The Brisbane Line: An episode in capital history

Drew Cottle

The Dominant Views of the Brisbane Line

The Brisbane Line remains one of the enigmas of Australian history. It is seen either as a military plan drawn up in 1908 to defend Australia from a possible Japanese invasion, or in terms of the unfounded allegations by Labor’s Eddie Ward against the defeatism of the first Menzies government to boost the Curtin government’s chances in the 1943 federal election. In a fading popular memory the Brisbane Line is recalled as scenes of panic and flight by North Queenslanders fleeing south in fear of a Japanese invasion. In his recent detailed study of the Brisbane Line, Paul Burns concluded that there was a plan to evacuate Australia north of a military line drawn from Brisbane to Adelaide and to defend that part of populated industrialised Australia south of the line from enemy attack. Burns saw Ward’s charges of treachery as an electoral stunt without substance.1

It might be presumed that the Brisbane Line enigma is no more. The Burns interpretation has seemingly utilised every available archival source on the topic. But Burns’ conclusion is narrow and empirically limited. Like other studies of the Brisbane Line, the Burns view is bereft of historical context, class analysis and of dependent Australian capitalism’s place both within the inter-imperialist rivalries of the inter-war period and the political economy of empire. Taken together these elements allow the Brisbane Line to be re-examined as a neglected episode of capital history. What, then, is capital history?

The Moment of Capital History

The background to Australian capital history is rooted in the study and application of Marxist political economy. Although the Communist Party of Australia produced disparate analyses of Australian capitalism from the 1930s onwards, it was not until the works of Brian Fitzpatrick were published that capital as a subject of Australian history was tentatively secured.2 Throughout the Cold War, Fitzpatrick’s colleague, E L Wheelwright, kept the study of Australian capitalism alive. As the class struggle heightened during the Vietnam War a generation of younger scholars such as Humphrey McQueen, Bob Connell and Terry Irving and later Peter Cochrane and Andrew Wells made critical contributions to the study of Australian capital history. Connell and Irving’s Class Structure in Australian History provoked a brief but crucial discussion on the study and writing of capital history in Australia. As a continuing practice or a body of work capital history has had a relatively modest impact on Australian historical research.3 Perhaps only Andrew Moore’s exploration of the Old Guard in New South Wales as a mobilisation of the forces of capital during the 1930s depression may endure as a key study of capital in Australian history.4 Too little is still known or understood
about the history of the Australian capitalist class as a social formation, its internal divisions, its mobilisations during periods of crises, the basis of its essential unity, its failures and successes, and its limited autonomy as a class in its fundamental relationship with foreign imperialism.

By the mid-1980s the moment of capital history had passed. Australian capital history’s only lasting impact was in the area of radical political economy where its occasional expression is still sometimes found. Despite its apparent intellectual death in the post-modern present, capital history provides a more complex class expression of the Brisbane Line in the age of imperialism than earlier explanations.

**A Capital Background to the Brisbane Line**

Instead of seeing the Brisbane Line simply in terms of Ward’s accusations or as a military defence of south-eastern Australia, it must be examined in the context of Australian capitalism’s place in the political economy of British imperialism. The collective research undertaken by Fitzpatrick, Wheelwright, Crough, Buckley, Connell, Irving, Catley, McFarlane, Dunne, Cochrane and Wells emphasised the dominance of Australia by British capital from the time of the penal colony until its waning by the early 1960s.5

According to Burns, the original Brisbane Line was devised by Lord Kitchener after an inspection tour of Australia and its military capabilities in 1908. Essentially, it was a plan to defend dominant British interests in Australia from the possibility of a future attack by the rising imperial power in the Pacific, Japan, which had defeated imperial China and Czarist Russia in minor wars at the beginning of the twentieth century.6 Although Japan was an ally of Britain during the Great War, its lack of raw materials fed imperialist ambitions that could barely be contained. Japan had limited direct involvement in the war apart from its role in transporting Anzac troops to the Middle East and the Western Front. Yet, at Versailles in 1919, Japan demanded not only racial equality with the victor nations but also possession of the former German colonies in the south-west Pacific. As a sub-imperialist power, Australia resisted the Japanese expansion of empire fearing it would put at risk Australian interests in New Guinea. As the dominant powers in the Pacific, Britain and the United States limited Japanese territorial ambitions to the former German possessions north of the Equator. Australian fears of an expansionist Japan were stilled by the British promise of a fortress and naval base at Singapore.

