
Operation Sandglass: Old History, Contemporary Lessons

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A paradox of Australia's strategic history is that its alliance with the United States, convened in a Pacific context, has for the last twenty years seen direct military collaboration focussed on the Persian Gulf and its hinterland. It commenced with the little known Operation Sandglass during the so-called 'Tanker War' phase in the long struggle between Iran and Iraq. It is useful to study these events now for two reasons. The first is that a new Defence White Paper is being written. There is an argument that a force structured around the defence of Australia needs to be restructured with an expeditionary strategic rationale. The second is that the much discussed Iranian nuclear facilities raises the prospect of a maritime conflict in the Gulf of similar or augmented proportions to the Tanker War. The article points out that the many elements of the Australian armed forces deployed to the region over the last 20 years have been drawn from forces structured to protect Australia's approaches and influence its immediate region. These forces have been acceptable to our ally and more particularly have constituted as much as any Australian government has wanted to commit to a distant region. The events themselves show how a careful analysis of broader Australian interests and a concern for our ally's interest can quite readily draw Australia out of its immediate strategic zone. This was not contemplated at the time of the writing of the 1987 White Paper but provision was made for the possibility. Occurring within a few months of the latter's tabling, it demonstrates it was at least prescient in allowing for that possibility. The article concludes with the view that there is no need to abandon this discipline in our force structure. The changing regional environment will not make the task of protecting our approaches any easier. More to the point, it is most unlikely that governments will want to do more than we have done or our ally demanded.

A paradox of Australia's strategic history is that its alliance with the United States, convened in a Pacific context, has for the last twenty years seen direct military collaboration focussed on the Persian Gulf and its hinterland. That process began when I was Defence Minister from 1984 to 1990. It commenced with the little known Operation Sandglass during the so-called 'Tanker War' phase in the long struggle between Iran and Iraq. In recreating the events of the time in order to draw its threads through subsequent commitments, I rely heavily on my memory and ministerial papers.

It is useful to study these events now for two reasons. The first is that a new Defence White Paper is being written. There is an argument that a force structured around the defence of Australia needs to be restructured with an expeditionary strategic rationale. The second is that the much discussed Iranian nuclear facilities raises the prospect of a maritime conflict in the Gulf of similar or augmented proportions to the Tanker War.

ANZUS, the Persian Gulf and ADF Force Structure

The alliance's origins lie in Australia's year of living fearfully in 1942, and the relationship underpinned Australia's heaviest engagements in World War II. It was structured more formally with the signing of the ANZUS Treaty whose geographic scope was seen as the Pacific, in the context of Australian support for the Japanese Peace Treaty. It developed a global dimension in the 1960s as joint facilities were constructed to enhance US strategic systems and electronic intelligence gathering. These were and remain the most important contribution Australia makes to its ally but they are structures wholly within Australia's boundaries. External commitments were, and were expected to be, conducted within the Treaty's Pacific mandate. There have been exceptions in the last twenty years to the apparent reorientation. Most notable of these was American diplomatic and logistic support for Australia's and the United Nations' (UN) engagement with East Timor's independence, but that was very much the exception to the rule.¹ Pacific area activity has been confined mainly to exercises, intelligence gathering and some counter-terrorist activity in the South East Asian archipelago. Of course, Australia's troops have been engaged elsewhere regionally and external to the region in this time but those commitments have been related to international peace keeping operations or Australia's independent response to regional trouble spots. Joint activities with the United States have been overwhelmingly focused on the Persian Gulf and the hinterland of the Indian Ocean's North Western littoral.

In that time the Royal Australian Navy (RAN) has committed to the Persian Gulf for warfighting, sanctions enforcement, peace keeping, and protective patrolling: Hobart Class Guided Missile Destroyers (DDGs), Adelaide Class Guided Missile Frigates (FFGs), ANZAC frigates, amphibious landing ships and clearance diving teams. The Australian Army has committed elements of its infantry capability, mechanised capability, commandos and the SAS, Rapier missile batteries, engineers and transport corps. The Royal Australian Air Force (RAAF) has committed FA-18s, Orion P-3Cs, inflight refuellers, C-130s, airfield defence guards, and air traffic controllers. All three services have committed headquarters elements both for their own deployments and those of others, logisticians, communicators and a variety of specialists necessary to help service personnel in the field. Australians have commanded parts of allied naval operations in the Gulf and one Australian, Major-General Jim Molan, was Chief of Operations to the coalition commander in Iraq.

About the only elements of the force structure approved by the White Paper of 1987 not represented have been the key strike elements of the navy and

¹ Hugh White, 'The Road to INTERFET: Reflections on Australian Strategic Decisions Concerning East Timor, December 1998-September 1999', *Security Challenges*, vol. 4, no. 1 (Autumn 2008), pp. 69-87.

airforce, the submarines and F1-11s, and the heavy elements of the army, the tanks and artillery. However some artillerists have been attached to batteries operating in the region. Virtually all branches of each service have seen members embedded with their counterparts in US and UK forces.

This is a very substantial record of activity in support of the United States. Probably even more significant to its military, if not politically, has been the contribution of the Joint Facilities. Just how significant that is of course remains classified. A small portion of it was revealed after the Kuwait War when the ministers for Defence and Foreign Affairs put on the public record the contribution of the then existing missile strike early warning station at Nurrungar.²

I mention this cumulative detail and the location of this activity for two reasons of contemporary strategic concern. One is that it impacts on debates in public and the national security bureaucracy on the writing of what could be the most important Defence White Paper in years—the first produced by this new government. The second is that though both US presidential candidates are foreshadowing circumstances which will permit a reduction in American ground force commitments in the region,³ concerns over Iran's moves to nuclear power status open up a potential new front with echoes of the 'Tanker War' subset of the Iran-Iraq War in 1984-1988.

