

# US demands greater Australian military spending

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Over the past two weeks, American military commanders and strategic analysts, undoubtedly acting in close consultation with the Obama administration, have publicly criticised the size of Australia's defence budget.

The criticisms amount to an open intervention into Australian politics, seeking to pressure the minority Labor government to boost military spending in order to ensure that Australian forces can serve as a credible partner in the US preparations for a confrontation with China in the Asia-Pacific region.

The Labor government has already clearly aligned itself with the US. In 2009, it released a Defence White Paper, which named China as a potential threat for the first time, and announced that Australia would spend over \$100 billion on new ships, aircraft and other military hardware during the next two decades.

That alignment was intensified after Julia Gillard was installed as prime minister in mid-2010. The Obama administration tacitly backed the ousting of her predecessor, Kevin Rudd, in an inner-party political coup as he was regarded as being insufficiently in tune with Washington's confrontational approach to China.

In November 2011, Gillard and President Barack Obama announced agreements to develop key staging bases for US air, sea and marine operations in northern and western Australia, requiring major upgrades to ports and airbases. Earlier this year, plans were unveiled to develop the Cocos Islands in the Indian Ocean as a base for US drone aircraft, also necessitating hundreds of millions of dollars in infrastructure development.

The US-Australia agreements form one component of the US "pivot" to the Asia-Pacific. The Obama

administration has sought to cement alliances, strategic partnerships and basing arrangements with a number of countries in Asia, with the intention of encircling China.

Washington is now sending a blunt message to Canberra that having committed to the US, it must meet the cost of ramping up the size and capabilities of its armed forces.

On July 13, the head of US Pacific Command, Admiral Samuel Locklear, told journalists after meeting Gillard in Canberra that he was "concerned" that Australian military spending was well below the North Atlantic Treaty Organisation (NATO) standard of 2 percent of gross domestic product (GDP). Locklear stated: "There are many nations that don't meet that from time to time, and so it's not for me to comment on how the Australian people decide to do it, but I would hope that in the security environment that we are in that there is a long-term view of defence planning that has the proper level of resources behind it."

Locklear's comments were the first public US reaction to the Labor government's decision, revealed in its May budget, to cut \$5.5 billion from defence spending over the next four years, as part of its efforts to meet the demands of the financial markets to return the budget to surplus. He focussed on one of the most expensive planned Australian defence acquisitions—a new fleet of 12 submarines that could significantly contribute to US-led operations to block China's access to the crucial sea-lanes between the Indian and Pacific Oceans. The fleet could cost as much as \$30 billion.

The US admiral declared: "If you're going to build a submarine force, you can take years to figure out how to make that cost effective and get what you need out of it... I would hope that as the Australians work through that, that

they recognise and contemplate this.”

The US ambassador in Canberra, Jeffrey Bleich, had stated in February that the US would be prepared to sell or lease Australia a fleet of American nuclear submarines to ensure that the Australian Navy had a war-fighting capability that Washington viewed as “crucial to security.” In May, however, the Labor government made no decision about how the new submarines would be financed. Instead, it deferred the acquisition for two years, pending another review of possible options. It also deferred for several years the purchase of some F-35 Joint Strike Fighters.

According to Australian media reports, Admiral Locklear’s criticisms of Australian military spending were repeated on July 17 during a Washington meeting between Duncan Lewis, the head of the Australian Defence Department, and his Pentagon counterparts. The issue was publicly canvassed the next day by Richard Armitage, an assistant secretary of state under the Bush administration and prominent strategic analyst.

Armitage bluntly told the annual Australian American Leadership Dialogue in Washington on July 18: “Australia’s defence budget is inadequate. It’s about Australia’s ability to work as an ally of the US. I would say you’ve got to look at 2 percent of GDP.” In an interview with the *Australian*, he said the Obama administration’s concentration of US military power in the Asia-Pacific “is not an opportunity for a free ride by anybody—not Japan, not Australia, or anybody else.”

In an indication of the White House’s involvement, the *Australian* observed: “Armitage is willing to say what is widely said off the record in Washington.”

Opposition Liberal leader Tony Abbott, in Washington for the Leadership Dialogue and to cultivate support for his party from the US establishment, endorsed these criticisms when addressing the right-wing think-tank, the Heritage Foundation. Abbott condemned Labor’s spending cuts, which reduced defence from 1.8 percent of GDP in last year’s budget to 1.56 percent, saying this was the lowest level since 1938. “That is quite a concern,” he declared, “as we do not live in a benign environment, we do not live in benign times.”

Several Australian commentators echoed US demands

last weekend endorsing the call for the military budget to be increased to at least 2 percent of GDP. That figure would amount to more than \$30 billion a year or \$6 billion more than the current allocation.

*Sydney Morning Herald* political editor Peter Hartcher, focussed on increased Chinese military spending and growing tensions over the conflicting territorial claims between China and other states in the South China and East China Seas. “It is a time of rising risk of war, even if only by accident,” he wrote.

*Australian* foreign editor Greg Sheridan wrote that Washington had interpreted the Australian budget cuts as “an ominous erosion of capacity in the US alliance system within Asia” in conditions where regional tensions could lead to conflict.

Right-wing pundit Piers Akerman declared in the *Sunday Telegraph*: “The US is saying bluntly that Australia is not pulling its weight on defence and that the implications of letting down the side in this manner are enormous and long-ranging.”

The US intervention over the Australian defence budget demonstrates that Washington’s confrontational stance against China, embraced by the Gillard government, necessarily means a stepped-up assault on the social and democratic rights of the working class, as well as the danger of a catastrophic war.

Amid the worsening global economic crisis, greater military spending can be paid for only by drastic austerity cutbacks to social programs and infrastructure, particularly in healthcare, education and welfare. If Gillard baulks, the next intervention from Washington may well be behind-the-scenes support for ousting her as prime minister.



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