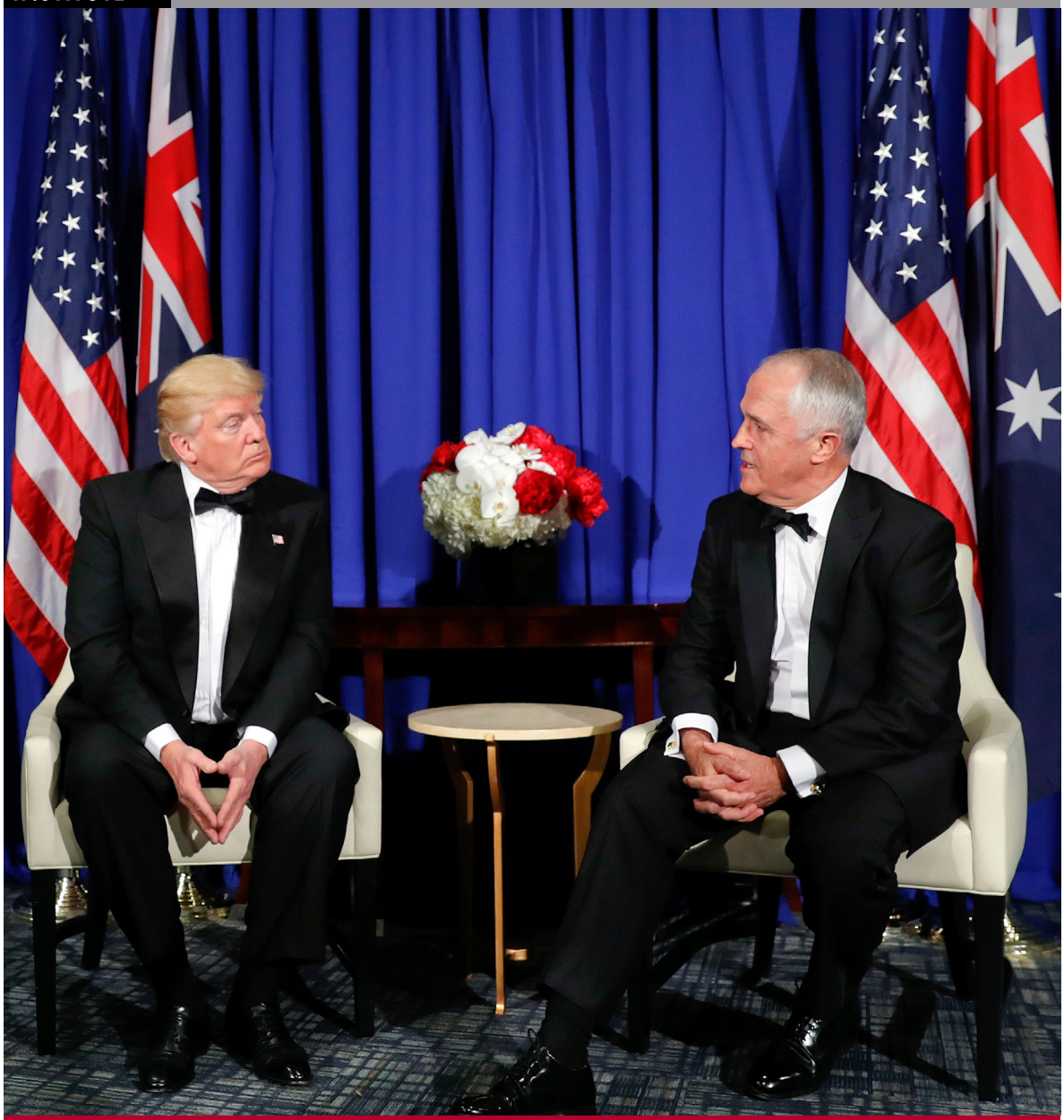
The
STRATEGIST
Selections

ASPI
AUSTRALIAN STRATEGIC POLICY INSTITUTE

Kim Beazley on the US alliance and Australia's defence and international security



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About the author

Kim Beazley is the 33rd Governor of Western Australia. He had a distinguished career in federal politics and was minister for defence in the Hawke government from 1984 to 1990 and deputy prime minister in 1995–96. He also served as leader of the Australian Labor Party and leader of the opposition from 1996 to 2001 and from 2005 to 2006. From 2010 to 2016 he was Australia's ambassador to the United States.

About *The Strategist*

The Strategist is the commentary and analysis site of the Australian Strategic Policy Institute, an independent, non-partisan think tank based in Canberra. ASPI is one of the most authoritative and widely quoted contributors to public discussion of strategic policy issues in Australia and a recognised and authoritative Australian voice in international discussion of strategic issues, especially in the Asia–Pacific.

The Strategist aims to provide fresh ideas on Australia's critical defence and strategic policy choices as well as encourage and facilitate discussion and debate among the strategy community and Australian public.

The views expressed on *The Strategist* and in *The Strategist Selections* are those of the individual authors and do not in any way express or reflect the views of the Australian government or represent the formal position of ASPI or the institutions to which the authors are attached.

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ASPI

Tel + 61 2 6270 5100
Fax + 61 2 6273 9566
Email enquiries@aspi.org.au
www.aspi.org.au
www.aspistrategist.org.au

facebook.com/ASPI.org

@ASPI_org

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Cover image: President Donald Trump listens to the then Australian prime minister Malcolm Turnbull speak during their meeting aboard USS *Intrepid*, New York, 4 May 2017. (AP Photo/Pablo Martinez Monsivais.)

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Foreword

From May 2016 to July 2018, Kim Beazley was a distinguished fellow at ASPI and, freed from the constraints of his ministerial, political and ambassadorial roles, he wrote with relish and spoke at ASPI events with flair and great enjoyment about Australia's defence and international security.

Here we collect Kim's writing for *The Strategist*, ASPI's commentary and analysis site, because the depth of his knowledge and the urgency of his message are simply too valuable to be consigned to the cyber wasteland.

Beazley has spent a professional lifetime being deeply immersed in the design and implementation of Australia's defence and security policy. He steered his side of politics through the global anti-nuclear unrest of the early 1980s to craft an approach to Australia's alliance with the United States which still enjoys immense support across Australia's political divide. Beazley thought his way through the challenges of designing the right force structure for the Australian Defence Force and, largely, this is the force we have today: bigger and better equipped but still reliant on the alliance at a time when Washington has turned inward.

As Australia's ambassador to the US from February 2010 until January 2016, Kim had a front-row seat to the Obama administration, the rise of Donald Trump, the political fascinations of Congress, the end of China's 'peaceful rise' era, and the return of a revanchist, high-stakes-gambling Russia. Beazley was the source of the best-informed advice on alliance management to five Australian prime ministers. Few Australians have been such informed observers of the US and had such deep insights into the alliance relationship and the intelligence, defence and diplomatic mechanisms that shape Australia's most important international relationship.

Oh, and have I mentioned that Kim writes with such panache! Although occasionally Beazley deploys very long sentences, he doesn't write any boring ones. The essence of his message here, which Kim sums up in an extended afterword, is that Australia urgently needs to do more to lift its diplomatic and defence efforts for our national security. He says we should be increasing defence spending to 2.3% of GDP—his original spending aspiration in 1987—and doing more to sustain 'an even deeper engagement with our disruptive ally' the United States.

While Kim Beazley returns to public service once again as Governor of Western Australia, we are delighted to offer his 'collected thoughts' as an ASPI distinguished fellow. His views on some of the most difficult international security problems we face deserve careful consideration.

Peter Jennings
Executive Director, ASPI
30 November 2018

Prologue

ASPI at 15: reflections of a former defence minister

24 August 2016

Image courtesy of Paul Downey on Flickr.

This is an era of intense political news management by governments. It's an extraordinary thing that one of the governments that has been most effective at it, the Howard government, put in place an organisation whose purpose would inevitably be to shine a light on the dark corners of the largely arcane functions of a critical government agency. That wasn't ASPI's main purpose, of course. That was to provide informed discussion of the defence of the nation to better shape public debate.

It's possible some in governing circles hoped they were creating a propaganda arm for the broader function and the government's handling of it. That was never going to happen. Credibility is based on integrity. The types of academics and public officials finding their way onto ASPI's staff would always comprehend that. To their credit, successive governments have accepted that, though sometimes through clenched teeth.