Our engagement in the Persian Gulf resonates in debates on what contingencies should determine our force structure. Generally the commitments are used to argue that priorities based on securing Australia's approaches should be lowered against considerations of allied expeditionary activity as a force structure determinant. Two points may be made in argument against this. Firstly, this extraordinary record of activity has been extracted from a force structure determined in 1987 on the basis of Australian dominance of the sea and air approaches to the continent with a further geo-strategic priority assigned to Australia's immediate region in the north-east Indian Ocean, South East Asia and the South Pacific. Secondly, whatever may have been the ambitions of members of the Australian armed forces or others in political life, governments of both persuasions in Australia have been perfectly happy with the force levels they have committed. On every occasion it has been open to political leaders to do more and they have chosen not to. They have been, so far as Persian Gulf commitments

² Marika Vicziany (ed.), *Controlling Arms and Terror in the Asia Pacific* (Cheltenham UK: Edward Elgar, 2007), p. 270.

³ <<http://www.johnmccain.com/actioncenter/print.aspx?r=0631AEEA-5809-4FC8-91C4-BAA57700CBD1&t=ceb20ad6-f634-43ef-aedd-f5b59c4e02d7>> [Accessed 14 July 2008]. Under 'Broad reforms to control spending', McCain anticipates savings from 'victory in the Iraq and Afghanistan operations', an essential component of his promise to balance the US budget in one term. 'Since all their costs were financed from deficit spending all their savings must go to deficit reduction'.

are concerned, perfectly happy with the 1987 White Paper's selection of capabilities.

For that matter, the political leadership of our ally has also been happy enough with the contribution made. Getting the contribution has been our ally's main priority. Though Australia has substantial interest in Gulf trade routes and its primary product—oil; has been concerned with the sanctuary provided in the region to global terrorist activity; has desired as a global good citizen to uphold principles of international good order when they have been threatened in the region, it would not under any conceivable circumstances have devised a determination to act militarily in the area on its own. We have been committed because our ally has been committed.

The United States: Testing Australia in the Tanker War

The struggles in the region that now interest us were foreshadowed in the closing years of the Cold War and it is the first and smallest of our commitments I want to deal with here. That was a decision by the Hawke Government to support an allied effort to protect shipping in the Gulf from attacks by belligerents—particularly Iran—in the Iran-Iraq war.⁴

What gives such a study contemporary value is that the underlying motivations for that action shine a light on the rationale of subsequent involvements, particularly contemporary policy. Another factor is the possibility that lessons learned by both the United States and Iran during the Tanker War of 1984-1988 may assume new relevance. One retaliatory option available to Iran, should it be the object of Israeli or American pre-emption, would be to close the Straits of Hormuz and harass shipping in the Gulf, through which passes 40 percent of the world's oil supply. That threat brought the Americans into the conflict in 1987. More particularly, a clever piece of work by the Kuwaitis in introducing some Cold War competition into the equation by seeking the flagging of its threatened tankers by both the Soviet Union and the United States, activated the United States. An

⁴ My argument is that in the contemporary era this was the first of Australia's commitments to the Gulf. It might be argued it was preceded by Prime Minister Malcolm Fraser's decisions in response to the Soviet invasion of Afghanistan. In the context of a potential Soviet threat to pressure the Gulf area via its move into Afghanistan, Fraser announced 'extra surveillance flights and naval patrolling' in the north-west Indian Ocean, 'supporting the operations of our United States ally'. Malcolm Fraser, 'Afghanistan: Australia's Assessment and Response', Ministerial Statement (House of Representatives, 19 February 1980), pp. 17-28. Naval patrolling continued in the North West Indian Ocean until 1986. However I would argue that it was not specifically intended to enter the Gulf. That involvement awaited the 1987 decisions. One might similarly categorise an offer by Prime Minister Holt to participate in an international force to break Egypt's blockade of the Straits of Tiran prior to the 1967 Middle East War. Colin Rubenstein, 'A Distant Affinity', Australia/Israel and Jewish Affairs Council, 24 April 2008, available at <http://www.ajjac.org.au/?id=articles&_action=showArticleDetails&articleID=3710> [Accessed 17 June 2008].

exclusive mandate was sought and granted and the United States moved to the forefront of the effort.⁵

In fact quite a large number of countries had gathered in support of Gulf shipping as attacks escalated in 1986. France had 18 ships, the United Kingdom ten, Italy eight and the Soviet Union nine. As the Cabinet submission for 'Operation Sandglass' of late 1987 pointed out, Belgium and the Netherlands also sent Mine Counter Measures (MCM) vessels to the Gulf and Germany and Japan had provided indirect assistance.⁶ Indeed the Soviet Union had threatened Iran with military intervention if it did not release a seized Soviet merchant ship. In this Iran was within its rights as it established the ship's cargo was largely weapons for Iraq. Faced with the threat of Soviet action, however, it released crew, ship and cargo.⁷

In the course of the war the Iranians mined shipping lanes and launched small boat missile and machine gun attacks on shipping, shore-based missiles were launched, and interceptions and attacks by larger ships. The early threats came from mining but the Iranians broadened their activity. Many nations contributed to the effort to counter them, but most did so defensively. The Americans went after the Iranians, concluding the threat in a spasm of violence over a few weeks in early 1988 in which half the Iranian navy was sunk.⁸

The US Navy (USN) initially resisted involvement. It ran counter to then contemporary naval bluewater doctrine. The USN feared committing valuable assets in enclosed waterways. They hated guerrilla littoral warfare in which they were flying army helicopters off barges, establishing surveillance and attack capabilities on oil platforms, devising tactics from scratch for loathed and otherwise low-priority counter-mining measures, and running decoy platforms to confuse silkworm missiles aimed at passing shipping. It was an early test of the type of response to a green-water asymmetrical threat which found its way into the 2001 Quadrennial Defence Review.

The Hawke Government in December 1987 determined that Australia's interests were sufficiently engaged, including the interest our ally the United States had in internationalising the defensive effort, for Australia to make available a team of clearance divers (CDT4) for mine clearance in the code-named 'Operation Sandglass'. The cabinet submission followed informal approaches to Hawke by Secretary of State George Schultz, and similar

⁵ The best description of the so-called 'Tanker War' from the American point of view can be found in Caspar Weinberger, *Fighting for Peace: Seven Critical Years in the Pentagon* (New York: Warner Books, 1990).