Weak and divided, China was wracked by warlordism and its coastline was a mosaic of imperial spheres of influence. It was in this context, and with the great depression of the 1930s deepening, that Japan launched its undeclared war on the Chinese mainland. As the decade wore on, the only effective opposition to Japanese militarism proved to be the limited forces of the Chinese communists. The coastal enclaves of the rival imperial powers were left intact as Japan’s conquest of China was diplomatically appeased. Japanese efforts to destroy the ‘red banditti’ were applauded as the way to bring order to the Chinese chaos.
The ravages of the depression left Australia on the verge of bankruptcy in 1931. Fortuitously, Japanese wool and wheat purchases that year helped to ease the mounting economic crisis of capital even as a third of Australian male ‘breadwinners’ remained workless in 1933. In an economy dependent on key exports of wool, wheat and metals, the Japanese intervention stabilised Australian capitalism. By 1934-35 Japanese purchases of wool and wheat rivalled those of imperial Britain. The rescue of the Australian economy by Japan won it the approval of sectors of capital in Sydney. Japan’s attempted conquest of China created a new market for Australian wool, wheat and metals. Japanese militarism’s record in China could be appeased in Australia as it accorded with the attitude of the other foreign powers in China and it bolstered Australian exports. Despite the racial divide enshrined in the White Australia Policy, Japan advanced its influence in sections of the Sydney high bourgeoisie associated with the export trade to Japan. That influence quietly grew throughout the 1930s as a new economic dependency began to take shape. When a Japanese invasion of Australia appeared imminent in early 1942, that influence turned to the possibility of open collaboration if Japan became the conqueror of a vanquished Australia.

Japanese Intelligence and ‘Japan-mindedness’ in Sydney

From its opening on Remembrance Day 1929 until its closure in May 1941, the Japanese Consulate at Bligh Street, Sydney, was the hub of an extensive intelligence network which amassed information about Australian economics, politics and society and promoted a growing ‘Japan-mindedness’ within select circles of the city’s ruling class. The premier organisation in the promotion of ‘Japan-mindedness’ was the Japan-Australia Society, whose Australian members represented the leaders of pastoral, finance, retail, brewing, mining and shipping capital. While the expansion of trade with Japan was uppermost in the ‘Japan-mindedness’ of most of the society’s Australian members, Japanese intelligence saw these leading Sydney business figures as ‘potential co-operators’ in an expanding Japanese empire. Japanese intelligence (or consular staff) cultivated these business leaders and provided business deals and trips to Japan. Throughout the 1930s the ‘Japan-mindedness’ of a dominant strata of Sydney’s business world deepened.

When the barrister P C Spender sought to contest the federal seat of Manly as an independent in 1934, T H Kelly and other businessmen in the Japan-Australia Society gave him financial support. Soon after entering parliament Spender joined the United Australia Party and was elevated to cabinet. Spender was seen by his Sydney backers as their man in Canberra. Japanese intelligence also believed that Spender could be relied upon. This belief did not prove ill-founded. In early 1941, while minister for the army, he permitted Major Ashida of Japanese intelligence to undertake an inspection tour of the BHP steelworks at Newcastle and Port Kembla and various military bases on the east coast of Australia. At the time Australia did not view Japan as a hostile power and Spender accommodated the Japanese inspection without demur. Later, when Spender was the acting treasurer, Japanese companies removed their assets from Australia several weeks before they would have been seized. Who had warned them of the imminent seizure?
Demonstrations of ‘Japan-mindedness’