Australia is think tank–starved. Those we have are very good. However, insofar as they encompass the subject matter of the ASPI programs, they broadly stop at the point of intersection between foreign policy and strategy. Historically, only the Strategic and Defence Studies Centre at the Australian National University has crossed into the more granular aspects of national security policy. SDSC's work in the 1970s and 1980s demonstrated the capacity for public discussion of national security issues, both to influence policy and to shape public debate.

I've written elsewhere of how vital that work was for the policies adopted by the Hawke and Keating governments. That was an era when the national security debate dominated politics. Domestic issues were important, but national security aroused the passions. Since planning for the defence of the continent was one of the major reasons the Australian colonies federated, that was only appropriate. The reality has been that, absent hot or cold war, defence is a distant electoral concern.

Des Ball described the 1970s and '80s as the 'golden era' of defence policy. But the influential figures on defence policy external to government fitted into one of the committee rooms of the ANU's University House. The addition of ASPI to the defence think tank ranks meant that we could at least fill the major meeting room. Indeed ASPI now provides a bigger one.

The Cold War narrowed and focused the defence debate and function. The post–Cold War era has seen a surge in the complexity of the national security issues confronting defence planners. They've been taken well beyond the confines of the policy territory handled by the defence agencies. Interestingly, that's reflected in ASPI's research programs. In 2001, there were three: Strategy and International, Operations and Capability, and Budget and Management. Now there are seven: Defence and Strategy, International, Cyber Policy, Strategic Policing and Law Enforcement, Border Security, Counter-Terrorism, and Risk and Resilience.

ASPI came along not a moment too soon. One month after its creation, the events of 9/11 took us out of the sunny uplands of the post–Cold War glow into the abyss of seemingly insoluble issues of confessional disputes, centred in the Middle East but of global reach. As they've evolved, one consequence has been the creation of a crisis of people movement as catastrophic as the aftermath of World War II.

Climate change has added new security challenges to the mix, as well as exacerbating old ones. And, to complicate things, the rise of new powers is not entirely peaceful. Technological change likewise produces new opportunities and challenges for old states, new powers and able non-state actors. ASPI's staffing numbers for its first 10 years hovered between the original nine and 15—useful but rather small. The past five years has seen that grow to 40.

For me, the original group of programs remains critical, though the others are essential. The *Cost of defence* is the seminal document. Mark Thomson has led the process, and Janice Johnson its production, from the very beginning. The product is unequalled globally in its accessibility to a non-specialist but interested member of the general public. Mark's writing on the funding of defence stamps reality on the broader debate.

ASPI's analysis exposes the consequences of the peace dividend we've taken since the early 1990s. Even with recent spending increases, our defence budget doesn't go beyond 7% of government budget outlays and 2% of GDP. In the 'golden era', we were above 8% and 2.3% respectively. Defence would be operating with $5 billion more per annum were we still there.

That makes obtaining value for money significant. ASPI analyses of defence acquisitions are invaluable in illuminating that task. The addition of *The Strategist*, created coincidently with the staffing surge, has ensured regular exposure of the best thinking in this area. It has also provided a forum for the broader issues debate. Over a thousand pieces were published on *The Strategist* in 2015. ASPI's events—over 100 of various types in 2015–16—greatly add to the public strength of the institute's contribution.

Generally, but not always, this contribution would be viewed as an asset to the defence function in official circles. Among other government agencies competing for the taxpayer dollar, that wouldn't be seen as being of unalloyed merit. But it's hard to see how we could have an effective public discussion and for defence to receive the saliency it needs otherwise. A combination of rising costs and falling revenue due to the diffusion of public focus to social media are driving down the capacity of conventional media to sustain informed attention. Happy birthday and many long years to you, ASPI.

Self-reliance within our alliances: national strategy and defence planning

Reflections on the defence of Australia, 1987 (part 1)

6 July 2017

Image courtesy of the Department of Defence.

The 1987 defence white paper, *The defence of Australia*, didn't represent new thinking. Some observers may have thought that was the case, given the anxious critiques of it by advocates of 'forward defence', particularly those politically devoted to identifying gaps between Australia under a Labor government and our principal ally, the United States.

Those commentators portrayed a retreat to 'fortress Australia', with the implication that we were establishing a fault line in the Western alliance. What DWP '87 did was render coherent, for the purposes of our defence force structure planning, years of careful thinking by departmental officials, and, to a lesser but important degree, by governments and the burgeoning national security academic community.

DWP '87 has to be considered in conjunction with a report written by the minister for defence's consultant, Paul Dibb, published a year earlier. Terminologies were different then. Dibb had recommended a military strategy of denial that rapidly drew criticism from 'forward defence' advocates. 'Denial' in the Dibb report was replaced in DWP '87 by a strategy of 'layered defence' and 'defence in depth'.

DWP ’87 placed the key concepts in the Dibb report within regional and global security structures and commitments—matters Dibb was instructed not to comment on. Doing so blunted, to some degree, the critics. The continuities, however, were vastly greater than the discontinuities. The Dibb document illuminated the rationale behind the white paper. For the first time, and in an era in which national security issues enjoyed political saliency, the Australian public had before it the product of nearly three decades’ worth of official cogitation on the defence of Australia.

The genesis of that thinking can be dated back to the 1959 *Strategic basis* paper, which, though set aside by the government of the day, reflected widespread internal official views. The paper asserted:

> As our forces could be re-shaped only over a long period of years they should be designed primarily with the ability to act independently of Allies. Such forces could act conjointly with Allies in regional defence arrangements. On the other hand forces shaped solely to act in concert with major Allies would not necessarily be capable of an independent role.

Though the Menzies government did not explicitly act on that assumption, ironically it ordered the substance of such a force. That was in response to doubts about the British sustaining their regional presence for the long term, fears about *Konfrontasi* in Sukarno-era Indonesia, and concerns about whether the US would judge political developments in Southeast Asia as vital to Western security interests. The 1967 British decision to withdraw from ‘east of Suez’ ended any hopes for a return to the old ways. Then came President Richard Nixon’s 1969 Guam doctrine, which assigned Southeast Asia secondary status and enjoined allies and friends to look to their own defences in the first instance.

The key chapter in DWP ’87 for giving coherence to official thinking was chapter 3, ‘Priorities for force development’. Here, I would argue, for both its primary relevance then and its enduring relevance today, was the notion of ‘escalated low level conflict’. It judged that within our region of primary strategic interest the capability existed to mount difficult conventional but still limited military operations against Australia: ‘These could take the form of increased levels of air and sea harassment, extending to air attacks on northern settlements and off-shore installations and territories, attacks on shipping in proximate areas, mining of northern ports, and more frequent and more intensive raids by land forces.’ It was not assumed then that anyone had such intentions, but capabilities in the region were beginning to show the potential for such activities should intentions change.

The carefully calculated dimensions of an ‘escalated low level threat’ drove the defence force structure. The Dibb report and DWP ’87 overthrew the previous driver, the ‘core force concept’. Despite 20 years of revised thinking, we had not moved away essentially from timely replacement of existing capability.

Two concepts supplanted it. The first was the ‘force in being’—the air, naval and army requirements that would be structured and equipped to deal with threat scenarios on the immediate horizon. The second was the ‘expansion base’—the vital capabilities that needed to be kept in service should the worst occur. The basic equipment and skills would be there for an expansion in equipment numbers and personnel. For the navy this dictated, for example, 17 anti-submarine warfare/air-defence capable Tier 1 and Tier 2 ships for the ‘force in being’ based on credible scenarios in the choke points of our northern approaches. This was not a ‘think of a number’ exercise.

As the Cold War ended and we claimed a 'peace dividend', those calculations fell into disuse. Faced with extensive out-of-area deployments and the difficulties shown up by the 1999 East Timor commitment, the 1987 rationale disappeared along with the calculations. The excellent performance of our military in the Middle East, Timor and the South Pacific reinforced a sense that nothing was amiss.

That confidence has persisted through the recent white papers. DWP 2016 gave equal prominence to our global and regional commitments as force structure determinants with the defence of our approaches. The 'core force' has returned unannounced. It has done so just when our strategic environment has taken a turn for the worse.