⁶ 'If the US asks, let's send a diving team to the Gulf', *The Sydney Morning Herald*, 27 November 1987.

⁷ Caspar Weinberger, *Fighting for Peace*, pp. 394-395.

⁸ *Ibid.*, pp 424-426 (footnote text).

approaches to me by Richard Armitage, a defence official. The divers were to be attached to Royal Navy ships and a liaison officer was sent to the Gulf. Cabinet selected that option from two others. One was for a P3C operation in the Arabian Sea. The other was for an FFG, either in the Arabian Sea relieving US ships on Gulf escort duty, or in the Gulf itself. Outside the Gulf their activity would have simply been a continuation of deployments sanctioned by the Fraser Government after the Soviet invasion of Afghanistan, concluded in 1986. Then involvement in the Gulf had been studiously avoided. Fraser, for example, turned down President Carter's invitation to join a Rapid Deployment Force for intervention in the Gulf, leaving Australia's commitment exclusively in the Arabian Sea.⁹ Using P3Cs would have distracted from their surveillance operations on Soviet activity in South East Asian waterways. In the Gulf, clearance divers looked the better option. Because of the complexity of the threat, which involved not only mine counter-measures but the possibility of confronting unexploded ordnance with which they were not familiar, the divers went to the United Kingdom for training. That was as far as they got.¹⁰ The war was over before their services were called upon. The significance of the Government's decision lies in the fact that it was taken within 6 months of the tabling of a White Paper which stressed the defence of Australia's approaches as the primary determinant of Australia's force structure. It further identified Australia's primary contribution to Western interests residing in South-East Asia and the South Pacific. It was a sharp shock for critics of the White Paper from the right and left who thought approvingly or disapprovingly that the Government had emplaced geographic limits on Australia's external involvement.

Until a few years ago, I had largely forgotten all of this, until I was reminded of it at a discussion at the Australian-American Leadership Dialogue by Richard Armitage, then Deputy Secretary of State, but in the 1980s Assistant Secretary at the Department of Defense. I was making a point similar to that at the beginning of this piece about Australia's self-reliant force structure being perfectly adequate for supporting allies further afield, citing the contribution to the Kuwait War as the starting point. Armitage pointed out that as far as he was concerned, I was wrong. The United States had regarded our contribution to the Tanker War activity as an earnest of good faith that new Australian defence policies still contemplated an ability to

⁹ Mike Steketee, 'The Good little ally comes to Heel Again', *The Sydney Morning Herald*, 27 November 1987.

¹⁰ The activities of the divers can be found in Mike Steketee, 'Our divers to Gulf War: Secret Option to Aid US', *The Sydney Morning Herald*, 27 November 1987; and Mike Steketee, 'Twenty Australian Navy divers are waiting in Perth ...' *The Sydney Morning Herald*, 20 April 1988, News and Features, Insert.

The cabinet submission which preceded the decision to send the divers (with some limited editing) can be found in 'If the US asks, let's send a diving team to the Gulf', *The Sydney Morning Herald*, 27 November 1987. I rely heavily on this published version in this paper.

respond positively to allies. I did then recollect a call from him sometime in October 1987 when he had opened:

You remember that conversation we had last year when you said that even though your forces were structured to defend Australia, you would still work elsewhere if your ally needed you? ... Well, this is the call.

The conversation he was alluding to was a fierce argument before the White Paper was produced but after the publication of Paul Dibb's *Review of Australia's Defence Capabilities*. It was at a side meeting to the broader meeting which created AUSMIN as a replacement for the ANZUS annual ministerial talks. This meeting involved myself and a Defence official, Ross Cottrell, on one hand, and Secretary of Defense Caspar Weinberger and Richard Armitage on the other. It was willing. In the course of it we had pointed out to the Americans the many things we did mutually in each other's interests, and the fact that the task confronting the Australian defence forces would be so formidable, it would require capabilities that could be drawn on for work further afield.¹¹ I had not understood at the time of his call how much of a test he considered it. In his mind it was evidently a little more than normal banter.

1987 White Paper: Australia's Regional and Global Roles

The development of the White Paper's strategic perspectives occurred against a challenging background for policy-makers. US policy in Australia's region was still referenced by President Nixon's Guam Doctrine; that allies should defend themselves and the United States would back them up. It is argued now that in the 1980s, the affairs of South-East Asia and the South Pacific were quite easy. It didn't look like that at the time, with Soviet diplomatic involvement, military basing and maritime deployment increasing; the US long term presence at Subic Bay under threat; and Libyan interest in the South Pacific. Australia's main regional ally, New Zealand, fell out with the United States over nuclear ship visits, which required a substantial adjustment of activity to sustain that relationship on a bilateral basis. As Australia sought to provide an Australian-sourced intelligence flow to the New Zealanders, I found more than a few Americans were suspicious of us and what we were up to.

Developments in the RAAF's capability with the acquisition of the FA-18s and the phasing out of the Mirages, and New Zealand's decision to withdraw its battalion from Singapore by 1989, stressed another Australian alliance relationship: the Five Power Defence Arrangement (FPDA). All this was reverberating at the time that the White Paper was developed and tabled.

¹¹ Kim Beazley, 'Thinking Security: Influencing National Strategy from the Academy', *The Coral Bell Lecture 2008* (Sydney: Lowy Institute for International Policy, 2008), p. 22.

The objective of the tabling statement for the White Paper was to ensure public focus on Australia's strategic interests. The audience here was not only Australians but allies and others in our region interested in changes in Australian policy which might impact on them. Looking back at it reveals what a caricature the lazy peddling subsequently of the accusation it was 'continentalist', is.

