Australian military policy reappraisal amid new regional uncertainties

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Confronted by growing instability throughout the Asia-Pacific region, the Australian government is in the final stages of drafting a Defence White Paper that will boost military spending and prepare for new regional interventions.

According to Defence Minister John Moore, the White Paper, due in December, will be the most fundamental defence reappraisal for decades. Speaking alongside Moore in releasing a preparatory discussion paper last June, Prime Minister John Howard referred to mounting volatility in the region, mentioning Timor, Indonesia, Fiji and the Solomon Islands.

These remarks echoed media concerns, including a warning in the *Australian Financial Review* that the attempted coup in Fiji had "extended the arc of instability now radiating around Australia" and highlighted "the increasingly uncertain environment for Australia's business and national security interests in the region".

Over the past decade—and particularly since the 1997 Asian financial meltdown—the economies and social conditions of countries throughout South East Asia and the South Pacific have been shattered by the collapse of investment, the operations of the global banks and transnational corporations, and International Monetary Fund restructuring programs.

In a number of countries, such as Fiji, the Solomon Islands and Papua New Guinea, the state structures have either disintegrated or been badly split by factional and ethnic conflicts. The entire Indonesian archipelago is gripped by social unrest, communalism and secessionist movements, from Aceh in the west to West Papua in the east.

Indicating the degree of perplexity in ruling circles, the discussion paper, *Defence Review 2000—Our Future Defence Force*, states: "There is little point in trying to base our long-term defence planning on specific predictions about the strategic future of Asia. We simply do not know what is going to happen."

The *Review* refers to "significant economic, political and social challenges" throughout Indonesia, and economic stagnation, deteriorating social conditions and weakening "national cohesion" in Papua New Guinea and the Solomon Islands.

From the standpoint of Australian capitalism, the single most destabilising event has been Suharto's demise in Indonesia. Together with the United States, the Australian establishment supported Suharto's 1965-66 military coup, at the height of the Vietnam War. Australian governments established a close relationship with the Indonesian dictatorship, culminating in the Keating Labor government's signing of a formal defence pact with Suharto at the end of 1995.

This military treaty—which is not even mentioned in the *Review* —was rapidly overtaken by events. Washington utilised the 1997 economic crisis to demand the dismantling of Suharto's system of crony capitalism, which had become a barrier to global investors.

Although the *Review* is couched in the cautious and diplomatic language of a public relations handout, it argues for a new "regional defence orientation" to replace the "continental defence" doctrine that has prevailed since the withdrawal of Australian troops from Vietnam in 1972.

"What is clear," it states, "is that Australia's security is closely tied to the stability and wellbeing of our broader region." The "most immediate strategic interests" lie in an "inner arc" of islands stretching from Indonesia and East Timor through Papua New Guinea to the islands of the south-west Pacific.

The *Review* foreshadows further troop deployments of the "peacekeeping" type already underway in East Timor, Bougainville and the Solomon Islands: "Recurrent problems in some South Pacific countries may mean that Australia will need to deploy forces for operations such as peacekeeping and disaster relief. Moreover, the political, economic and territorial fragility of these countries makes them vulnerable. Our planning may need to take account of the possibility—albeit remote at present—that at some time these countries could be subject to attempts by non-state actors or potentially hostile countries to erode their sovereignty."

The document highlights the expansion of Australian involvement in overseas operations in recent years. Between 1972 and 1987, there was only one substantial deployment—in the Sinai. By contrast, over the past 13 years, troops have been sent to Fiji, Namibia, the Gulf, Somalia, Rwanda, Western Sahara, Papua New Guinea (including Bougainville), Cambodia, Indonesia, East Timor and the Sinai.

The *Review* predicts that such "lower-level military operations" (engagements short of a full war) "are going to be an important part of our future". For this purpose, the Howard government has already decided to increase the number of full-time army battalions from four to six, at a cost of $500 million a year.

This "regional defence orientation," the document notes however, will require not just expanded troop capacity but the purchase of expensive weapons systems. "The important thing to note about developing a greater capacity to be involved in high-level contingencies in the region, is that it could require substantially increased funding over the longer-term, in keeping with the more demanding range of possible military tasks."

