one dissenting voice. The Hon C.C. Kingston, Premier of South Australia, abstained from voting on the resolution. Prompted by Creswell, the premier put forward the suggestion: "That instead of a money contribution the Australasian colonies should furnish an equivalent in trained seamen for the Royal Naval Reserve for service in Australasian waters and contiguous seas."[15] Creswell had hinted at the way that acceptance of this proposal would reflect national consciousness: "The advantages to any country of having their ships manned and all their sea industries worked by their own kith and kin need no setting forth." He also stressed the advantages, to the United Kingdom, of the creation of a body of trained Australian seamen available to serve in naval ships in the Pacific.[16] Mr Kingston could not persuade his fellow premiers to support Creswell's proposals.

Captain Collins, the Secretary of the Victorian Defence Department, later contributed to the discussion. He suggested that in the future the colonies would require "a further interest and share in [naval defence] than is represented by an annual contribution." This he described as "merely voting money to an Imperial fund." The aim, he said, should be "to devise a scheme by which ships locally manned and locally maintained can be associated in some larger scheme of Imperial Maritime Defence." He conceded, however, that there were many who would condemn colonial navies: they would consider that "the Empire must have one fleet in the sense that it must be administered, controlled, and directed by one central authority, that the formation of local navies is opposed to all sound naval strategy, that the expenditure involved [in maintaining their own forces] will be more than the colonies can afford and that they could not find the requisite number of trained officers and men."[17]

Faced with differing opinions, the premiers of Victoria and Queensland proposed a conference of local naval officers. The conference looked ahead to Federation. It recommended a naval force formed by the "amalgamation" of the existing colonial forces; it would be "maintained and controlled by the Federal Government." It was also resolved that the Admiralty should provide ships in time of war; in peace time they would be available for drilling and training of local forces. The conference proposed the adoption of a scheme under which the naval defence of Australia would be strengthened as part of the development of the Australian Commonwealth, "and become less, year by year, a charge on the Imperial forces and

exchequer." The goal was: "To develop our resources, and the training of our seamen, so that instead of remaining a source of weakness and anxiety to the Mother country – an exposed flank – we may gradually become a strong outpost." Adopting such a policy was necessary in view of Australia's emergence as the "New Power in the Pacific."[18]

The reference to the defence of the Pacific represented an important new element in the debate. There had been a "Russian Scare" in the 1870s; later there were rumours that France and Germany planned to annex islands in the Pacific. In particular, the rise of Japan as a naval power was causing concern. The result was the early recognition that Australia would have to play its own part in countering threats emerging in the Pacific region. While this aspiration was understandable, the Royal Navy remained a significant force. It would be unrealistic to suggest that, at the turn of the century, Australia's contribution to imperial naval defence would have been likely to prove substantial.

On the eve of Federation, while the campaign in favour of Australia acquiring warships capable of operating beyond territorial waters was growing in strength, opinion was divided as to whether the focus should be on regional defence or on participation in the collective naval defence of Empire. On the one hand it was recognized that the maintenance of local forces was strategically unsound. On the other, support for such forces reflected "a desire for the warm feeling of security afforded by the presence of one's own naval vessels."[19] The Admiralty continued to make it clear that it would prefer fleets to be under a centralized command. This tension was to remain in the new century: if Australian naval forces were to be further developed, should they be seen as "an alternative to, or an integral part of, the royal naval squadron on the station?"[20]

After Federation

On 1 January 1901 the six colonies became States in the newly established Commonwealth of Australia.[21] The Commonwealth acquired warships previously operated by the colonies of New South Wales, Victoria, South Australia and Queensland; as a result it inherited what has been described as "an unimpressive collection of elderly ships which could no longer pose a serious challenge to any naval force."[22]

Anticipating the need to provide for naval defence, on 10 June 1901 Prime Minister Barton sought the advice of Rear-Admiral Beaumont RN, the Commander-in-Chief of the Australia Station. The admiral advised that the

Federal Government should retain the substantial Royal Navy squadron on the Australia Station. In his view: "The future may see the creation of an Australian Navy, but for the present the safety and welfare of the Commonwealth require that the Naval Force in Australian waters should be a seagoing fleet of modern ships, fully equipped, fully manned, with trained crews, homogeneous as to type and personnel, and under one command."[23]