I described the Soviet presence as "a significant concern for Australia's defence policy". Despite its vulnerability to US maritime dominance, its

primary significance lies in the political influence it provides the Soviet Union. It gives added importance to our defence cooperation activities in the region, particularly our maritime surveillance of the South China Sea and the north-east Indian Ocean and our naval deployment in the region.¹²

We discussed the intensity of our efforts to convince our partners that FPDA was

not seen as a leftover from an era long gone. This government has had several opportunities to view the situation afresh and has concluded that there is substantial political value in our cooperation.¹³

This intensity was necessary for reassurance. As the FA-18s replaced the Mirages, the squadron at Butterworth, in Malaysia, had to be withdrawn. It was not sensible to build more complex support facilities for the new aircraft once the Mirage was withdrawn in 1988. The RAAF instead was to rotate FA-18s and F1-11s through this airfield, permanently sustain the P-3C gateway surveillance operations from Butterworth, rotate a company of soldiers and rotate regularly naval ships through Singapore and Malaysia so the presence was permanent.¹⁴

When combined with a surveillance effort and the Pacific Patrol Boat programme in the South Pacific, this constituted a substantial independent defence of challenged western interests. How all this related to a force defending Australia approaches was summed up thus:

In developing the ability to look after ourselves, we also develop a range of capabilities with significant potential for allied co-operation. Our frigates with Seahawk anti-submarine helicopters, our FA-18s with in-flight refuelling, our new highly capable submarines, our F1-11s, our new long range light patrol frigates and a mobile and readily deployable Army—these elements of a self-reliant Defence Force could clearly contribute significantly to joint allied operations in our region or further afield ... Defence self reliance therefore both allows Australia to provide for its own defence and maintains our substantial capacity to make a practical contribution to

¹² Kim Beazley, Defence Policy: Paper and Ministerial Statement, 19 March 1987. <http://parlinfoweb.aph.gov.au/piweb/view_document.aspx?id=328594&table=HANSARDR> [Accessed 13 May 2008].

¹³ Ibid.

¹⁴ Ibid.

Western security. Confidence in Australia's ability to defend itself, and in our capacity for allied cooperation, considerably enhances perceptions of Australia as a stabilising influence in our region. A self reliant Australian defence policy therefore directly assists the protection of Western interests through its contribution to regional stability.¹⁵

This policy anticipated the possibility of action further afield assisting our ally but given the dimension of regional activity and supportive American attitudes to the plan, it was not expected. Interestingly, despite concerns expressed the previous year in the discussion with Weinberger and Armitage, the Americans, particularly Commander in Chief Pacific (CINCPAC), made quite clear that they liked the proposed force structure. It was thought to produce a lot of capability.

The global dimension of defence policy lay not in unexpected 'out of area' commitments but around the Joint Facilities and the extensive array of defence collaborative arrangements. Between 1983 and 1987 the latter included an array of exercises, personnel exchanges, a substantial programme of ship visits considered important in the New Zealand context, B-52 exercise over-flights, low flying jet routes for carrier-based aircraft and repositioning fuel for the air-wings of carrier battlegroups at HMAS *Stirling*.

It was the Joint Facilities with their relationship to the central balance between the United States and the Soviet Union that the Government viewed as overwhelmingly the main Australian contribution to the alliance's global interest. Daily operations at the facilities dwarfed in significance any other alliance related activities. The importance of public support for the joint facilities had been critical to George Schultz's decision to let the Hawke Government off the hook on supporting testing of the MX missiles in 1984.¹⁶

Recognising this, I had drawn the Joint Facilities into the centre of ministerial discussions. The Australian Government was actively seeking to place more of their activities on the public record. Around the time of the Persian Gulf events, Australia was responding to technical changes at the joint facilities, the significance of which meant the United States wanted enhanced security of tenure. In return, and to put flesh on the bones of Australia's requirement to have 'full knowledge' and 'consent' in regard to the functions of the facilities, Australian personnel were significantly increased in number and integrated into all operations. Ultimately, a direct line was run from Nurrungar to Canberra and a year or two later, negotiations commenced for Australia to take over the North West Cape facility, ending its 'joint' character.

¹⁵ Ibid.

¹⁶ Kim Beazley, 'Foreign Affairs, Defence and Trade', in Susan Ryan and Troy Bramston (ed.), *The Hawke Government* (Melbourne: Pluto Press, 2003), pp. 349-350.

In the White Paper tabling statement, it was pointed out that the Joint Facilities 'contribute directly to mutual deterrence between the superpowers' and 'substantially to the maintenance of global stability'.¹⁷

From the outside of the national security bureaucracy looking in, much of this activity and its significance to American interests was, and still is, opaque. This applies to the rest of the government and the parliamentary party as much as to the media and public. It was classified and rather routine, much of it, easy to drop from public view. A call to assist the US effort at any point of the globe could appear outside the bureaucracy as a mandatory premium for the ongoing validation of the Alliance insurance policy.

For members of the national security bureaucracy, things look quite different. Most were aware of the genuinely mutual benefit in alliance related projects. At the time of the Tanker War, we were actively pursuing Project Winnin: then highly classified, now developed as a hovering decoy rocket 'Nulka', deployed as part of the passive defence system of many RAN and USN ships. Closer to the Tanker War was our response to the severe damage suffered by the FFG, USS *Stark*. The *Stark* had been allegedly 'accidentally' attacked by the Iraqi air force in the Gulf in May 1987 with severe loss of life. The US production run of FFGs was winding down though they were still under active production in Australia at Williamstown Naval Dockyard. Australian production was slowed in order to supply parts to repair the USS *Stark* from Australian stocks.

In late June 1987, US Secretary of Defense Weinberger raised the American intention to flag Kuwaiti tankers in Sydney at the AUSMIN talks. He was under a great deal of pressure at the time from Congress, the Department of State, and the United States Navy.¹⁸ Probably for this reason the issue was not seriously pressed. Despite these discussions in general terms, Australian ministers did not feel seriously braced on the matter. These were the first AUSMIN talks since the tabling of the White Paper. Australian ministers sought and obtained American acceptance of its definition of Australia's alliance responsibilities, which considered Australia's most useful contribution to Western security was its capacity to act independently in its broad region of strategic interest. In speaking to the press, Schultz praised the Defence White Paper, and the joint communiqué issued after the talks reported the US agreement that the Government's emphasis on 'defence self-reliance ... based on broad concepts of strategic responsibility and regional commitment, constituted a strong foundation for the defence of Australia and for Australia's execution of alliance responsibilities.'¹⁹

¹⁷ Kim Beazley, Defence Policy Ministerial Statement, 19 March 1987.