Japan could also look to its Sydney business friends to uphold its cause on matters vital to Australian capitalism. During the 1936 Trade Diversion controversy, British finance capital, film distributors, and textile and automobile manufacturers demanded that their markets in Australia be protected from their American and Japanese competitors. The Lyons coalition government’s acceptance of this economic diktat resulted in a boycott of Australian exports by the United States and Japan. Sydney’s representatives of pastoral, retail and banking condemned the folly of the Trade Diversion policy, arguing that it would destroy their growing trading links with Japan.11

In 1936 a Japanese company, Nippon Steel, attempted to establish operations to mine and export iron ore from Yampi Sound in Western Australia. The Lyons government interceded, claiming that iron deposits in the Pilbara region were severely limited and their extraction was not in Australia’s national interests. Major British interests in the Australian steel monopoly pressured the Lyons cabinet to force the closure of the planned mining venture at Yampi Sound. BHP was willing to export scrap iron to Japan but not to allow a Japanese competitor to threaten its monopoly over iron ore. Members of the Japan-Australia Society criticised the federal government’s denial of a Japanese company’s right to mine at Yampi Sound. Had Japan succeeded in its Yampi Sound operation not only would its reliance upon BHP supplying iron have ended but it would have established a foothold in northern Australia from which to attempt the future subjugation of Australia.12

The Port Kembla pig iron strike in 1938-39 rallied Sydney’s Japan-minded to the defence of imperial Japan. In letters, telegrams, newspaper editorials and delegations to and private talks with members of the Lyons cabinet, they condemned the right of wharf labourers to refuse to load a cargo of pig iron bound for Japan because of the wharfies’ belief that it would be converted into bombs and bullets to kill Chinese in Japan’s invasion of China. Members of the Japan-Australia Society urged the Lyons government to break the strike as it was severely damaging Australia’s trading relations with Japan. Although the scrap iron was eventually shipped to Japan, the campaign by the Japan-minded in Sydney has been all but ignored in most published accounts of the dispute.13

The confiscated Japanese consular files hold sufficient information on Sydney’s friends of Japan and their contribution to these events to suggest that Japanese intelligence believed that had Japan successfully invaded Australia their named ‘co-operators’ would do their bidding. While this conclusion remains highly speculative, it should be noted that the extant records of the Japan-Australia Society seized by American intelligence in Tokyo in the first days of the Allied occupation were lodged with the records of similar organisations from the Philippines, Siam, British Malaya, the Netherland East Indies and French Indo China whose members did willingly collaborate with the Japanese military forces.14

In the desperate months of late 1942 and early 1943, when rumours of a Japanese invasion abounded, P R ‘Inky’ Stephensen’s Australia First organisation became a suitable target for Australian intelligence to gaol ‘Japanese agents’ and fifth columnists. Although Stephensen had been subsidised by Japan for his...
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strident denunciation of British and American imperialism and his praise for Japan, his organisation of Australian nationalists, isolationists, pro-Japan lobbyists, security agents and the confused became the enemy within. The selective arrest and internment of Australia First members not only demonstrated the apparent prowess of the Australian security service but also ensured that those Sydney friends of Japan in the Japan-Australia Society would never be exposed to public scrutiny.  

As the Japanese threat to Australia receded so did the forced possibilities of collaboration for the Japan-minded in a Japanese Australia. In the 1930s a section of Sydney’s ruling class saw its material interests tied to the fortunes of Japanese imperialism. At critical junctures throughout the thirties, as inter-imperialist rivalries intensified over Trade Diversion, trade boycotts, iron ore mining in Yampi Sound and the export of scrap iron to Japan, Sydney’s Japan-minded mobilised to both protect and widen their trading links with Japan and defend Japanese initiatives and interests in Australia.

