

Ruling elite demands massive increase to Australian military spending for war

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Over the past few days, figures with close ties to the military-intelligence establishment have launched a concerted campaign demanding a massive increase to Australian military spending. Whatever the variations of emphasis and argument all of them have linked this to the need to prepare for war amid major global geopolitical tensions, uncertainty and conflict.

The campaign is based on a change to the timing of the federal election. It appeared likely that Prime Minister Anthony Albanese would call the election last weekend, to be held on April 12. That would have enabled the Labor government to defer the March 25 budget until after the election, under conditions where it will show a deepening of the budget deficit.

Albanese, however, did not call the election over the weekend due to Cyclone Alfred. There were evidently fears that calling an election amid a natural disaster threatening millions of east coast residents would have been bad political optics, and so a budget must be brought down.

The *Australian Financial Review* (AFR), one of the main organs of the corporate elite, wasted no time in seeking to set the parameters of the pre-budget discussion. On Monday, i.e., the day after an April 12 election would have been called, it published an editorial headlined: “Defence spending is election issue Labor and the Coalition are avoiding.”

The AFR stated, “The delay in calling the election means there will now be an opportunity for greater fiscal scrutiny before voters cast their ballots.” The budget would be brought down “just as a new and vitally important fiscal issue has surfaced—defence spending.”

It was now necessary for Labor and the opposition Liberal-National Coalition to “engage seriously with the ‘guns versus butter’ fiscal challenge Australia now faces,” which the AFR complained that both parties had been avoiding. In plain terms, vast sums needed to be diverted to the military on top of already record defence spending, and it would need to be paid for through deep-going austerity.

In justifying its call, the AFR cited two factors that have

been repeated across the press commentary.

The first was that “President Donald Trump’s America First foreign policy has created doubts about Washington’s commitment to traditional alliances such as it has with Australia.”

Trump’s open clash with Europe over the Ukraine war is central to what they are referring to. Trump speaks for a faction of the US ruling elite that views *de facto* war with Russia as a costly diversion from a focus on confrontation with China, which is regarded as the chief threat to American global dominance. The European powers want to continue the Ukraine conflict to inflict a defeat on Russia and advance their own predatory interests on the continent.

Beyond the immediate differences, Trump has shown a willingness to break up the alliance system that has held since World War II, putting a question mark over the NATO partnership with the European powers. Under conditions where the US is Australia’s closest military and strategic ally, that has inevitably created concerns over the possibility of similar moves in the Indo-Pacific.

The official discussion is not over breaking the alliance, but providing insurance through additional military capabilities which would also be appealing to the US.

Two developments have highlighted the new realities facing the Australian ruling class, including more open demands from the White House as well as imposts based on “America First.” Last week, Elbridge Colby, Trump’s nominee to head policy at the US Defence Department, publicly called on Australia to lift its defence spending from 2 to 3 percent of GDP to prepare for war with China. And today, it was confirmed that Trump has refused an Australian request for an exemption to a 25 percent tariff on all steel and aluminium exports to the US.

The other central factor cited by the AFR was that “China’s live-fire naval drills in the Tasman Sea have exposed Canberra’s lack of military preparation and self-reliance.” Those drills, late last month, were blown out of proportion. They took place in international waters, unlike many aggressive US, Australian and allied incursions into

Chinese claimed territory in the South China Sea. However, the drills were clearly a response to Trump's ratcheting up of the confrontation with Beijing and a signal that Australia's frontline participation would come with a response.

The same factors were invoked in other coverage. An opinion piece in the AFR stated: "President Donald Trump has made it clear that the US will no longer fund a large share of Western defence spending while its allies underspend." "Australia, regardless of Trump, needs to spend more on defence because we are so exposed to Chinese bullying," it added, turning reality on its head. In fact, the US, backed by allies such as Australia, has militarily encircled and menaced China for more than a decade.

In an article headlined: "Mayday, mayday: Australia will have to lift defence spending," the *Australian's* Robert Gottlieb declared: "It's time to face the reality of our ANZUS commitment, so whichever political parties win government will be forced to accept the US demand that we lift our defence spending from 2 to 3 percent of GDP." If this were evaded in the March budget, then government commitments to the military would be exposed as "fictitious."

Labor boosted defence spending to a record \$56 billion this financial year, and has pledged a cumulative hike of \$50 billion over this decade. It is equipping all branches of the armed forces with missiles, based on a doctrine of ensuring "impactful projection" throughout the Indo-Pacific, in preparation for conflict with China. Labor has vastly expanded US basing arrangements, including by transforming sections of the north and west of the continent into a launching pad for American activities targeting China.

It is clear that for the national-security establishment and its mouthpieces, this is not sufficient. A number of the commentators have bemoaned the fact that most of the \$368 billion commitment to purchase nuclear-powered submarines from the US is not budgeted and will not be for years. And they have noted anyway that the submarines will not arrive until sometime in the 2030s, under conditions where geopolitical conflicts are mounting now.

Experts have stated that a shift in military spending from 2 to 3 percent of GDP could see annual expenditure rise from the current \$56 billion to some \$100 billion by the end of the decade. The budget, however, is already forecast to be in deficit throughout that period and there are many uncertainties, including the possible implications of Trump's trade war measures and a slowing Chinese economy on Australian minerals exports, which account for a substantial portion of government revenue.

That means the sums being demanded will require an unprecedented onslaught on the working class. It has already

suffered the biggest social reversal in decades, with the burden of the cost-of-living crisis imposed by the Labor government. The public schools and hospitals, suffering from decades of underfunding, are in an unprecedented crisis. But, now they are to be hit with even deeper cuts.

Implicit in all of the coverage is that this is a deeply unpopular program, which will provoke resistance from the working class amid already widespread political disaffection and social anger. That is why, as the AFR noted, neither of the major parties have made defence spending a major issue in the unofficial election campaigning that is underway.

The reality is that what is being demanded is incompatible with democracy. That was spelt out most clearly by Gottlieb. He recalled that "The last time we had a major emergency which showed the weakness in our industrial base was in 1940 when Prime Minister Robert Menzies appointed the then chief executive of BHP, Essington Lewis, as 'director of munitions' with incredible powers. When [the Labor Party's] John Curtin became PM in 1941 he further expanded the Essington Lewis powers."

Gottlieb called for the appointment of a similar figure, operating outside of the defence bureaucracy but empowered to reorganise industry and wide sections of the economy to subordinate them to rapid military production. Gottlieb outlined a timetable for overhauling the economy to prioritise the military build-up and even named a candidate for the Lewis role in a former BHP executive.

A Lewis-type figure would operate as an industrial dictator, suppressing opposition from workers, establishing a wartime economy and operating outside of normal constitutional channels. In World War II, Lewis's appointment went hand in hand with the banning of strikes and industrial action and the state repression of anti-war opponents.

Gottlieb, noting the recruitment crisis of the military, also called for some form of "national service." Acknowledging that conscription would be deeply unpopular and therefore potentially unviable, he instead suggested dragooning young people accused of crimes into the army. "The game has changed," his article concluded.



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