¹⁸ *Ibid.*, pp. 400-401.

¹⁹ Patrick Walters, 'US Praise for Aust Defence Strategy', *The Sydney Morning Herald*, 23 June 1987.

There was no view inside the Department of Defence or in the broader government that Australia was automatically obliged to respond to every request from the United States. Australia was comfortable standing aside from a major US policy on the Strategic Defence Initiative. Though mindful of US interests, Australia was prepared to pursue independently a range of arms control initiatives such as the South Pacific Nuclear Free Zone. More directly related to these issues was a decision not to proceed with repositioning of military supplies in Western Australia (apart from fuel) to support US deployments in the Gulf. We sought to establish an Australian right to influence the use to which stocks could be put. The sticking point for the United States was a phrase in the agreement 'depending on strategic circumstances at the time'.²⁰ An informal approach by senior US officials to support US efforts in the Gulf would be viewed seriously but there was nothing automatic in the response. That required a change in circumstance to allow what could be interpreted as a tilt to the Iraqi side, in what was still a policy of neutrality on the war.

Towards 'Sandglass': Australia and the Iran-Iraq War

If anything, till 1987, the tilt was the other way. The Australian Government found the Iraqi use of chemical weapons highly offensive. From the outset of UN investigations of the use of chemical weapons, a senior Australian Defence official, Dr Peter Dunn, the Superintendent of the Organic Chemistry Division of the National Research Laboratories of the Defence Science Technology Organisation, had been involved.

One of four representatives of the UN Secretary General, Dr Dunn was involved in investigations in Iraq and Iran in 1984, 1986 and 1987. Their findings in 1986 state 'on many occasions Iraqi forces have used chemical weapons against Iranian forces'.²¹ In May 1987 they concluded that Iraq was guilty of 'one of the gravest infringements of international norms'.²²

So effective was Dr Dunn's advocacy that a group of nations formed around the title 'the Australia Group' in 1985, with the aim to prevent the spread of chemical weapons. On its 20th anniversary, then Foreign Minister Alexander Downer said it was established 'as a response to the findings of a UN investigation led by an Australian—Dr Peter Dunn, that Iraq used chemical weapons in the Iran-Iraq war. It posed the question of how to prevent Iraq from breaching protocols for the production of chemical weapons through otherwise legitimate trade. The response—a proposal to

²⁰ I was reminded of this argument by Professor Hugh White while discussing this paper.

²¹ 'Iraq used gas against Iran, UN Team says', *Reuters News Agency*, 15 March 1986.

²² 'A United Nations Panel of Experts ...', *Financial Times*, 14 May 1987.

harmonise national export controls—was endorsed by all present at that meeting and the Australia group was born.²³

The Australian Government was proud of that initiative. It also did not join in trade boycotts on Iran. Indeed I can recollect being very annoyed at receiving reports of Australian exchange personnel serving on UK and US ships in the Gulf, having not been previously briefed. An initial intention to withdraw them was rescinded when I realised it was part of a normal exchange programme not worth jeopardising. As late as August 1987 the Government was highly reluctant to engage in the region and determined on neutrality in the war.

Why did the Government initially view sceptically the issue of Australian participation and why did it change its mind? The answer to the first part of the question did not lie simply in geography. As I look back over every piece of advice on the matter that came to me as a minister, they begin with the obvious point that the Gulf lay outside of Australian's area of strategic responsibility. That would then be offset by a remark that policy and the White Paper contemplated that circumstances might arise in which alliance obligations and/or Australian interests might justify action further afield. Painstakingly disciplined development of the Government's White Paper approach to Defence's broader contribution to Australia's international obligations on the one hand, and a direct distaste for aspects of the way Iraq prosecuted the war on the other, cemented initial reluctance. Events in the Gulf itself changed official perceptions of the extent to which Australian interests were more closely engaged. This led to the view that the US course was justified.

By August it was clear that policy required active consideration rather than simply reacting on the basis of past perceptions. Several factors produced this requirement. Firstly, the US administration had worked its way through the legalities of its involvement and Congressional and USN objection. Flagging arrangements for the Kuwaiti tankers were completed and operations began in July. The tangential Cold War involvement in that initiative at its outset was at the time always likely to heighten allied interest. An escorted US vessel, the *Bridgeton*, hit a mine and additional US navy and mine-clearance measures vessels and helicopters had been deployed to the Gulf. Cold War contexts, damage to US vessels, and more intensive involvement all indicated to us that the United States was taking allied involvement more seriously.

²³ Minister for Foreign Affairs, The Hon. Alexander Downer, MP, 'Twentieth Anniversary Plenary of the Australia Group,' 18 April 2005. Archived with the National Library Pandora database. <http://pandora.nla.gov.au/pan/25168/20050910-0000/www.dfat.gov.au/media/speeches/department/index.html>

Secondly, the British were independently raising the issue with Australia. Their involvement was studiously, but not publicly, independent of the Americans. They were less prepared to directly engage the Iranians—more defensive in MCM and escorting activities. More importantly, they were either directly escorting Australian vessels in the Gulf, or allowing them to tag along behind convoys in the so-called 'buddy system'. The active involvement of the United Kingdom and France did however lessen pressure on other allies at the time. The USN was not alone.

Thirdly, international shipping organisations were becoming seriously worried by increased attacks on shipping and were calling for internationalised patrolling arrangements to ensure both neutrality and effectiveness.

Fourthly, in June the UN Security Council passed Resolution 598, which sought a comprehensive ceasefire. Iraq accepted, Iran did not. Incidents with Iranian pilgrims in Mecca and increased Iranian anti-shipping activity on vessels plying to a number of Arab ports shifted the weight of war responsibility and its escalation to Iran.

Finally the Australian Foreign Minister on 26 July had reaffirmed Australia's commitment to the right to freedom of navigation following the Bridgeton mining. The Department of Foreign Affairs initiated a demarche on the subject to Iran and Iraq.