Opposition to the pursuit of this policy took a familiar form. Creswell continued to urge that, "Australia should take an active and personal share in her own defence." Referring to the pending review of the arrangements under which the Auxiliary Squadron had been established, he commented that "an increased contribution to the Imperial Government" would represent "stagnation and continued naval impotence for Australia." He repeated his view that money spent on the subsidy could more advantageously be directed towards the development of a local navy.[24] Yet – perhaps in an attempt to placate opponents – he explained that he was not advocating the establishment of an independent Australian navy, but a supplementary force forming part of the squadron on the Australia Station.[25]

Barton and Forrest (Minister for Defence) attended the Colonial Conference held in London in June 1902; this meeting provided the opportunity for discussing Australia's naval defence with the imperial authorities. Forrest had drawn up a minute; he expressed the view that the Auxiliary Squadron "has become inadequate;" there was a need for "a more powerful fleet" than under the existing agreement with the Admiralty. He was "not prepared to recommend under existing conditions the establishment of an Australian Navy." He commented: "[I]t is absolutely necessary, for a time at any rate, to depend upon the Royal Navy for our naval defence." He referred to the "great principle of one fleet for the Empire's Naval Defence." He recommended that the 1887 agreement with the Imperial government relating to naval defence and the Commonwealth's financial contributions be "re-adjusted."

Forrest's minute proved influential. It was accepted by Lord Selborne, First Lord of the Admiralty, as providing the basis of the conference's discussion of naval defence; he described it as providing "a fair and wise starting point."[26] Rear- Admiral Custance, who had followed Beaumont as Director of Naval Intelligence, prepared a paper putting the Admiralty's case; unsurprisingly this reflected his predecessor's views. "The importance of retaining to the Admiralty the exclusive control over the movement of His Majesty's ships in time of war is to be the chief object to be attained."[27]

While the various colonies represented at the conference opted for differing schemes of naval defence, the Commonwealth Government accepted that a new agreement should be concluded. This required legislation ratifying the arrangements for the expansion of the squadron on the Australia Station.

The Naval Agreement Act 1903

The Naval Agreement Bill was introduced on 2 July 1903. The agreement allowed for the establishment on the Australia Station of a strengthened naval force to be under the control of the Naval Commander-in-Chief of the station. At the heart of the arrangement was acceptance of the policy that the force was to be part of the Imperial Navy. The preamble to the schedule recited that the necessity for "a single navy under one authority, by which alone concerted action can be assured," had been recognized. In contrast with a provision in the 1887 agreement, there was no requirement that ships of the force could be removed from Australian waters only with the government's consent. Under the agreement (which was to remain in force for 10 years) the Australian government was to pay five-twelfths of the cost of maintaining the force and New Zealand one-twelfth. Half the cost was to be borne by the United Kingdom.

Prime Minister Barton's speech moving the second reading reviewed the conflicting views on acceptance of the Royal Navy's role and the nationalistic argument in favour of the establishment of an Australian navy. He stated, "[W]e are unable to subscribe to the theory that our loyalty to Australia calls upon us to set up a separate Navy." He dismissed proposals for such a navy as not according with "that principle of unity of control which we think is essential in naval matters."[28] Barton and other supporters of the Bill emphasized financial considerations. For them, the payment of the subsidy to the United Kingdom was money well spent. The Minister for Defence repeatedly emphasized this point: the Bill offered "sound and efficient defence at a trifling cost."[29]

Barton had to tread carefully on the subject of local naval forces. Their disbandment could result in serious opposition to the Bill. He had to take account of the small minority (inspired and led by Creswell) who favoured the development of an Australian Navy. He hoped that some of the former colonial warships and those who manned them would be retained – "absorbed by the new arrangement" – although he was vague as to how this would occur.[30]

