

D 6/62.

CYPHER TELEGRAM

To the United Kingdom High Commissioners in  
the Commonwealth of Australia and New Zealand.

Sent 4.0 p.m.                      1st April, 1939.

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Most Secret.

My immediately preceding telegram. Brief  
begins.

The main purpose of the Conference, in so far as  
defence questions are concerned, will, it is assumed, be to  
consider from the technical point of view what methods of  
further co-operation between the three Governments in  
defence measures of common concern are possible with a view  
to subsequent decisions of policy by the Governments.

2. A list of the questions suggested by the New  
Zealand Government for discussion at the Conference is  
attached (Annex I).

3. The general strategical background against which  
the discussions will be conducted has been set out in a  
Report by the Chiefs of Staff prepared at the time of the  
Imperial Conference of 1937 and in the recent Reports by  
the Chiefs of Staff on Australian and New Zealand Co-  
operation in Imperial Defence (paragraphs 6 - 21 of the  
former and paragraphs 4-23 of the latter). The general  
policy in the event of a war in which we were engaged against  
Germany, Italy and Japan has been briefly stated as follows:-

"The security of the United Kingdom and the Security  
of Singapore would be the keystone on which the  
survival of the British Commonwealth of Nations would  
depend....., A British Fleet would have to proceed

to the Far East leaving sufficient strength in home waters to neutralise the German Fleet....."

4. The above statement of policy has recently been elaborated in a personal telegram addressed to the Prime Minister of the Commonwealth of Australia by the Prime Minister of the United Kingdom, the following extract from which may be communicated to the New Zealand Government in the course of discussions at the Conference.

"In the event of war with Germany and Italy, should Japan join in against us it would still be His Majesty's Government's full intention to despatch a fleet to Singapore. If we were fighting against such a combination never envisaged in our earlier plans, the size of that fleet would necessarily be dependent on:-

- (a) the moment that Japan entered the war and
- (b) what losses, if any, our opponents or ourselves had previously sustained.

It would, however, be our intention to achieve three main objects:-

- (i) The prevention of any major operation against Australia, New Zealand and India.
- (ii) To keep <sup>open</sup> our sea communications
- (iii) to prevent the fall of Singapore.

5. In the light of these general considerations it is considered that the security of Australia and New Zealand depends ultimately upon the command of sea communications by the British Fleet and that, so long as an adequate British Fleet is in being, the danger of the invasion of Australia and New Zealand is very remote. The provision of sea power for the defence of seaborne trade simultaneously furnishes a deterrent against seaborne raids. (These conceptions are further developed in the papers referred to in paragraph 2). This, in effect, supplies the answer to questions (a) and (b) (ii) and (iii)

in Annex I.

6. As regards question (c), the particular forms of co-operation on the part of Australia and New Zealand, which, it is thought, would be most helpful from the point of view of the United Kingdom, having regard to the factors mentioned above, are described in the papers referred to in paragraph 2. The United Kingdom representatives should emphasize the desire of the United Kingdom Government to develop co-operation with Australia and New Zealand in any way possible and should draw attention to the particular suggestions made in those papers. They should ascertain as far as possible the views of the Commonwealth and New Zealand Governments towards the measures recommended.

7. So far as concerns the defence of the Pacific Islands - i.e. question (b) (1) in Annex I - certain particular questions raised in relation to Fiji and Tonga have been dealt with in O.D.C. Minute No. 334. The United Kingdom representatives should base themselves on the recommendations in that Minute. If any suggestions are put forward falling outside the O.D.C. Minute, the United Kingdom representatives should take note of those with a view to reporting them to the United Kingdom Government for consideration.

8. As regards the questions raised by the New Zealand Government of the sources of supply of equipment after an outbreak of war and the scales of reserves of supplies, including fuel and equipment - questions (e) and (f) in Annex I - a separate note is attached (Annex II).

9. The United Kingdom Government have already made it clear that questions (d), (g) and (h) in the Annex are in their view beyond the scope of the present Conference and that discussions of these questions at the Conference can only be exploratory. (The Commonwealth Government have

indicated

indicated that they take a similar view as regards questions (d) and (h)). If therefore any of these questions arise, the United Kingdom representatives should take note of the points raised with a view to furnishing a report to the United Kingdom Government.

Annex I sets out questions (a) to (h) in telegram from Governor-General of New Zealand of 22nd January No.9.

Annex II reads as follows. Begins.

The questions raised are:-

- (e) Sources of supplies of equipment after the outbreak of war.
- (f) Scales of reserves of supplies, including fuel and equipment.

These two questions are closely related. In the event of a war in which the United Kingdom, the Commonwealth of Australia and New Zealand were involved, the former would naturally do everything in its power to supply Australia and New Zealand with their requirements. It would not, however, be possible at the present time to supply in the early days of war the majority of items covered by the general term "munitions". In deciding as to the scope of the war potential to be set up by His Majesty's Government in the United Kingdom, it has been for obvious reasons possible only to have regard to the United Kingdom forces. The adequate provision of such a potential implies the use of many works not normally engaged in munitions production and it is necessary that such works should be trained for war production by receiving <sup>in</sup> peace orders for the supplies which they are to produce in war. If, therefore, the Commonwealth and New Zealand Governments wish to ensure that their munitions requirements also are to be met in war from the United Kingdom without large delays, it would be necessary

necessary that they should in peace form some estimate of what these requirements are likely to be and be prepared, in co-operation with the Government of the United Kingdom, to place the necessary educational orders in peace.

With regard to supplies of such items as fuel and foodstuffs, the possibility of supply from other parts of the world will depend upon the naval situation at the time, and an opinion on the subject can only be based upon the views of the Chiefs of Staff, as expressed in the Memorandum which has been supplied.

Some guide as to the reserves which should be maintained against the outbreak of war will be found in C.I.D. Paper No.460-C, a copy of which was included with C.I.D. papers sent to the Prime Ministers of the Commonwealth of Australia and New Zealand on the 24th March 1938. In this paper a "period before re-provisioning" was calculated for Singapore amounting to 90 days. The arguments on which this figure was based hold good to some extent in the case of Australia and New Zealand, though some period might be added to allow for the greater distance involved.

Any figure for reserves must be based on arbitrary assumptions, and those made in the case of Singapore should prove a useful guide.

Any arrangements which it might be found possible to make for the supply of munitions or other equipment from the United States of America would obviously ease the situation, though in this sphere the difficulty at present caused by the Neutrality Act will be appreciated. Similarly, the better provisions it may be found possible to make for the manufacture

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of equipment of all kinds in Australia and New Zealand the more easily will their wartime problems be solved.

Any arrangements which could be made between the Commonwealth of Australia and New Zealand for mutual assistance in regard to supplies would also be of great value.

It appears that these questions can only be discussed in very general terms at the proposed Conference. Guides on the above lines might be given to the Commonwealth and New Zealand representatives, and any further matters which may arise in the discussion could be referred home. It will of course, be realised that any matters dealing with supply can make little or no headway without concrete demands, so that the sooner definite orders can be placed for requirements the sooner will the material needed be received, and the more likely is potential to be available to meet their wartime requirements. Brief ends.

Addressed to High Commissioner in Commonwealth  
of Australia No.70 High Commissioner in New Zealand No.29.