The round-up of Australia First ended the official hunt for supposed ‘traitors’. After Pearl Harbor, as Japan’s military forces surged triumphantly through colonial south-east Asia and Singapore fell, it seemed that Australia was open to Japanese conquest. The possibility of invasion loomed. Contingencies were planned. In Sydney Professor E P Elkin, a University of Sydney anthropologist and a member of the prime minister’s morale committee, sent a secret memo to Curtin expressing his alarm that ‘many in the Sydney business community believed a Japanese take-over was inevitable and arrangements to co-operate with them should be made immediately’.  

Only the arrival of American troops, the Australian victories at Milne Bay and on the Kokoda Trail, and the naval battles of the Coral Sea and Midway finally ended the possibility of a Japanese invasion of Australia. The fragmentary archival record concerning Sydney’s Japanese friends suggests that the Brisbane Line needs to be placed in a broader historical context which is open to class analysis and the eruptions of inter-imperialist rivalry over the fate of a dependent Australian capitalism. Such a deeper class reading is not limited to an imperial defensive plan for part of Australia and Eddie Ward’s fulminations but instead sees them as part of the greater problem of the Brisbane Line.

The Prentice-Sato-Cousens Connection

A strand in this re-drawing of the Brisbane Line is the Prentice-Sato-Cousens connection. During the thirties Japanese intelligence sought out and gained support for its operations from select senior Australian intelligence officers. One such person was Colonel John Prentice, a military intelligence officer and a Sydney radio broadcaster. Prentice convinced another radio celebrity, Charles Cousens, formerly a disgraced officer in the British Indian Army, to work with Kennosuke Sato, a Japanese journalist and intelligence agent, on a joint Japan-Australia publication which profiles leading Australian businessmen keen to deepen the trading links between Australia and Japan. Sato had led a goodwill tour of Australia by Japanese businessmen and intelligence officers in 1935 which reciprocated John Latham’s visit to Japan in 1934. Sato remained in Sydney nine months after the goodwill visit ended. As part of his research for the Japan-
From the Frontier

Australia publication, Sato was given long interviews with those Australians whose views were featured in its pages.\textsuperscript{17}

During the Pacific war Sato boasted to Australian prisoners of war at Ofuna camp near Tokyo that he had been chosen as ‘the Chief Civil Administrator’ of a Japanese-controlled Australia. Sato was certain that had Japan conquered Australia ‘many leading Australians would have been willing co-operators’. Sato’s publicity agent and assistant, Charles Cousens, had been a constant visitor to the Japanese consulate before the war. As an officer in the Australian army after the Allied surrender at Singapore, Cousens volunteered, in violation of military orders, to assist the Japanese rather than remain with the other Australian prisoners of war at Changi. Before sailing to Japan Cousens explained to his captors that if Japan invaded Australia he could be parachuted into Australian-held territory to negotiate a separate peace between Australia and Japan.\textsuperscript{18} Under duress but dressed in civilian clothes and given money and his own Tokyo apartment, Charles Cousens instructed Tokyo Rose and other broadcasters in the art of radio propaganda to the Allied forces. In the last eighteen months of the war Cousens developed a heart condition which prevented him from assisting with broadcasts from Radio Tokyo.

After the war Cousens was arrested and brought before a committal hearing in a New South Wales court to face the charge of treason. The case against Cousens was not proved and he returned to his civilian occupation as a radio broadcaster. During the case, Prentice had been called as a witness for the prosecution. He condemned Cousens’ wartime behaviour but said nothing about his own pre-war associations with Cousens and Sato. In his Tokyo apartment in early 1946, Sato repeated to the Australian journalists Denis Warner and Geoff Tebbutt his Ofuna boast that had Japan conquered Australia he was to be its chief administrator. Sato was never called to give evidence at the Cousens hearing in Sydney and he returned to his post as editor of the English edition of Mainichi Ichi. As scant as the documented evidence of the Prentice-Sato-Cousens connection may be, it is vital to any re-drawing of the Brisbane Line.\textsuperscript{19}

Jack Scott — The Petain of Australia?

