

Trump's AUKUS review puts Australian nuclear submarine deal in doubt

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The Trump administration has provoked consternation in the Australian political and military establishment after this week announcing a Pentagon review of plans under the AUKUS military pact to sell Virginia-class nuclear attack submarines to Australia. It puts the Australian Labor government under great pressure to make major concessions to the US as Prime Minister Anthony Albanese flies to Canada for the G-7 summit and a possible meeting with Trump.

The AUKUS agreement between Australia, the US and Britain, announced in September 2021, contains many elements and is part of the rapidly escalating US preparations for war against China. However, Australia's acquisition of nuclear submarines to replace its aging Collins class conventional submarines was central to AUKUS.

The Liberal-National Coalition government of Scott Morrison signed onto AUKUS but it is the Labor government of Anthony Albanese that has consolidated the nuclear submarine deal that will cost an estimated \$A368 billion as well as the vast expansion of US military basing arrangements in northern Australia.

The initial sale of US nuclear submarines to Australia is due to start in 2032 followed by the design and building of AUKUS nuclear submarines in collaboration with Britain. As part of the deal, the Australian government agreed to help fund the expansion of submarine building in the US and Britain to the tune of more than \$4.5 billion. The first installment of \$798 million was paid to the US in February.

Moreover, the AUKUS submarine deal resulted in the scrapping of a prior \$90 billion agreement with the French company DCNS (now Naval Group) to build 12 Barracuda diesel-powered submarines. The French government, which had not been forewarned, denounced the move as a "stab-in-the-back" and the Australian government was compelled to pay \$835 million in

compensation to Naval Group.

Now the Trump administration is calling the AUKUS submarine deal into question. Elbridge Colby, the Pentagon's undersecretary of defense for policy, who has been a critic of the AUKUS submarine deal, has been put in charge of the "review." He has argued repeatedly that the US does not have the submarine building capacity to supply the needs of its own navy, let alone provide for the Australian navy.

Colby gave only qualified support to AUKUS during his Senate confirmation hearing in March. "If we can produce the attack submarines in sufficient number and sufficient speed, then great. But if we can't, that becomes a very difficult problem," he said.

American shipyards are only capable of building 1.3 nuclear submarines a year—a figure that includes both the Virginia-class attack submarines and the Columbia-class ballistic missile submarines. The Pentagon wants to expand capacity to 3 per year by 2028—two Virginia-class and one Columbia-class—just to meet its requirements. The replacement for the Virginia-class attack submarine—the SSN-X project—has been plagued by delays.

The lack of US submarine building capacity reflects the rundown of American shipyards and the decline of American industry more generally. Trump signed an executive order in April aimed at reviving US shipbuilding. Currently China, which has massive shipyards along its eastern coast, accounts for more than half of global shipbuilding output, compared to less than 0.1 percent by the US.

The accelerating US build-up to war against China is driven above all by the determination in American ruling circles to reverse its historic decline and maintain global dominance by all means. By contrast with the US, China is estimated to be building between 4.5 and 6 nuclear submarines per year as well as replacements for its fleet

of about 50 conventional submarines.

While the US currently has a significantly larger nuclear submarine fleet—68 compared to between 13-15 for China, the rapid expansion of the Chinese fleet, and of its military more generally, is a powerful factor driving Washington to war with Beijing sooner rather than later.

Speaking at the top-level Shangri-la Dialogue in Singapore this month, US Defense Secretary Pete Hegseth warned that war with China over Taiwan was a threat that was “real” and “imminent” and demanded that US allies in the region, including Australia, dramatically increase military spending and preparedness as well as expand their military industrial base.

Far from China being the threat to peace in the Indo-Pacific, the US over the past decade has been preparing for war and aggressively confronting Beijing—diplomatically, economically and militarily. It has been steadily undermining the One China policy that recognises Taiwan as part of China and has been the basis of diplomatic relations with Beijing for more than four decades.

The Albanese government has sought to play down the AUKUS review declaring it to be quite normal for a new US administration. Albanese, who was returned to power in the May federal election, is currently on his way to the G-7 summit in Canada where it is possible, but uncertain, that he will have his first face-to-face meeting with Trump that is likely to cover a range of issues—including trade, military spending and the AUKUS submarines.

Throughout the May election campaign, there was a persistent media drumbeat demanding that both major parties—Labor and the Coalition—ramp up military spending in preparation for war. After Hegseth called on the Albanese government to increase the military budget to 3.5 percent of GDP—up from the 2.3 percent already planned—anti-China hawks are insisting Albanese must pledge a greater increase in any meeting with Trump.

In an extensive comment in the *Australian* today, its foreign editor Greg Sheridan branded Albanese as “the most unambitious national leader in foreign affairs, defence and national security” since World War II and declared that “Americans are contemptuous of Australia’s dismally low defence spending.” The comments of Sheridan, who is well-connected in Washington, are a clear indication of the pressure Albanese will come under if he does meet with Trump.

The announcement of AUKUS in 2021 provoked widespread popular opposition both because it posed quite concretely the danger of war in the region and because the

huge costs of the nuclear submarines will have to be paid for by slashing essential social spending—including education, health and welfare programs.

Establishment figures—including former Coalition Prime Minister Malcolm Turnbull and ex-Labor Prime Minister Paul Keating—who have been critical of Canberra’s close integration into US war plans against China, condemned the AUKUS deal at the time. They are now seizing on the US review and the potential scuttling of the submarine deal to call on the Australian government to pull out of the arrangement altogether.

Their opposition to AUKUS and calls for a more independent Australian foreign and military policy have nothing to do with preventing war or deep inroads into social spending, but are based on concerns about the impact on relations with China—Australia’s largest trading partner. None of them call for an ending of Australia’s long standing military alliance with the US.

Indeed, the call for a more independent Australia is premised on an even greater military build-up in order to aggressively prosecute the strategic and economic interests of Australian imperialism in the region. Turnbull, for instance, in suggesting that the government simply give up on acquiring submarines, advocated far greater investment in long-range missiles and long-range bombers, while continuing to offer basing arrangements in Australia for American nuclear submarines.

Whatever the outcome of Albanese’s trip to the G-7, the Labor government will escalate the expansion of the Australian military and its integration into US war preparations against China. The danger of global conflict looms ever larger as Israel, with US backing, has just recklessly expanded its war in the Middle East, by launching a massive, unprovoked and criminal offensive against Iran.



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