Reflections on the defence of Australia, 1987 (part 2)

12 July 2017

Image courtesy of Wikimedia Commons.

ASPI's Mark Thomson in his report on this year's defence budget has drawn our attention to the analysis by the US National Intelligence Council released early this year. The council foresees 'deep shifts in the global landscape that portend a dark and difficult near future. The next five years will see rising tensions within and between countries.' Further, 'for better and worse, the emerging global landscape is drawing to a close an era of American dominance following the Cold War. So, too, perhaps is the rules-based international order that emerged after World War II.'

For us, more directly, what has changed since 1987 when we judged that the possibility of 'escalated low level threats' would have to determine much of today's force structure? At that time our GDP was greater than ASEAN's combined. Now Indonesia alone looks likely to pass us in the foreseeable future. In 1987, non-state actors posed little threat in our neighbouring states and to our sea lines of communication. Now a number of militant Islamist movements threaten governments.

Al-Qaeda includes sea-lane harassment among its ambitions. What are now ISIL affiliates use those waterways to commit acts of piracy. Regional armed forces, previously focused on internal security, are now acquiring force-projection capabilities. The unsettled maritime boundaries of our region, then latent in their impact, are now at the forefront of regional diplomacy.

The calculation beneath the immediate threat in 1987 was that our military capabilities could have to deal with a range of contingencies including 'increased levels of air and sea harassment' and air attacks on 'northern settlements and offshore installations and territories'. Attacks on 'shipping in proximate areas, mining of northern ports, and more frequent raids by land forces' were also contemplated.

Over the past 30 years, regional military capabilities to conduct such operations have increased exponentially. Importantly, the calculation of intentions by state and non-state actors is immensely more complicated. The deadening effect on local delinquencies that the cautious Cold War superpowers sometimes exerted has largely disappeared.

We are now in warning time on a variety of fronts. The concept and its systematic force structure guidance has disappeared from our defence white papers. To be fair, pages 22 and 140 of DWP 2016 contain brief sections on managing greater preparedness and responding to strategic risk. There are also references to improving our defence infrastructure in relevant areas. We've been effectively engaged in multiple out-of-area activities since the 1987 DWP. That's consumed official focus as well as resources. Further—much encouraged by us—our principal ally engaged with us and our local friends on security issues in our region more intensively in the last decade. It's still so engaged, but with a more intensely unilateralist approach.

It's clear that our problems are immediate. But our planning is not. The excellent capabilities outlined in the DWPs published from 2009 to 2016 are, in many cases, still decades away in planned commissioning of platforms. I'm likely to be dead by the time the first new submarine is accepted and will certainly be by the last. Fortunately, air capabilities are arriving earlier.

More than that we need a focus on the preparedness of the force in being. Those are the capabilities we'll have for the next 10 years. We need to look at enhancing current platforms and keeping them in service longer. Note that as the US struggles towards a 350-ship navy, many platforms are as likely to be unmothballed as built. We also need to look to war stocks and essential supplies.

There's a civilian component to this. If one was going to bring forward the 1987 vulnerabilities that are most immediate, one would look to sea lines and oil supplies. Our oil resources are well below international standards and, unlike in 1987, our refining capacity has almost disappeared. International Energy Agency rules say we should have 90 days' worth of oil supplies. Uniquely among OECD countries, we are nowhere near that. (It has to be said, though, that getting there would be very expensive, with an unwanted load on petrol prices.) We feel secure because our supplies are in friendly Singapore or at sea between us. Singapore is not going to turn off the tap, but those sea lanes are something else.

Hardening vulnerable facilities as well as war stocks would be useful enhancements. Except for the oil issues, that would not be a major expense when compared with the cost of the new platforms. However, we would be running more quickly to the government's stated target of 2% of GDP for defence spending. For all this to be acceptable, the political leadership in the first place, and then the public, would need to see with clarity the kinds of scenarios that the new capabilities were being acquired to deal with.

That type of planning has to be developed and provided by the government's defence advisers. It was intensively developed in the 1980s. Its product and the underlying thinking were presented to the political leadership and the Australian people in the 1986 Dibb report and DWP '87. The principal complaint then was that it was insufficiently ambitious. But even so we didn't achieve the planned force levels. Now such assessments might well drive and enable a higher commitment.

The US intelligence agencies have given us a warning as stark as we got from President Nixon on Guam in 1969. We'd better respond.

Des Ball: a personal recollection

27 October 2016

Image courtesy of Darren Boyd.

Des Ball was one of Australia's greatest strategic thinkers and analysts; an unassuming patriot. His thoughts and analysis pervaded Australian political debate and consideration of our national security interests for decades. His output and his scholarship were prodigious. While Australia has produced a number of outstanding strategic thinkers, none have written more influentially than Des Ball and certainly not in sheer volume.

When I was defence minister I feared we would lose Des to North America or the United Kingdom. At that point I saw his thinking as essential to our national deliberations on Australian security policy. His departure would have diminished our capacity to round out some important directions in planning for the defence of Australia. Accordingly, I wrote to the ANU asking the university to appoint him as 'special professor'. To do so, I argued, 'would do the nation a substantial service'.

Others have done justice to the breadth of his work and interests in the obituaries and commentaries here and elsewhere over the last week. I want to focus on one major aspect of his contribution. His writing on the key elements of Australia's relationship with the US and our national strategy, military strategy and force structure came to public attention precisely when his work was most needed. In the aftermath of

the Vietnam War, and in the wake of the so-called Nixon doctrine and the British withdrawal east of Suez, Australian consideration of our national security needs was in a state of flux. Debate centred on two core questions: What should we contribute to the US alliance? And what should our national defence posture be? Des's research—deep, authoritative, detailed, and publicly available—was critical to the way our debate evolved.

Des was particularly important to discussion within the ALP as it positioned for its longest period in government. As I have written elsewhere, he was essentially a 'man of the left, not only intellectually but in lifestyle and demeanour'. He was particularly influential with sections of the party who were critical of alliance relationships and uncertain about the priority accorded to defence spending. His political leaning made him, more than most others, a voice to be considered—not by just ALP members but broader groups in the community critical of past directions.

But he also transcended the left. His integrity compelled him to seek a deep understanding of the global distribution of power. He was not interested in finding fault with allies and conservatives per se. He wanted to know how the system worked, and how and on what basis decision-makers in the system made their calculations. His was what is these days described as a granular approach. His understanding of political calculations was consolidated in his understanding of the capabilities deployed. It was not sufficient to find fault. It was essential to understand. The sheer detail of his work, both on the infrastructure of the Australian contribution to the global central balance and on the latter's broader structure, meant he enjoyed trust across the political spectrum. That flowed through to the work he was doing alongside others in fleshing out the detail of Australia's defence planning, strategy and policy under the rubric of the ideal of 'self-reliance'.

A standout book published in 1980 was *A suitable piece of real estate*. This went to the heart of what he described rightly as the 'strategic essence' of the Australia–America relationship. With its publication, those of us in political life were compelled to incorporate the joint facilities and their role in the balance of terror within our own calculation of the Australian national interests. That included the possibility of Australian involvement in a nuclear exchange.

Having set the hares running, he went before a parliamentary committee arguing that though the joint facilities would be targeted, we could live with them. Their role in deterring war and enhancing transparency in the system essential for arms control agreements and strategic stability amply justified their continuation. However, Australia needed the capacity for full knowledge and concurrence with the capabilities and operations of the stations. This was essential for democratic decision-making. It was a basic requirement of Australian sovereignty. Ironically, by pursuing formulas that Des essentially developed, we now effectively incorporate the facilities directly in Australia's intelligence order of battle and the functioning of our forces. What was required knowledge for our political system's integrity is now integral to our defence.

This doesn't do justice to a life's work that canvassed justice for minorities in our region, the development of regional institutions for strategic confidence-building and transparency, the broad issues of the global distribution of power, and our own direct defence issues. His reputation, however, could stand on the alliance issues alone. It seems to me his work doesn't have to be enumerated so much as weighed. Certainly if his retained research documents are thrown in, we are talking in terms of tonnes!