Many members of both Houses opposed the Bill. Richard Crouch stressed the importance of self-reliance. He urged the need to focus on Australian interests rather than imperial concerns. With the advent of Federation, there was also the matter of national pride. Like many other commentators Crouch disliked the idea of the Australian States subsidizing "Imperial sailors to defend the Australian coasts." The States "would pay in cash what they are unready or unwilling to give in men or in service." He also drew attention to the fact that under the proposed agreement the Australian squadron could be directed to operate not only in the waters of Australia, but also on the China and East Indies Stations. The previous arrangements ensured that the squadron was "limited to Australian waters," but it was now proposed that the force could be called on "for service in the East … to assist in doing the work of England in China as an ally of Japan."[31] Another speaker seized on the risk of the fleet being "suddenly called away to police the Eastern seas, leaving Australia absolutely defenceless." He asked rhetorically, how would Melbourne or Sydney be protected in the event of trouble at Mauritius or at Bombay?[32]

Sir John Quick raised another objection. He described the Bill as "the complete reversal" of the Imperial Government's well-established policy of encouraging the colonies to develop their own navies. He complained that "the proposed agreement involves the absolute effacement and annihilation of the naval forces of Australia." There had been a departure from the earlier agreement which had recognized the need for "a localized Australian squadron": under the new agreement the Commonwealth would be asked "to contribute towards the maintenance of a fleet which will be free to go to almost any part of the Southern Hemisphere." The new force would "practically be a part of the navy of the Empire."[33]

The debate in the Senate raised similar objections, although often more colourfully. One Senator complained that under the Bill, Australians would be "depriving ourselves of that small local force which has been recommended by every expert up to the present time." He repeated the fear that should the promised ships be ordered away at any time, Australia would be left "at the mercy of the marauder."[34] Another objected to reliance on "the mother country." The agreement would tend to weaken the feeling of self-reliance. He would have none of a "hireling defence."[35]

To suggest that the Naval Agreement Bill had an "uneasy passage through Parliament"[36] was something of an under-statement. Even among those who voted for it there were many who did so reluctantly. The debate revealed a groundswell of opposition to Australia's continued reliance on the Royal

Navy. It was this sentiment which was to prevail. In spite of the commitment embodied in the *Naval Agreement Act* 1903, only four years later the Admiralty signalled a change in policy, paving the way for the establishment of Commonwealth naval forces.

Alfred Deakin

Alfred Deakin took a keen interest in the development of Australia's naval policy. In 1905, during his first term as Prime Minister he suggested, in a letter forwarded to the Admiralty, that the agreement ratified in 1903 should be re-considered "without delay." He explained: "[T]he present Naval Agreement is not, and never has been, popular in the Commonwealth. It has been approved only in default of a better means of indicating our acceptance of Imperial responsibilities." The reason for this attitude was that, except to a small extent, none of Australia's financial subsidy "is applied to any distinctively Australian purpose." He added: "At present we are without any visible evidence of our participation in the Naval Force to which we contribute. … No Commonwealth patriotism is aroused while we merely supply funds that disappear in the general expenditure of the Admiralty."[37]

As the parliamentary debate on the Naval Agreement Bill had revealed, Deakin's reservations were shared by other politicians. These reservations were soon overtaken by deeper concerns. The comforting belief in the Royal Navy's ability to protect Australia had continued to wane. In the face of the growing strength of the German Navy the British were to become "completely absorbed in their efforts to meet the German challenge in Europe." As a result, they concentrated their naval forces in home waters "and were no longer able to protect adequately imperial interests in the Pacific." The significance of this was clear. In spite of the existence of the Anglo-Japanese Alliance, unease continued to grow about the possible threat posed by Japan, now the predominant naval power of the western Pacific. This was confirmed by the Japanese victory in 1905 over the Russian fleet at the Battle of Tsushima. Many Australians "came to believe that they were in a perilous position and to foresee an impending crisis."[38] Calls for an Australian navy increased. Deakin was aware of the danger. "[W]e have no vessels belonging to the Commonwealth which could be used, even to attempt to protect our coastal trade."[39]

On 23 May 1906 the Admiralty sent a patronizing reply to his letter requesting a re-consideration of the 1903 agreement. It welcomed his concession "that the paramount importance of the Navy to the whole British Empire and to Australia is not questioned, and that the moral obligation of the