The case of Major Jack Scott offers another strand in this reassessment of the Brisbane Line. A Great War veteran, insurance broker, Old Guard commander-in-chief, Japan enthusiast, counter-intelligence officer, Gull Force commander and prisoner of war, Scott was a leading friend of Japan in Sydney. During the Great Depression Major Scott was to execute an Old Guard plan to drive Premier J T Lang from office and install a military dictatorship had Lang refused to go. Scott’s status amongst the urban and rural bourgeoisie was studied by Japanese intelligence. After Japan’s wool purchases in the early 1930s helped to stabilise the Australian economy, Sydney companies representing pastoral, banking, retail and brewing interests sought and achieved closer commercial relations with Japanese trading companies. These companies reported on their associations and activities to the Japanese intelligence officers at the consulate. Scott’s reputation as an anti-communist strike-breaker and the leader of a bourgeois secret army ensured that he would be cultivated by Japanese intelligence.
In 1934 Scott and F H Cutlack, an Australian intelligence officer and senior Sydney Morning Herald journalist, followed Latham’s goodwill visit to Japan. Scott and Cutlack were invited by Japanese officials to tour Manchukuo (Japan’s puppet regime in Manchuria) and assess its social and economic development. After a two-week tour both Scott and Cutlack praised the Japanese experiment in occupied China for its social order and commercial progress in a series of articles for the Sydney Morning Herald.

Returning to Australia, Scott joined Australian counter-intelligence. His task was to investigate the operations of Japanese intelligence in Sydney. How well Scott understood the work of his Japanese counterparts is unknown. He did monitor certain other Australians — the Pankhurst Walshes, John Sleeman (Lang’s ghost biographer) and P R Stephensen — who were paid for their services to Japan. Those Australians influentials in the Japan-Australia Society did not capture Scott’s critical attention.

In early 1941 Scott was appointed commander of the independent company, Gull Force, whose mission was to harass Japanese forces occupying Portuguese Timor. Before a major battle between the Australian commandos and the Japanese took place, Scott, believing his troops would be overwhelmed, surrendered. Like Charles Cousens it seemed that Jack Scott may have expected the Japanese to see him as a key collaborator. Japanese intelligence knew of Scott’s standing amongst its Sydney business friends and his leadership of the Old Guard.

The idea that Scott was to be a Petain in a Vichy Australia where Old Guard stalwarts would act as his praetorian guard may, in retrospect, seem absurd. Had Japan invaded and divided Australia along its own Brisbane Line, Scott and other Japanese ‘co-operators’ may have proven invaluable to the functioning of Australia as part of Japan’s Greater East Asian Co-Prosperity Sphere. Scott’s incarceration by the Japanese ended any illusions of possible collaboration. As a prisoner of war on Huinan, Scott was separated from the other Gull Force prisoners who despised his arrogance and indifference to their suffering. Scott’s potential as an Australian Petain was no longer a possibility as the war turned against Japan. If Japan had advanced southwards and overwhelmed Australia, Scott’s position on a Japanese Brisbane Line may have been pivotal.

Ken Cook — Keeper of Secrets

A final strand in this re-drawing of the Brisbane Line is the patriotism of Ken Cook. The Japanese assault on China in 1936 caused Cook to think of the dangers Japan posed for Australia. The son of a prosperous Melbourne footwear manufacturer, Kenneth Easton Cook knew only a life of class privilege before his visit to China in 1936. Bored by his medical studies at the University of Melbourne, Cook was given an open ticket by his father to tour the United States and the Far East. He witnessed the barbarism of Japanese troops against the Chinese people and was beaten by Japanese sea scouts when he visited Tokyo. Working as a casual reporter in Hong Kong, Cook was recruited by a British intelligence agent to carry out surveillance of the Japanese in Australia. He became fluent in Japanese and studied the craft of espionage.
On his return to Australia in 1938, Cook became the proprietor of a theatrette in Darlinghurst, Sydney, and reported to Australian intelligence. His theatrette screened Japanese films and he was eventually invited to join Japanese cultural organisations including the Japan-Australia Society. He was a frequent visitor at the Japanese consulate and dinner guest at the Consul’s Point Piper residence. Cook’s gentleman’s existence allowed him to be in the constant company of consular officials and businessmen who suspected his companionship. Although never trusted by the Japanese, Cook learnt over time the methods and objectives of Japanese intelligence in Australia. He knew of those Australians that the Japanese counted as crucial ‘co-operators’ as opposed to the paid but ineffectual propagandists.