Des Ball was one of the most unselfish academics I have known. As I was transitioning from academic life to politics he rang me up to contribute a chapter for a book on civil defence. 'Didn't have the time to do it justice', I said in those pre-internet days. 'No worries', said Des as he dumped on me a stack of his own research. I'm aware I'm not alone in this. He had a talent for friendship and his friends were a broad set. He was largely bereft of bitterness and fault-finding and pleased to be in an environment where rational discussion was possible. You had to be out in the field when you researched. When you get to the field, you aren't sure what you'll find. In our region, Des found people who engaged his heart. He found them at home too with his seminal writing on the contribution of indigenous Australians to our national defence.

We will not see his like again.

DWP 2016: a throwback to a harder era

2 March 2016

Image courtesy of Wikimedia Commons.

The 2016 defence white paper is a first-class statement on Australia's strategic situation. It proffers a balanced view of the significance of Australia's alliances and ably inserts their defence in the context of broader regional and global politics.

A force structure emerges that's affordable and well pitched to an understanding of the need for an Australian technological edge in a strategic zone to the north of Australia—an area which is witnessing a surge in military capability (and capacity for force projection) at a faster rate than anywhere else. DWP 2016 contains an industry policy which slams into reverse a 20-year drift towards off-the-shelf equipment acquisition. Nowhere is the term 'self-reliance' used, but we have a defence industry policy that adopts the rationale and content of the industry section of the 1987 white paper. The rationale then was self-reliance; optimising the ability to build and sustain as many of our platforms as possible. One has a sneaking suspicion we owe this excellent revival to the voters of South Australia.

As a defence statement it has some flaws, which are best encapsulated in paragraphs 3.10 and 3.11. Paragraph 3.10 says:

> To ensure Defence has the necessary force structure and force posture to defend and further Australia's Strategic Defence Interests, the Government has agreed to three equally-weighted high-level Strategic Defence Objectives to guide the development of the future force set out in this White Paper. The Strategic Defence Objectives outline the activities the Government expects Defence to be able to conduct if the Government decides to use military power in support of Australia's Strategic Defence Interests.

Paragraph 3.11 defines the strategic defence objectives:

- Deter, deny and defeat attacks on or threats to Australia and its national interests, and northern approaches.
- Make effective military contributions to support the security of maritime South East Asia and support the governments of Papua New Guinea, Timor-Leste and of Pacific Island Countries to build and strengthen their security.
- Contribute military capabilities to coalition operations that support Australia's interests in a rules-based global order.

All three are indeed important defence objectives and have been pursued on a bipartisan basis by Australian governments since before the Cold War ended. But they've not been pursued as coequal determinants of the force structure. That's because if the government were to do so it would be impossible to prioritise a tight budget. Just about any item of expensive kit could be justified under one of them.

Hitherto the first of the objectives, pursued in the context of an area previously defined as of 'direct military interest' to Australia, has been the dominant influence. Forces required for the further objectives have been identified as being drawn from a structure pitched to the first.

There's no discussion of military strategy in DWP 2016. With a focus on the first strategic objective, this strategy would be defence in depth or layered defence. There's no detailed assessment of most likely threats and concepts of warning time. There's no clear differentiation in development of capability on what belongs in the 'force in being' and what is placed as part of an 'expansion base' activated in a shift to a high-threat environment.

Pursuing such detailed analysis of course becomes highly contentious. It's possible some of it is canvassed in the classified version and in scenario-based planning in the department. Past papers have seen fit to canvass these issues in public. It's possible that exercising this discipline might be seen by the government to be a throwback to an unacceptable past. What had then been a longstanding preference for a force structure based on expeditionary activities was replaced by a determination, in the first instance, to defend Australia's approaches. If the spending in the 2016 white paper gets into trouble down the track, the best defence will be found in planning for an uncertain region.

DWP 2016 is saved by a number of factors. It offers a sophisticated enunciation of the multitude of problems Australia confronts globally. It takes a welcome step in prioritising the shifting threat environment into new spheres of cyber and space. It positions us well on the areas of force structure and industry policy for Australia–US collaboration on the technologies entailed in Washington's so-called third offset strategy. Broadly, the 2016 document is strong on allied collaboration.

Above all, the actual force structure which emerges, particularly big-ticket items for the RAAF, together with submarines and with facilities in the north, conforms to the first strategic defence objective. It ends up in major ways being the defence of Australia document you get when you dare not speak its name. The return to a self-reliant industry policy is at the heart of this. The arguments on sustainment, innovation and enhanced workforce skills are all a throwback to a harder era and are very welcome.

Agenda for change 2016: defence policy

9 June 2016

Image courtesy of Flickr user chubbyhomer.

This piece is drawn from the June 2016 ASPI strategy paper Agenda for change 2016: strategic choices for the next government.

The 2016 defence white paper didn't end the contemporary defence debate; it began it.

Our strategic environment is full of uncertainties, and material defence capabilities are so situated in a revolutionary moment that no decades-long projection can survive more than two or three years as a source of comfort for policymakers. Our defence and broader diplomacy need to reflect the challenges and opportunities identified in the white paper. Some of it goes to medium-term projections on what appeared settled: funding and major equipment. Above all, the ideas indicate why it is desirable to have white papers at least every five years. The questions unanswered will always be more important than those which are.

We federated over a hundred years ago as a nation, in large measure because we perceived the need for a national defence. Defence has a very modest share of the budget pie. Even with the intention to

lift GDP share, annual defence outlays remain around 7.5% of the federal budget. They are dwarfed by social spending. Yet whenever commentators reach for an example of something we could do without it is inevitably from the defence capital program.

So a sense of proportion is retained: in the 1980s when I was defence minister we routinely accounted for around 8.5–9.0% of the budget. The government averaged 2.3% of GDP in defence spending. Were we dealing with these numbers now, the defence budget would be $5 billion a year better off. Yet, as the Soviets used to say, 'the correlation of forces' has shifted decisively against us.

In 1987 our GDP exceeded that of the ASEAN states combined. Indonesia's economy alone is passing us now. We seized a peace dividend at the end of the Cold War and nothing in the numbers suggests we want to seriously amend that. That's a massive constraint. We can't afford a blowout in a major program. The proceeds which flow from Defence reform will be critical. None of it will be sufficient. The spread of a consensus on the vital character of the defence function has to be the ballast at least of its sustainment but also a platform for a closer look at priority.

In allied relationships the paradox of the post–Cold War era is that we're now closer to the United States than we were then. This simply reflects the transition of Southeast Asia from a post-Vietnam Cold War backwater to the southern tier of the focal point of the global economy. As the Americans engage Asia they appreciate a 'muse' with an agenda less troublesome than those of their other allies.

From our point of view, access to the best American technology is now critical for any chance of an Australian capability edge in our strategic zone. This is the post–'revolution in military affairs' or 'second offset' event acting out in our procurement program. It took effect in the early 1990s. We spend $13 million a working day in US defence industry. The Australian embassy in Washington DC manages over 400 foreign military sales programs. To cite one example of the fruit of this, one could point to the most effective air defence of our approaches we have ever had.

Both globally and regionally, our strategic situation has deteriorated. We confront a fraught situation in the Middle East where we support fragile local allies struggling with the fundamentalist extremist side of a confessional dispute in the Muslim community. We do so because our American ally is there, we have been engaged in Iraq and Afghanistan, and we know, though this aspect of the struggle is local to the Middle East, it is global in impact. There's a real possibility of its intensification in the region where the bulk of the world's Muslims reside—Asia.

Though there's no good reason for it, Russia determines a course dragging the US back to a European confrontation. China ignores the sage advice of Deng Xiaoping and persists in a challenge around its maritime borders. Global events, particularly the impact of climate change, tease forth a multiplicity of conflict scenarios. These are intellectually more challenging than a simple reflection on defending our approaches. They make prioritising force structure issues very hard and DWP 2016 unsatisfactorily resolved this by delineating all challenges as of equal priority.

In the next few years this will be less of a challenge to defence policymakers than the impact of a further technological revolution in defence equipment. The 'third offset strategy' is well underway. Artificial intelligence, autonomous systems and directed-energy weapons, together with applications of these changes in space and underwater systems in particular, disturb not only our priorities but the viability and relevance of some very expensive platforms.