This means reversing a protracted decline in military spending since the defeat in Vietnam. The defence budget, now $13 billion a year, has fallen as a proportion of Gross Domestic Product from 3.5 percent in the 1950s to 2.5 percent in the mid-1980s to 1.8 percent in 2000. In releasing the discussion paper, Howard stated: "I believe that in the years ahead Australia will need to spend more ... on defence than we are currently spending." Questioned by reporters, Howard refused to put a figure on the increase but declared that "defence will need to bulk larger than it has over the past few years".

The *Defence Review* says expenditure of $A80-110 billion will be needed over the next 20 years, just to replace ageing warships and fighter planes. This would constitute a 50 percent increase on the current equipment budget. One of the specific difficulties confronting the Australian military is its continued reliance on the US for access to sophisticated weaponry. The *Review* notes that in replacing the air force's 71 F/A-18 Hornet fighter jets, acquiring new guided missile frigates for

the navy and upgrading its submarines, the equipment will have to be US compatible.

The Labor Party has supported the review of military strategy but criticised the government for not moving more quickly. Labor leader Kim Beazley, himself a former defence minister, has advocated an immediate $1 billion boost to military spending—double the amount proposed by the Howard government for next year.

For the first time in its history, Australian capitalism can no longer automatically rely on a powerful ally. For the first four decades of the twentieth century, Canberra looked to Britain, the former colonial authority, for military backing. During World War II this dependence shifted to the United States. From the 1940s to the early 1990s, the US regarded Australia as an essential base of support, first against Japan, then, during the Cold War, against the Soviet Union, China, North Korea and North Vietnam.

As long as the Cold War conflict between the US and the Stalinist-controlled bloc continued, Australian military strategy was closely tied to the United States. Australia was regarded as a southern anchor of the US military presence throughout Asia, with key satellite surveillance and navigation bases established in remote parts of the country.

Since the end of the 1980s, however, competing interests have emerged. Tensions have developed between Washington and Canberra over a number of issues, including US conflicts with China and the IMF-led destabilisation of Suharto.

These tensions were highlighted shortly after the release of the defence discussion paper when US Defence Secretary William Cohen visited Australia and issued an unusually blunt call for the government to upgrade its military capacity in order to remain a reliable partner in the region. Cohen made it plain that Washington expected Australian support in the event of a conflict with China over Taiwan.

His remarks have provoked rifts within the Australian political and military establishment. Some fear that too close a relationship with the US will harm Australian commercial and diplomatic interests across Asia, particularly in the two giant markets of China and Japan. Former prime minister Malcolm Fraser opposed Cohen's suggestion that Australia participate in the mooted US “star wars” space missile system. “The needs and desires of the United States do not necessarily conform with what is necessary for the security and integrity of Australia,” Fraser retorted.

These divisions also came to the surface last year, when Howard, buoyed by the Australian-led Interfet intervention into East Timor, attempted to enunciate a new strategic doctrine, referring in a media interview to Australia acting as a US “deputy” in the region. Howard's suggestion triggered strong criticism in Beijing and other Asian capitals. After being lambasted in the domestic media, Howard was forced to abandon his short-lived “Howard Doctrine”.

The *Defence Review* casts doubt on the future reliability of the 1951 ANZUS Treaty, which has been at the core of Canberra's defence policy for half a century. The *Review* quotes key clauses in the Treaty, which formally obliges the US to “act to meet the common danger” in the event of an armed attack on Australia or its armed forces. But, the *Review* notes, these undertakings “looked less reassuring” in the 1970s, following the American withdrawal from Vietnam.

“What would happen if the US was deeply committed elsewhere when we needed support? Will our interests and perceptions match those of the US closely enough for us to depend more heavily upon them? Finally, we would need to consider our sense of ourselves as a nation, and how others' perceptions of us might be changed by a decision to rely more on the US. And we need to consider what the US expects of us in return.”

The last Defence White Paper in 1987, following the 1986 Dibb Report, saw the abandonment of the “forward defence” policy of the Korean and Vietnam wars. A doctrine of “self-reliance” was adopted, but Australia has remained substantially dependent on the United States for weaponry and large-scale backup.