In the circumstances, I sought departmental advice on options for Australian engagement and views on its advisability. Advice incorporated the three options ultimately placed before the government. It also included lesser options involving activities outside the Gulf and even in the eastern Indian Ocean, which apparently CINCPAC at military representative meetings had suggested might be useful, if large numbers of US ships were deployed to the Gulf. On the heavier side, the Department presented an option for a number of ships in the Gulf to directly join escort operations.

The balance of advice was against involvement: the possibility of terrorist attacks in the event of a wider conflict was considered. The significance of Australian interests in the Gulf was downplayed. While acknowledging that the White Paper had canvassed deployment in such areas, the departmental advice queried whether or not deciding to engage might produce a long term commitment which might change the strategic calculations on which policy was based. A major concern was that commitment might appear purely political, driven by the domestic concerns of the Reagan administration. Interestingly, a team of divers was exempt from this analysis as that was seen as militarily useful. A substantial mining threat was perceived and the United States not viewed as well equipped to meet it. Indeed this remained a weakness with US and allied forces. Though not used on this occasion,

clearance divers were sent to the Gulf during the Kuwait War and the first phase of this Iraq conflict. On both occasions they were heavily used.

Despite the negative character of the advice which reflected Government thinking at the time, it became easier for Ministers to see the possibility that events might conspire to increase pressure for Australian involvement and alter calculations as to the extent to which Australian interests were engaged. If policy changed, plausible options were available to government from existing capabilities.

Two incidents in September and October substantially changed the Government's rhetoric, raising the issue of freedom of navigation up the list of identified Australian interests. Ministers also became more aware of Australian ship owners' fears for the safety of their vessels in the Gulf.

The first incident involved the interception by the USN of an Iranian mine-laying vessel, the *Iran Ajr*. *Iran Ajr* was observed from one of the US platforms entering international waters. US Army helicopters confirmed it was laying mines. They then fired on the vessel forcing the crew to abandon it and killing several. A subsequent boarding party confirmed the presence of mines. The remainder of the crew were repatriated and the ship sunk.

Gareth Evans as acting Foreign Minister gave an unequivocal response. The issue was freedom of navigation as critical to international trade. Evans said the United States had acted in self-defence as Article 51 of the UN Charter permitted. In protecting its shipping, the United States had engaged in 'entirely legitimate behaviour'.²⁴ He went further—the time had come to find ways of maintaining freedom of navigation for all countries in the Persian Gulf while seeking a settlement to the Iran Iraq war.

The second incident involved an American response to a missile attack on 16 October on a US flagged tanker, the *Sea Isle City*. Three days later the United States hit an Iranian platform in international waters which had been used to mount radar surveillance of the Gulf, coordinate Iranian responses to movement, and fire on US assets. Foreign Minister Hayden reiterated Evans' earlier remarks and added:

The US response to the attack on the *Sea Isle City* ... was conducted within its inherent right of self defence ... and represented a proportionate response to a growing threat to American vessels.²⁵

At around the same time, Ministers were being made more aware of Australian ship owners' concerns. In early November I was briefed on five

²⁴ 'US blasts Iranian Vessel', Paul Sheehan and Agencies, *The Sydney Morning Herald*, 23 September 1987.

²⁵ Question without notice 'Persian Gulf: Attack on United States flagged tanker', The Hon W. G. Hayden (House Hansard, 20 October 1987), p. 1082.

Australian vessels regularly plying the Gulf—the *BP Achiever* (BP Australia), *Nivosa* (Shell Australia), *Mobil Flinders* (Mobil Australia), *Viking Marlin* (Caltex Tankers), *Eastern Enterprise* (Howard Smith Industries).

All year, coordinated through the naval representative at the High Commission in London who attended regular Admiralty briefings on Gulf activities, Australian ship owners were briefed on convoys they might attach their ships to. It was clear the Royal Navy (RN) was actively escorting Australian shipping. Our exports to Gulf countries were worth \$1.5 billion, and 60 percent of imported Australian Petroleum passed through the Gulf, supplying 35 percent of Australian consumption.²⁶

When Australian ministers were informally approached in October by US counterparts their mood was sympathetic. American ‘war aims’ appeared clear and acceptable: defeat illegal attacks on shipping and thereby increase pressure on Iran to accept UN Resolution 598. There was an air of desperation in Iranian attacks—defeat them and then the hope of Iranian victory might disappear. In retrospect, it probably helped that Iraq had accepted the resolution. While neutrality was desirable, perceptions of a tilt to the Iraqi side were less unacceptable in such circumstances. Finally the presence of Australian ships, even if they carried only a small percentage of Australian cargo in the Gulf, put a national face on the growing perception of a tangible national interest.

Debate and Decision on Operation ‘Sandglass’

All these calculations were reflected in the cabinet submission I had prepared in early November. Australian interests in the Gulf were less than others but were real nonetheless. Iranian responses were perceived likely to be hostile but unlikely to provoke retaliations. When, subsequent to the debate, guidelines were given to Australian officials handling Iranian responses, it was suggested that they emphasise the defensive character of the Australian response, continued neutrality, continued trade despite others’ boycotts and the work of Dr Peter Dunn.

The submission did stress sensitivity to political concerns in the United States. As well as Australia’s direct interest in the Gulf, the United States was now sufficiently engaged to have a high level of expectation of allies. If a formal approach was made, a refusal could damage the relationship with both the United States and the United Kingdom. The submission reflected a weighting of my preference to engage with the USN rather than the RN, though it acknowledged Australian collaboration thus far had been with the

²⁶ ‘If the US asks, let’s send a diving team to the Gulf’, *The Sydney Morning Herald*, 27 November 1987.