One wonders, for example, over the long-term prospect of SEA 1000 when strides seem at last to be made on the use of autonomous systems in underwater detection. Directed-energy weapons render potent a lesser platform than the US normally operates at sea. Ballistic-missile defences are becoming more viable and from an American point of view more important. The new systems, if affordable, trump most capacities for regional asymmetric warfare. Down this road goes obsolescence of a lot we plan on and a premium on the American relationship.

Assuming the US sustains its global stance, our future conversation will be not so much about interoperability as about integration. The US will increasingly rely on using the capacities of others as it confronts the costs of replacing platforms, supporting personnel and introducing new weapons.

Australia's defence planning will be massively more complex than has appeared to be the case with DWP 2016. And more expensive. We face a major strategic challenge for our national budget: can we sustain hybrid European levels of social provision and a hybrid American taxation system?

We can't and we won't face up to it. Unless we do, one wonders how we tease out of the budget what really ought to be our first-order priority—the resources to sustain the means of our survival.

Australia's future submarine: problems of politics

5 May 2016

Image courtesy of the Department of Defence.

While I was ambassador to the US, I visited Electric Boat's yard in Groton, Connecticut, where the US Navy's latest Virginia-class nuclear submarines are under construction. This wasn't an indulgence. Part of my job was to seek constant reassurance from the relevant officials of our ally that strong US support would be forthcoming when we finally decided on a process and partner(s) for the replacement for the Collins-class submarines. That reassurance was constantly but, lately, impatiently given. They came to wonder when we would get on with it. The US regards the Australian submarine as a potent addition to allied underwater strength in the Pacific.

I was taken aboard the then-latest Virginia-class submarine, USS *Missouri*. The captain showed us the control room and asked me if I recognised anything. I said, 'Yes', and told him that I appeared to be standing in a Collins-class submarine. He responded, 'Exactly.' The US had benefited greatly from the structures we had put in place in the Collins. He had served as an exchange officer on one of them. 'Best submarine I have served on.' It was polite hyperbole, but the US Navy has great respect for the class nonetheless. It has been a handful in joint exercises—so troubling, in fact, that a couple of years ago they hired the Swedes to practise on, as they tried to get to grips with finding modern conventional submarines. On my bookshelf sits a photo of the carrier USS *Abraham Lincoln* taken on exercise through the periscope of a Collins. The submarine, undetected, had just put three 'torpedos' into the carrier.

The Collins-class submarines are a great Australian engineering accomplishment. To go from no background in submarine production to building one of the best conventional submarines ever produced was a genuine national achievement. Its recognition elsewhere isn't replicated here because a successful political campaign demonised it. That fed into a media unaccustomed to domestic complex defence production. 'Dud subs' as a headline beats the hell out of 'problems to fix' any day. All complex defence platforms take years to shake out. Our experience was no different from the F-111 when introduced or the F-35 fighter now. You know at the end of the day the problems will be fixed because governments and manufacturers know they have the need and ingenuity to fix them.

I had hoped we would, as most submarine-building nations do, determine on an iteration of the Collins for the replacement submarine. That was apparently studied a while ago. Some held fears that the intellectual property wouldn't be teased out of the Swedes. We had some mighty fights on that front. It's a shame the Swedes weren't included in the bid. Frankly, so politically poisonous had the atmosphere in Canberra around the Collins become, that I can understand departmental and governmental fears. We're now much more knowledgeable than we were in the 1980s. This build should be easier with our experience. And no minister for defence connected with it is likely to be an opposition leader as production of the future submarine unfolds.

As was the case in 1987 when the Swedes won, so it is now. The boat least expected, the Shortfin Barracuda Block 1A, won the bid. Selection by the RAN and Defence Department can be trusted now as it was to be trusted then. People should understand this. Our navy and Defence Department will tolerate political determination of the size of the program, a determination for a local build and the location of that build. The premium is worth it as it massively aids long-term sustainment and improvement. They will revolt against political determination of source selection. They have to fight from the boat and they want the best they can get. We have been lucky with Rear Admiral Greg Sammut as head of the evaluation team and in the current service/departmental leadership.

Like most directly associated with submarines in the US at the beginning of this selection, I hoped for the Japanese outcome. This wasn't related to calculations about Pacific politics but respect for the Japanese boat and a fear that politics might suborn it. Paradoxically, the timetable the government set may have scuppered that outcome. A year was not enough. The Japanese, not being arms exporters let alone constructors in another country, needed more time to bid an appealing design. The RAN demands a bid of the best a country can offer. They expect every element of a bidding country's knowledge and capacity in the design. That's a very tall order in a very arcane world. A world in which our navy is thoroughly rehearsed courtesy of the Collins.

By all reports, the French gave Australia the best they could offer. French engineering will be tested to the limits on this one. They have a brilliant propulsion system and they will have been careful in their presentation not to talk above themselves. It's not a simple matter to put a conventional system into a nuclear boat. I was told by one American that there's about eight times the amount of piping in a nuclear boat as in a conventional one, so they should have plenty of space to play with. We are, both nations, now setting out on a long and risky journey. French scientists and engineers are superb so they have the herbs.

One hopes we will have a wiser media and political leadership courtesy of the Collins experience. That will require the tolerance and acceptance of the trial and error that goes with the acquisition of all major defence platforms.

Nulka: the future of Australia's defence industry

10 January 2017

Image courtesy of the Department of Defence.

I was permitted a point of pride late last year when reports came in that Australia's decoy rocket, Nulka, diverted a missile attack on the American warship USS *Mason* off the coast of Yemen. As always, success has a hundred fathers, and credit for the failed missile attack is also being claimed for a couple of fired SM-2s and an evolved Seasparrow. An investigation is underway. The defence industry minister, Christopher Pyne, has no doubt about Australia's singular role, observing in London recently: 'A US warship, the USS *Mason*, was recently attacked while off the coast of Yemen by Houthi rebels with what was believed to be landbased antiship cruise missiles. Fortunately, the ship was equipped with Australian-made Nulka decoys which were deployed, and the missiles crashed into the sea.'

Nulka is cutting-edge technology and our largest defence export. It's a product of an exchange I had with the then US defence secretary Cap Weinberger in the mid-1980s. Some of it's told in the Defence Department's book, *Nulka: a compelling story—ingenuity, partnership, perseverance*. At the time, I was annoyed by our inability to get the codes for the APG 65 radar on the RAAF's F/A-18s. The codes

supplied to us could only identify Warsaw Pact aircraft as foes when most of our potential targets were Western-sourced. Further, we were then the second largest arms customer for the US defence industry, with nothing to show on the other side of the ledger.

Before the meeting, the department gave me an extensive briefing paper requesting I sign off the termination of then developmental Project Winnin (now Nulka). I didn't sign it but it was in my notes carried into the meeting. I started with my whinges. Weinberger interrupted me and said, 'I am sick of your whining but you never give me something concrete.' I thought he needed an answer and, as luck would have it, one was to hand. I dragged out the briefing paper and replied, 'How about this then?' His advisers were aware of the planned cancellation and showed visible consternation. 'Done', he immediately responded. He turned to his alarmed folk and said, 'Make it happen—no argument.'

Later, at the inaugural meeting of AUSMIN in San Francisco in August 1986, we signed off on an agreement to collaborate on full-scale development of the concept developed by our then Defence Science and Technology Organisation. As well as being in service on our warships, the Nulka system is now deployed on many American vessels and, after the *Mason* incident, I suspect it'll appear on more.

At the time, and at that stage of development, Nulka was more symbolic. A lot of work had to be done, particularly on the payload, and largely at the American end. The challenge was to produce a signature more powerful for the homing system of an incoming missile than that registered by the ship which launched it. Nulka became an important symbol for both Australian defence science and Australian defence industry. It was important, too, for the alliance as a two-way street. For me, it assuaged some of the sorrow at the removal of New Zealand from the process of the annual meetings.

It's now a symbol of something else entirely: the possibilities for advanced Australian manufacturing. Protectionism's back on the table but our protected industries are either gone or their remaining elements, globally competitive. A protected market of 24 million sitting in a regional market of 3 billion makes no sense for an investor anymore. That horse has bolted, and the gate can't sensibly be closed.