Officers in Australian counter-intelligence with military backgrounds regarded Cook as inconsequential. He discovered the Sato-Cousens connection but knew nothing of the activities of Colonel John Prentice. Jack Scott viewed Cook with contempt. Cook’s intelligence work was marginalised. He reported what he knew of the Sydney friends of Japan, the Japanese view of P C Spender and the purpose of Hashida’s visit in 1941 to no avail. When the Labor Party assumed office in October 1941, Cook took his concerns to Eddie Ward, the left-wing minister and Cook’s local member of parliament. Through journalist associates Cook met Rupert Lockwood, a radical left-wing journalist who had reported on the Japanese invasion of China and the Spanish Civil War for the *Melbourne Herald*, and explained aspects of the Japanese operation in Sydney. In March 1942 Ward voiced one version of the Brisbane Line. He argued that before the Japanese bombing of Pearl Harbor, the Menzies government conspired with the highest military officialdom to evacuate large sections of Australia (notably most of Queensland, the Northern Territory, Western Australia and Tasmania) in the event of a Japanese invasion. A military line was to be drawn across Australia from Brisbane to Adelaide. The territory south of the line was to be defended. The rest was to be a war zone or Japanese held.

Ward’s charges were rebuked by Menzies and his colleagues who demanded a Royal Commission. When this was granted Ward appealed before the Royal Commission, he refused to divulge the source of his information. He stated that if pages missing from a top-secret military file were found, they would validate his claim. The file was never tabled at the Royal Commission. The proceedings of the commission were held in-camera and never transcribed. Ward’s accusations were seen as an electoral ploy, the result of political animus between himself and Menzies. When the Japanese threat receded in late 1942 Cook’s knowledge formed the basis of several intelligence assessments of the Japanese operations in pre-war Sydney and Australia demanded by the attorney-general, Dr H V Evatt. It was the source of Ward’s political attack on those who advocated the Brisbane Line defence of Australia.

When the war ended Cook hoped that the Chifley Labor government would carry out an inquiry into the Australian friends of Japan and Japanese intelligence. This hope was stillborn. As the Cold War descended Cook abandoned the world of espionage. His kind were not required by Colonel Charles Spry’s ASIO. When Lockwood was called before the Petrov Commission into Espionage mention of aspects of the Brisbane Line briefly re-surfaced in Document J. This ‘farrago of
fact, filth and falsity’ was never publicly released by the Petrov Commission. Its survey of both Japanese and American imperialism in Australia was anthema to Australia’s Cold War allies and the reputations of the pre-war business friends of Japan.20

Cook’s secrets, like the other lost strands of the Brisbane Line, had no place in a conventional military history of Australia’s defence arrangements or the accusations of a Labor politician. Nevertheless, a re-drawing of the Brisbane Line as an episode of capital history in a context where divided ruling-class interests, the operations of secret state agents, and inter-imperialist rivalry collide may offer a more critical reading of this continuing historical enigma.
Notes to pp 104-105

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9 Rupert Lockwood, War on the Waterfront, Hale and Iremonger, Sydney, 1987, pp 78-89


Cottle, op. cit., ch. 3, pp 24-36.

Memo from Elkin to Prime Minister John Curtin, 20 January 1942 in Secret and Confidential files, 1939-1945, Prime Minister’s Department, A1608, National Archives of Australia.