RN.²⁷ Indeed to this point the RN had done a great deal more escorting than the USN.²⁸

The recommendations however expressed no preference for the USN or the RN as the location for CDT4. Nor did it suggest we should act until formally approached. It sought to establish a response 'if asked'. The effect of the leaking of the cabinet submission was to immediately change my recommendation from an 'if asked' to a direct offer. The view from the national security departments was that the issue should be resolved immediately and favourably. Apart from having arrived at a view that Australia's interests were involved in the Gulf, most ministers did not think they could afford a reprise of the MX-missile test crisis. Despite a certain breathlessness in the media, there was not much appetite for that in Caucus either. The centre-left group invited me to attend a meeting and indicated a determination not to resolve their attitude until they had heard from Hayden.²⁹ The invitation was unprecedented and given Hayden's Department's views, the group was clearly not looking for an argument.

The Caucus right was immediately supportive. One minister told a journalist 'We wouldn't rule the proposition out. We've got quite a few ships in the Gulf and at the moment they're being escorted by the British. We're getting it both ways. We're bludging off the rest of the world and still getting a couple of billion dollars worth of trade out of the region'.³⁰ From the tonality here I strongly suspect my representative in the Senate, Robert Ray!

Nevertheless, Hawke was always cautious on Party consultation. Just how troubling the issue was domestically can be seen in the fact that my cabinet submission, which sought a position from the government should a more formal approach come from the Americans, was leaked in its entirety to the *Sydney Morning Herald*.³¹ This was the only such occurrence with a submission to the Security Committee of Cabinet in the 13 years of the Hawke and Keating Governments. At the very least that indicated a degree of discomfort in either the government or the public service.

Under the headline 'A good little ally comes to heel again', the Herald's correspondent Mike Steketee considered the submission exposed Government arguments about an "equal partnership" with the United States as mere "rhetoric". He thought that an "Australian military contribution so far

²⁷ Ibid.

²⁸ Caspar Weinberger, *Fighting for Peace*, p. 421.

²⁹ Ross Dunn, 'Divers for trade, not aid: Beazley', *The Sydney Morning Herald*, 1 December 1987.

³⁰ Glenn Milne, 'Hawke Faces Gulf Revolt', *The Sydney Morning Herald*, 28 November 1987.

³¹ 'If the US asks, let's send a diving team to the Gulf', *The Sydney Morning Herald*, 27 November 1987.

from our shores runs against the direction of Australian defence policy as spelt out in the White Paper.”³²

More specifically, Steketee questioned the relevance of Gulf affairs to Australia’s national interest. He suggested many countries with a greater interest in Gulf trade and allied to the United States were not contributing (Canada for example). He questioned whether Australia, or the United States, could sustain their policy of ‘strict neutrality’ in the Iran-Iraq war if so deeply engaged in protecting shipping. We should be concerned that Australia could be involved in a lengthy conflict escalating in unforeseen and dangerous directions. The Herald correspondent doubted whether once involved, Australia could exit the engagement without deeply offending its ally. Finally, ‘The Hawke-Schultz relationship has netted this Government more and better access to the senior levels of the Reagan Administration than we could otherwise have expected. But the other side of the coin is that it makes it much harder for Hawke to say “no” when Schultz tugs on his sleeve’.³³

Just as in the MX crisis, this leaked cabinet submission broke on the eve of his departure overseas to meet, among others, Secretary Gorbachev of the Soviet Union.³⁴ I recollect his view to me that the submission should go ahead with a firm recommendation. The defensive character of the commitment should be stressed along with neutrality in the war. Heavy stress should be placed on the involvement of Australian shipping. The latter point provoked an interesting request. I should contact Pat Garrity, Secretary of the Seaman’s Union, for his views. Hawke, like John Curtin, was always of the view that the labour movement was a legitimate part of the broad national debate. When consulted, the Seaman’s Union very properly indicated that national security matters were for governments. They would not ask for help or advocate assistance in advance, however if the government came to the conclusion that it needed to go ahead, they would go along with the national security judgement. Not overwhelming, but enough.³⁵

Having determined on the offer, the question was to whom. In the PM’s Department there was a clear preference for the RN. Having ascertained the Americans were more interested in another flag in the Gulf than where it was flown, that seemed the more sensible course. More important, the UK government was enthusiastic. That view was enhanced by the enthusiastic

³² Mike Steketee, ‘The Good little ally comes to Heel Again’, 27 November 1987, *The Sydney Morning Herald*.

³³ Ibid.

³⁴ Ibid.

³⁵ That view was how I reported it to the Caucus Committee. However some had the impression that I reported them as supportive in advance, which led to a minor breakout. See Glenn Milne, ‘Beazley accused of con job over divers to the Gulf’, *The Sydney Morning Herald*, 18 December 1987.

support for RN/RAN collaboration in the Gulf by Australia's High Commissioner and former Labor Minister, Douglas McClelland.

Over the period 6 to 10 December the submission was approved first by Security Committee, then by the Foreign Affairs and Defence Committee of Caucus, then by Cabinet and finally by Caucus.

Of these four forums, probably the most significant debate occurred at the Caucus Foreign Affairs and Defence Committee. Indeed, through the 1980s, probably the most significant foreign policy debates in the country took place at Australian Labor Party (ALP) National Conferences. That spirit carried over to the Caucus Committee. As a Minister I was frequently before it justifying a policy or a purchase. In this case the result was not in doubt but that did not inhibit a wide variety of opinion.

The minutes are cryptic but indicate the concerns.³⁶ Many members had entered the Party during debates on the Vietnam War. Was this a step on the ladder of escalation? Would the war go in unexpected directions? Even if renewed after a year, could Australia realistically pull out of the commitment or resist pressure to increase it? Members had been presented with a paper by me on Australian interests and they had the cabinet submission. Were they really all that important to justify involvement?

Most members took the government's argument at face value. There were Australian ships and other interests to be protected. There were many nations engaged. MCM activities were defensive. The RN had been escorting our ships. The United States was justified in protecting access to the Gulf and the UN Security Council had made clear to the belligerents that the war should come to an end. A few were committed to the idea that Australia needed to place down payments on the alliance and that such a view was compatible with the directions of government defence policy.