Our manufacturing future lies in niche products, internationally collaborative enterprises and global supply chains. Nulka ticks all these boxes. As a BAE Systems Australia publication points out, it's the prime contractor and systems design agent. Lockheed Martin (USA) is the design agent for the electronic warfare payload. Aerojet Inc. (USA) manufactures the rocket motor. BAE Systems builds the flight control hardware in Edinburgh Parks, South Australia, and tests and assembles the system at its Nulka Round Assembly Facility in Mulwala, New South Wales. These are a powerful group of defence manufacturers. As well as being our largest regular defence export program, Nulka is subject to continual development to keep it ahead of emerging countermeasures.

The Nulka story is part of the ballast of our alliance relationship as we seek to influence the direction of president-elect Donald Trump's policy in our region in particular. The Nulka system will be part of the defences of the new warships ships he plans to construct.

Now's not an easy time. Our region will want us to spend a great deal of our political capital trying to alter what's an obvious predilection on the part of the incoming Trump administration to nationalist unilateralism—a direction which may destabilise hopes for peace and prosperity. Six years ago we spent some of that capital influencing the Obama administration, classic American liberal internationalists, to extend that approach to the Asian pivot. They fitted in well, ticking all the boxes Asians demand of their international community—basically, being there and engaging. That's going to be a lot harder after 20 January.

The US alliance from MacArthur to Mattis

The Coral Sea, 1942: a nation-saving battle

3 May 2017

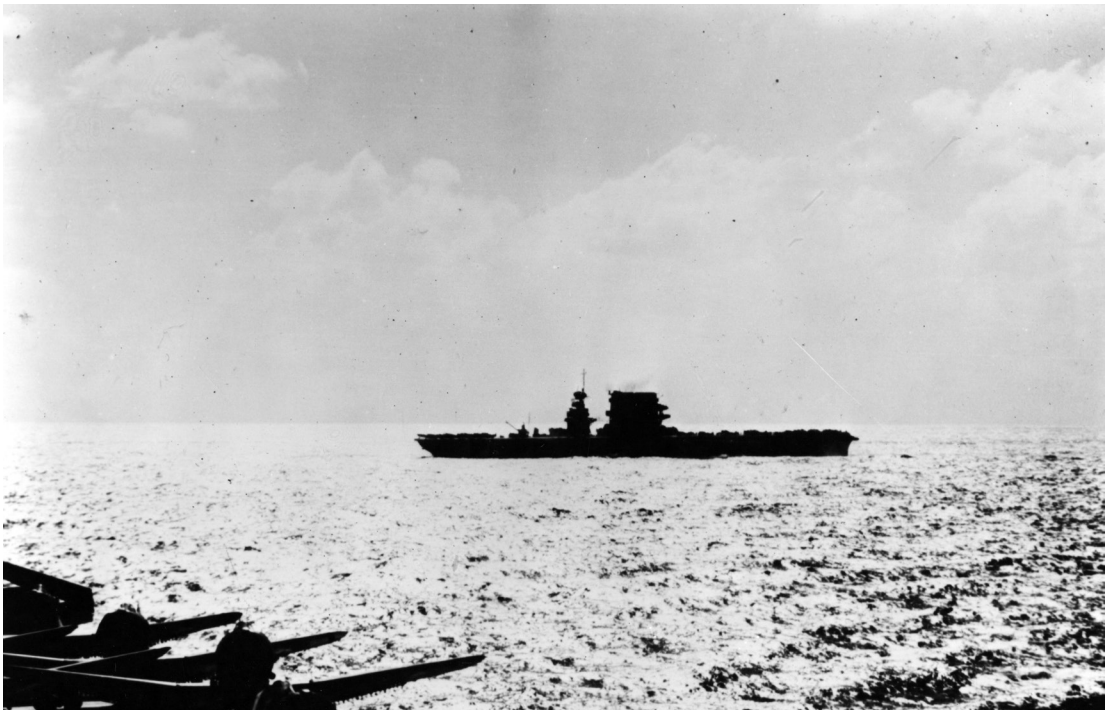

Image courtesy of the US Navy.

The Battle of the Coral Sea isn't as iconic in our national consciousness as Gallipoli, Kokoda, or even El Alamein, Villers-Bretonneux, Amiens or Beersheba. Those battles and others in the two world wars played into our evolving sense of what we were, and are, as a people, and our national character.

Coral Sea stands to the side. It was a critical event stabilising what seemed to be a freefalling disaster in our strategic situation as the Japanese thrust south punctured every assumption we had of the decisive value of imperial defence. Our anxiety was magnified by the Japanese rolling up every island we'd defined as critical to our national fortress, and they were now dragging down the drawbridge in Papua New Guinea.

Coral Sea was nation-saving not nation-creating. It was a materialisation of the validity of the judgement on the need to shift our assumptions about allies Curtin enunciated in an article in the Melbourne *Herald* on the eve of our year of living dangerously: 'Australia looks to America, free of any pangs as to our traditional links and kinship with the UK.'

That was hard calculation. The emotional dénouement is in Curtin's spine-tingling speech to parliament on 8 May 1942, when the battle was in progress: 'As I speak, those who are participating in the engagement are conforming to the sternest discipline and are subjecting themselves with all that they

have—it may be for many of them the last full measure of their devotion—to accomplish the increased safety and security of this territory.'

Outside specialist historians and the US Navy, the battle doesn't resonate for Americans like Pearl Harbor, Midway and the island campaigns to Japan, but they've come to understand that it looms large in our strategic consciousness.

Some strategic thinkers see the Coral Sea as imprisoning our imagination and they believe we need a strategic rethink as profound as Curtin's. The region and globe are rebalancing. We need to rebalance regionally to account for new rising powers. Coral Sea is a narrative of a time with a very different regional power distribution that's not relevant today. But it retains currency in how we assess our ally. Our view of the relationship has been formed in an era of massive US dominance. As power becomes more diffuse it feeds a perception of the diminishing value of the relationship, particularly whether or not it's worth spending political capital sustaining it.

Assessments of Coral Sea need freshening up in this post–Cold War, Asia-rising era. Two lessons are very relevant today. The first is the type of ally the US might be in an era in which it's not necessarily preeminent. The second is what the US default position in our region is when its saliency in our broader region is under pressure.

It's extraordinary that the battle was fought at all. It was a very high-risk undertaking by our very new ally when the prospect of the Japanese taking Hawaii was high. Were the Americans to lose the base, the fight-back would have been anchored in San Diego. At the outbreak of war the geopolitics of the Asia–Pacific were dominated by the European empires and rising Japan. US power would need some years to mobilise.

The US was aware it would have to fight a major battle at Midway within a month. That stepping stone had to be denied to Japan to prevent another strike at Hawaii. The Japanese were superior in carriers, battleships and shore-based air strength. They deployed eight fleet carriers and six light carriers, to the US Navy's four fleet carriers. Cautious advice suggested the US should concentrate around Hawaii until construction caught up. American land-based air power on Hawaii had been much improved, but still, to commit half your carrier strength knowing you faced a major battle a month hence was risk-taking of a high order. The US put its territory at risk to support an ally.

We like to talk of 100 years of allied collaboration stretching back to World War I. But the two decades before 1942 had seen Australia devoted to European empire in Asia, and the US opposed to it. We were a newly minted friend on which to spend priceless capital. The lesson here is that the US will go a long way for a friend whether or not it's the preeminent power.

The second lesson is one of geopolitical calculation. Coral Sea revealed the US default point in the Pacific, which involved much debate and disagreement in the Roosevelt administration. The strategic determination, agreed between Roosevelt and Churchill, was to 'beat Hitler first'. The question was whether the US should fight back from the central Pacific or the south, given its inferior forces. Admiral Ernest King, an equal with General George Marshall as an adviser to Roosevelt, conceded that the Germany-first strategy allowed 'very few lines' of military endeavour in the Pacific.

King's line anchored on defence of 'Australasia', securing the chain between Australia and Hawaii. 'Such a line', he said 'would be offensive not passive'. He envisaged it for the Solomons but then soon Papua. Thus the American carriers turned up in the Coral Sea. Their reward was taking two fleet carriers the Japanese had assigned to that task out of the Midway battle. The US faced four, rather than six, carriers to its three. The advantage intelligence gave them, and luck on the day, meant that they won.