During the Cold War, the anticommunism propagated by the government and the media provided the ideological foundation for involvement in the Korean and Vietnam wars, as well as the use of troops in Malaya and Borneo during the “confrontation” with the Sukarno regime of Indonesia in the early 1960s.

By the early 1990s, the authorities in Canberra, like their counterparts in other Western capitals, claimed that the demise of the Stalinist regimes in Eastern Europe and the Soviet Union would mean a new period of peace and prosperity. The end of the Cold War, however, combined with the rapid globalisation of economic life, has seen the revival of the underlying struggles between the major power blocs—the US, Japan and the European Union—for economic and political hegemony in key areas of the globe, including Asia and the Pacific.

In a revealing comment, Howard said the end of the Cold War had tended to “bring more, rather than less, uncertainty in our region”. The *Defence Review* itself warns that it is possible for “war to break out among major powers in our region”.

Over the past decade, the imperialist powers have sought to fashion a new justification for military aggression based on claims to be intervening to uphold “human rights” or other ethical values. In particular, the Western leaders have declared the national sovereignty of small countries to be dispensable.

In the same vein, Australian political leaders are hoping to capitalise on the precedent set by the ongoing Australian intervention in East Timor, where the dispatch of 4,500 troops last year was glorified by the mass media, the Labor Party and radical protest groups as a humanitarian gesture of assistance for the East Timorese people.

The real concerns in Australian ruling circles are bound up with defending corporate interests, such as access to the oil and gas beneath the Timor Sea and the reopening of the giant Panguna copper mine on Bougainville. Australian-based companies have multibillion-dollar investment—mining, banking, manufacturing and trading operations—throughout the region, and dominate the entire economies of countries like PNG, Fiji and the Solomon Islands.

Domestically, the political establishment faces considerable social discontent after two decades of declining living and working conditions for ordinary working people. Yet military spending can be increased only by further slashing social welfare programs. As the *Defence Review* admits: “An increase in defence funding must eventually require higher taxes or lower spending on other socially worthwhile government programs.”

In releasing the document, the government displayed considerable anxiety about securing public support. It announced a series of 26 “town hall” public consultations around the country, conducted by former Liberal Party leader and foreign minister Andrew Peacock. For two months, Peacock travelled to various parts of the country trying to drum up a political constituency for the military expansion, accompanied by a former leading Labor MP, Stephen Loosley, an ex-government MP David McGibbon and a retired general, Major-General Adrian Clunies Ross.

But the exercise failed to generate any groundswell of enthusiasm. According to Hugh Smith and Graeme Cheeseman, two academics who studied the consultation process, “the public meetings attracted only a limited cross-section of the community”. The small audiences were “predominantly male, over 30 and European in appearance. Almost half the speakers had either served in the armed forces or had some kind of present or past defence affiliation.”

Divisions have emerged within the Howard cabinet over aspects of the new military policy, provoking a furious response from Rupert Murdoch's media outlets in particular. Aided by leaks at the highest level, the *Australian* has published accounts of National Security Committee (NSC)

meetings, where key ministers argued that some of the billions of dollars required for military hardware—such as Airborne Early Warning and Control (AEWC) surveillance planes, air-warfare destroyers and upgrades to Collins Class submarines—would be better spent on expanding the ground forces. An unnamed source described one NSC meeting on August 21 as a "bloodbath". One participant reportedly asked: "What use would AEWCs have been in Timor?"

An *Australian* editorial thundered: "It would be a national disgrace—as well as irresponsible—to argue that we can ignore the need to sustain capable military forces. Australia does need capable air and naval forces, as well as mobile and effective land forces. Satisfying those demands will not be cheap but, if Australia has to have new weapons systems, they have to be technologically capable as well as militarily effective. We do not have our own independent defence industries capable of designing and building military hardware that can stand alone from those of our allies. We cannot, in the event of a substantial conflict, act on our own."

Such exasperation with the Howard government's dithering cannot hide the fact that the Australian ruling class as a whole faces a dilemma. No longer convinced that its interests will coincide with those of the US, particularly with regard to China and Indonesia, it nevertheless cannot stand alone in asserting its own sphere of influence in South East Asia and the South Pacific. In short, the Australian government has been somewhat cut adrift amid growing global and regional uncertainties.