³⁶ Caucus Foreign Affairs, Trade and Defence Committee, Minutes of Meeting held on Wednesday 9 December 1987 in RCR3. Above is a reconstruction of views in the debate as I remember it. What the minutes contain as the content of the debate were these dot points:

- ALP Defence policy
- The possibility the Australian participation in the Gulf will be viewed as part of an internationally organised operation
- The participation of Australian troops overseas, and the human rights of Australian seamen
- The struggle for influence in the Gulf
- The broader implications of this proposal, and the programmes of other international partners
- The importance of trade protection
- The nature of the regimes involved in the Gulf War
- The source of the approach for Australian involvement

Following this discussion, the Chairman took a vote on Minister Beazley's amended motion—
CARRIED.

Conclusions and Contemporary Lessons

With hindsight, it seems odd that such intense debate in the Party and media revolved around a minor commitment which in the end was curtailed. There was a sense that a line had been crossed and shock that it had been drawn. Richard Armitage's view, expressed later, that it had been a test appeared to be shared by a number on both sides of the argument. The logic of the White Paper was understood but that it might involve an 'out of region' deployment so soon was not anticipated. Within the ALP, argument was expected to revolve around functions of the Joint Facilities, nuclear issues and research programmes. Overseas deployments were perceived likely to emanate from peace-keeping operations, not an ally's intervention in aspects of a war in the Middle East. The line once crossed would likely be crossed again.

What conclusions might be drawn from this rather limited activity compared to those in the region which followed it? Despite the fact that the Tanker War occurred during the Cold War, it has a modern ring to it. Iran and Iraq continue to have the capacity to destabilise American regional policy. Access to the region's principal export exercises a geostrategic pull on powers with various levels of dependency on it. In this instance, the United States was exercising that element of its military power in which it is most salient—its maritime power and its ability to project it ashore on the ocean littoral. It did not require of the United States a long term army of occupation with a nation building task in a hostile environment. With the argument that it is helping keep open vital trade routes, appeals by the United States for some burden sharing will resonate with an ally whose own interests are perceived to be engaged.

It is the subsequent commitments that have caused some to call into question the basic assumption that underpinned this decision—that was helping an ally outside Australia's area of direct strategic interests was appropriate but not a force structure determinant. In the last five years, without substantially thinking through changes in doctrine and structure, the Howard Government acted in a haphazard way on the assumption that this was not so. One massive purchase followed another, dictating the forward programme.

It can be argued that this approach mirrored US policy in the aftermath of 9/11. A few willing allies committed to unilateral judgements about American or western interests allowed clarity over the confusion and constraints involved in observance of traditional international norms, alliances and institutions. Choices in planning American armed forces and deployments were easy when national security budget deficits enforced no discipline.

Here, as Coral Bell has said, Iraq has been no end of a lesson. The second term of the Bush administration has brought old allies and diplomacy back

into play. Bush's successor will enhance the trend. More to the point, he will confront budget challenges which simply will not permit profligacy. Whether it is on a timetable or a 'time horizon', the United States will be substantially out of Iraq by the end of the next presidential term. Whatever increase in the immediate future in force levels in Afghanistan, the new President will want substantial reductions there as well.

Budget savings, properly done, pare back to strengths. In the case of the United States, this is its offshore and littoral maritime power combined with short term interventionist forces in circumstances unlikely to lead to a demand for long-term occupation by large armies. That does not mean commitments in the Persian Gulf and wider Middle East will be dropped. The region's geopolitical importance will sustain the new President's focus. Interventions will be different, not non-existent.

Which brings us back to the issue of Iran. Both presidential candidates have reserved a military option in opposing Iran's groping toward nuclear power status. Should diplomacy fail and tolerance not be extended, it is the US offshore power that would likely be exercised. Invasion and occupation of Iran is near unthinkable, likewise similar extensive intervention any where else in the region, such as Pakistan.

Outside ongoing intelligence collaboration, this is unlikely to involve Australia. In the unlikely event Australia would want to be involved, it would likely be a step back from the type of involvement Australia has had in Iraq and Afghanistan. It would be more like our involvement in the Tanker War.

Things would be different now. The Iranians reportedly have better and more mines; better and more missiles (as the Israeli Naval Ship *Harit* would attest to based on the 2006 Lebanon experience); and swarms of small boats and submarines. The Americans have likewise learned lessons and have developed tactics and equipment to counter the threats.³⁷

Whether we wanted to be or not, if Iran chose to project the capabilities it has been developing for mayhem in the Gulf as it tries to deter or punish pre-emption, any RAN vessels at the head of the Gulf would likely have a hard time of it. It is to be hoped that the RAN has seriously studied, (or sought access to USN studies), both of the 1984-1988 war at sea in the Gulf, and the tactical changes new Iranian weapons and capabilities demand. Both under the sea and on the surface, in the air, and in situational awareness, the Iranians will be much more formidable. The United States would be too, but there would be an uncomfortable gap between the start of Iranian action and the elimination of its capabilities.

³⁷ 'Iran: The Threat to the Strait of Hormuz', *STRATFOR*, 1 July 2008, <http://www.stratfor.com/analysis/iran_threat_strait_hormuz> [Accessed 2 July 2008].

This leads us back to the initial point. Twenty years of collaboration with our ally in the Persian Gulf has been successfully conducted without its obligations determining the structure of Australian forces. That has not changed. What has changed is the focus of our ally and the character of our region. In 1987 the United States accepted the argument that Australia's independent actions in the South East Asian and South Pacific regions assisted Western interests in part because it did not wish to engage there itself. The region was distant from the core of the central balance in the American/Soviet context. The Cold War has gone, but the US forces remain elsewhere. Our region, hard in 1987, is potentially harder today. This is not a product of instability but of prosperity. Both factors provide an opportunity for Australia to enhance its reputation and its wealth. Regional prosperity, however, will steadily erode Australia's technological edge as our neighbours can afford better capabilities. Capabilities take a while to develop but intentions can shift overnight.

In planning for Australia's defence, the further out you look in time at developments in the Asia/Pacific region, the closer in you come as you plan Australia's defences. Looking back twenty years, the fundamental lesson of Operation Sandglass is—that does not stop you helping allies and pursuing global interests, at least to your ally's satisfaction.

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