King's default position remains the American default position. Currently they are forward in the northern Pacific, which conceals their default position. Were they to leave, or be pushed back from their northern commitments, the geostrategic factors that drove King's calculation about us in the south would remain.

North West Cape: the joint facility that changed Australian politics

12 October 2017

Image courtesy of Antti Lipponen on Flickr.

This is the year of significant anniversaries marking the Australia–US relationship. In May we commemorated the 75th anniversary of the battle of the Coral Sea and more recently the 50th birthday of the joint facilities, led by Pine Gap, which the late Des Ball aptly described as the 'strategic essence' of the American alliance. Last month Defence Minister Marise Payne gave a shout-out for the 50th anniversary of the first of the joint facilities, the North West Cape Naval Communication Station, named for the late Harold E. Holt, one-time Australian prime minister.

The Polaris/Poseidon nuclear-powered ballistic-missile submarines that North West Cape once serviced are long gone. It still closes a gap in the worldwide reach of US submarine communications, but the main users now are our submarines and American nuclear-powered attack submarines. The RAN now runs the facility remotely out of HMAS Stirling.

At its installation, however, North West Cape triggered a reorienting of Labor Party defence policy in a direction pursued by every Labor government since. Less remarked on, the opening of North West Cape effectively ended debate on whether or not Australia would seek its own nuclear defence.

The Labor Party debate over whether and under what conditions a Labor government would persist with the new base generated profound changes in the ALP's policy and the policymaking structure. North West Cape focused debate at a time of major developments in the structure of US strategic forces and global debate on nuclear weapons.

Labor policy in the early 1960s was a product of the federal conference in Hobart in 1955. At that time, the ALP split, spinning off what became the Democratic Labor Party. The foreign policy adopted by Labor, while not repudiating ANZUS, reflected the orientation of the party's left wing towards non-alignment in global politics. Australian government negotiations over North West Cape coincided with a wave of global enthusiasm for nuclear-free zones and test bans as nations wrestled with the prospect of nuclear non-proliferation and disarmament. Significant for Australia was a proposition before the UN for a nuclear-free zone in the southern hemisphere. Those in the ALP motivated by practical support for the alliance and/or electoral concerns were in a struggle with a left-leaning orientation in the 1955 platform that would welcome such initiatives.

Internal debate in the ALP from 1955 followed a tortuous path on the key issue of exactly where the party's policymaking authority should be located—in caucus, at the federal executive or at a party conference. The matter was finally decided at a special conference in Canberra in March 1963.

Two individuals at that gathering played a critical role. One was the late South Australian politician Don Dunstan. The left dominated the federal executive, but they appointed a committee to report a resolution on the matter to the special conference, which gave Dunstan the swing vote. That resolution ultimately carried the conference. The party resolved to support North West Cape with a number of 'sovereignty qualifications' concerning the extent of Australian knowledge of and concurrence with its operations. The other critical figure was J.E. Duggan, the Queensland Labor leader, who broke with his delegation to change an 18–18 tie at the conference to 19–17 in favour of the resolution.

Dunstan later explained his position: 'That alliance with a power possessing nuclear arms and delivery systems means that we must grant communications to those systems.' Not to do so would render ANZUS meaningless. And that, he added, would not 'ensure the adequate defence of Australia at a time when continued communist expansion in South East Asia [has] to be seriously contemplated'.

The raucous debate in March 1963 would prove particularly damaging to Labor's political fortunes. A photograph published in the *Daily Telegraph* of federal party leader Arthur Calwell and deputy leader Gough Whitlam standing outside the hotel where the special conference was taking place led to the lethal political line from Labor's opponents that ALP policy was being determined by '36 faceless men' rather than the elected leaders. It didn't appear to matter that the policy eventually agreed on was clearly in tune with the US alliance and public opinion.

The party's electoral defeat in November 1963 ultimately led to the decisions to include Labor's parliamentary leaders in the party's federal conference and to put parliamentary members on its committees. The ALP's federal structure, then comprising six delegates from each state, was overhauled, resulting in the current national conference structure which more accurately reflects Australia's population distribution.

Less dramatic but equally significant, the commissioning of North West Cape determined our strategic posture. We opted for coverage by the US system of extended nuclear deterrence. The alternatives were non-alignment with little interest in defence; an 'armed and neutral' defence policy; or an independent nuclear deterrent.

On the first, Gough Whitlam argued in his seminal 1968 pamphlet *Beyond Vietnam*: 'An isolationist Australia would be rich, selfish, greedy, racialist and reactionary. Beyond doubt we would be protecting this sort of society with the nuclear bomb.' On the last, the 1960s Liberals seriously contemplated a nuclear weapon.

Regarding nuclear-free zones, Liberal foreign minister Garfield Barwick declared that 'Australia cannot undertake that under no circumstances will Australian forces in the future be armed with nuclear weapons' (quoted in Brian Humphreys, *Calls to the deep*, Defence Publishing Service, 2006). Barwick had Chinese nuclear capabilities in mind. Prime Minister John Gorton went into the 1972 federal election campaign refusing to sign the Nuclear Non-Proliferation Treaty. Whitlam signed it on election. After an altercation with the Nixon administration over the use of North West Cape, the Whitlam government strengthened its oversight of the facility's operations by placing RAN personnel in the control room in 1974.

Labor supported North West Cape as it enabled a stabilising, invulnerable US second-strike capability. By the 1970s the facility had also become critical for communications with Australia's own submarines. We came full circle in 1992 when Australia took over the facility's operations. Almost my last act as defence minister was to write to US secretary of defence Richard Cheney to set that process in motion.

Pine Gap at 50: the paradox of a joint facility

30 August 2017

Image courtesy of Wikimedia Commons.

The late Des Ball once described the joint military facilities that Australia hosts for the United States as constituting the 'strategic essence' of the Australian–American relationship. When he offered that observation, the three facilities he was referring to were Pine Gap, the North West Cape naval communications station and Nurrungar, all established in the 1960s.

Since then, facilities associated with 'space awareness' have been added to support a space surveillance radar and a space telescope. Of the original facilities, technology rendered Nurrungar redundant, though a backup facility for its function was established at Pine Gap. North West Cape was placed under Australian control and remoted from HMAS Stirling. Technological developments over the past few decades, however, have substantially increased Pine Gap's significance to both the United States and Australia. It is now arguably the most significant American intelligence-gathering facility outside the United States. In its genuinely joint character it is unique, and this year it turns 50.

Pine Gap continues to feature in the Australian defence debate generally in the context of issues relating to Australian sovereignty. While the debate is nowhere near as intense as it was in the first 25 years of Pine Gap's existence, it still swirls around what is known of its functions. Its technological capability and how it operates are thoroughly understood by relevant Australian ministers and public servants, but its effectiveness and operations remain closely held.

Support for Pine Gap has been bipartisan, and successive Australian governments have persisted with their preparedness to host it. That status, however, hasn't come without intricate attention to the facility's functions and operations that from time to time has entailed a deal of soul-searching.

Its 50-year history can be roughly divided into two periods—before and after the Cold War. Before the Cold War's conclusion, the story on the Australian side was dominated by securing confidence in our relevant officials' full knowledge of and concurrence with its operations. In the aftermath, it's the steady integration of Pine Gap within our own intelligence and armed services operations that has marked a real functional change. It is now as vital for us as it is for the Americans.

A constant theme among Australian officials has been the critical leverage it has given us in our relationship with our ally. Far from detracting from our sovereignty, our willingness to 'burden-share' through it has strengthened our capacity for independent foreign policy initiative. It has deepened the value of Australia as an American partner and given us strategic weight in the relationship. Should technology render it redundant, we would lose a great deal. Our involvement in new developments with space awareness, which has substantial intrinsic merit, is also potentially a hedge in this regard.

More than for the Coalition parties, the joint facilities have been a source of controversy inside the Labor Party. Labor established a formula for supporting them in the 1960s. That revolved around the issues of 'full knowledge of and concurrence with' their operations and the belief that they served stability in the Cold War's global strategic balance and contributed to prospects for arms control and the avoidance of nuclear war. That latter purpose particularly applied to Pine Gap. Burden-sharing was real because we recognised publicly that they could be targeted in a nuclear exchange in which we might not otherwise be engaged. We were unique among American allies. Others consumed American security. They faced threats which could have embroiled America in a conflict in which the US could be devastated. With us there was no such problem. The US appreciated that consequence for us. In my experience, and from my knowledge of the experiences of others who held the most relevant portfolio, defence, the US has been willing to heed our concerns.

The US has always been prepared to accommodate us on full knowledge and concurrence. That was formalised in 1976. In the 1980s, technological developments produced a substantial problem. Before then, the surveillance had been largely backward-looking. New technologies produced a massive change in operation. Pine Gap went 'real time' and its importance increased to the day-to-day operations of the American client. The only solution for full knowledge and concurrence was to put Australian officials into the heart of the operations so we had real-time understanding of them. Australians were placed on all the shifts and commanded two of them, and the Australian deputy commander was placed in a line of authority.

At the same time, it became obvious to us that while the product of Pine Gap was important to senior American policymakers, they weren't aware of the operations themselves. Accordingly, we put the facilities onto the agenda of AUSMIN meetings. When the new US secretary of defence, Richard Cheney, came out for his first AUSMIN we took him to the facility. I remember his turning to me in amazement as the shift commander began briefing him on the operation. 'She's an Aussie', he said.

The paradox of that deepened, unprecedented Australian involvement was that Pine Gap became critical for us. It's now part of our intelligence and defence order of battle. A statement to parliament in 2013

by the defence minister Stephen Smith was the frankest yet made by any Australian government on the operations at Pine Gap and included our own national interest:

> Through the information gathered at [Pine Gap], Australia is able to access intelligence and early warnings that would be unavailable from any other means and is unique in our region. Pine Gap delivers information on intelligence priorities such as terrorism, the proliferation of weapons of mass destruction, and military and weapons developments.

We would be deaf and blind without Pine Gap. The 50th birthday party this year is a genuinely joint celebration.

The US Asian pivot and Australia's role (part 1)

30 March 2016

Image courtesy of Robert Lyle Bolton on Flickr.

The importance of the 'rules-based global order' as a defence priority appears as frequently in the 2016 defence white paper as 'self-reliance' did in the 1987 DWP. It's the *leitmotif* of the publication.

Multiple challenges from state and non-state actors are identified throughout DWP 2016. The 'rules-based order' rationale underpins the equal priority extended to global commitments as a force structure determinant for the ADF with the more traditional focus on the defence of Australia's approaches. The rationale's emergence deserves some analysis, particularly when it comes to Australian involvement with the US rebalance to Asia. The saliency of the concept of the 'rules-based order' wasn't a product of an allied imperative—it's as much a product of Australia's efforts to influence American strategy.

The origins of the saliency of a priority, given the 'rules-based order', don't lie in the multiple challenges to it identified in DWP 2016. It lies in one of them: the strong pursuit by China of its claims in the South China Sea. It has become the crucial moral/legal rationale legitimising American-led demonstrations of freedom-of-navigation rights against attempts by states in the region to unilaterally assert maritime borders.

The US stance has become a key prop of its Asian pivot. The impact of the 'rules-based' formula, though it scoops up a multiplicity of states engaging in potentially breaching actions, hits a fault line largely with the actions of the rising regional contending power, China. That *leitmotif* is easy to assume as policy for Australia when standing with the US in Europe, the Middle East and Africa. That isn't to belittle our stands on sanctioning Russia over Ukraine, joining the struggle against ISIL, and confronting pirates in the Red Sea. Those actions are costly but the politics are diffuse. Upholding the rules-based order in the South China Sea means metaphorically standing on the rock. We aren't one of many but one of a few, and with a position that clashes with the interests of a powerful friend, not a distant delinquent.

In the tabulation of an alliance's costs and benefits, that weighs on the cost side. Perceptions of the impact of the actions supporting the principle lie at the heart of the notion that Australia confronts a choice between a valued ally and our preeminent trading partner. From China, our stance has produced ungentle chiding about standing on Beijing's toes against the tide of history. Policy should reflect Australian recognition of new power realities, not old principles in their mind. Putting the ADF where our mouth is when it comes to a 'rules-based order' involves hard choices and political discomfort.

Here we need to remember recent history. There's a perception among commentators, and among our Chinese interlocutors as well, that Australia has been a spectator in the process of the American pivot and is now reacting with knee-jerk loyalty. The question as to whether we are capable of standing aside from our ally is now being asked. It implies we were a passive observer of the American move and are now obliged to make a considered judgement. This misses an important point, well known among American policymakers who watch our willingness to come up to the mark. Far from being a passive spectator of the pivot, we actively, and influentially, engaged in the debate. We did so with some senior US officials pressing the other way.

Our pivot position resulted from a segue by us out of the then-Rudd government's effort to create an Asia–Pacific Community. That proposition—announced in 2008 and pushed heavily diplomatically in 2009—was foundering by 2010. When I was sent to Washington, I had two major charges. One was to ascertain the red line on American assessments of Iran's advance to a nuclear weapon which when crossed would provoke a preemptive strike. The other was to deepen American engagement in Asia, hopefully through support for our Community, and if not that then at least through US membership of prime Asian regional organisations.

I was surprised by the first direction. I didn't appreciate how finely poised the Australian government perceived the possibility of a putative American or Israeli strike. Their concern was understandable given the possible devastation that would be wreaked on the economies of our neighbours with even a temporary disruption of oil supplies, not to mention the fate of armed forces we'd deployed in the Gulf.

The second charge wasn't unexpected. Since World War II, engaging the United States in our zone of strategic significance has been an Australian objective. The desirability of this hadn't been qualified by calculations of the attitudes of China, the contesting power in the region, and a friend if not an ally. We weren't in the business of quibbling about American engagement. We realised in the aftermath of the Middle East wars and the global financial crisis that the US would now make choices about its external engagement priorities. We talked about the 'sunny uplands' that would manifest before American eyes, should they take the Asian road. There was an argument to be had and we were in it. How this played out, I will examine in part 2.

The US Asian pivot and Australia's role (part 2)

31 March 2016

Image courtesy of the White House on Flickr.

Washington in 2010—one year into the Obama administration, still mired in the fallout of the global financial crisis and troubled by Afghanistan and Iraq—didn't provide fallow ground for new commitments in the Asia–Pacific. A new posture in Asia had its supporters and its sceptics.

In DC, the administration subjected me to a hostile full-court press. On the Asia–Pacific Community initiative, the White House was convinced we were talking above ourselves. Our Asian friends derided the idea and our place to raise it. We pushed back. We were aware of the problems. The Americans needed to understand that a key part of our motivation was to find a structure that would embed them in the

region's politics and economy. It was about them, not us. If not the Community, then the US should seek membership of the East Asia Summit. Australian government pressure for US engagement became relentless from that point.

On the American side, then-secretary of state Hillary Clinton had been steadily moving in that direction. She signed ASEAN's Treaty of Amity. She turned up at the regional forums and understood the value the region placed on turning up. Her senior officials were consistently in the region, particularly assistant secretary Kurt Campbell, who did most of the strategising. The preferred regional vehicle became American membership of the East Asia Summit. The ASEAN demand was for presidential attendance if the US were to be admitted. The US demanded that the EAS agenda be broadened beyond economics.

The internal debate came to a head in June 2010, a few days before Clinton was due to attend the ASEAN Regional Forum to discuss the US's attendance. A 'moot' took place in the National Security Council with the president presiding. Arguing for EAS membership were Clinton and Jeff Bader, the NSC senior director for East Asia. Kurt Campbell was present and Tom Donilon, national security adviser, supported. Against were the Treasury secretary, White House economic advisers and the president's schedulers. The economists argued the case for priority for APEC, which the US was about to host. The schedulers were infuriated at yet another regular overseas commitment for the president. We did all we could to weigh in in favour of EAS membership. The president declared for Hillary and she was off.

A few weeks later I was directed by DFAT to cable on the history of US decision-making around the determination to centre the pivot on EAS membership. DFAT asked who was responsible for the change. When I put the question to Bader he just laughed and said, 'Well I would say you [Australia] were responsible. You know the history as well as we do.'

More than a year later, Obama announced in the Australian parliament an Australian–American decision to rotate marines and aircraft through Darwin and northern Australian bases. Some in the region affected shock. Some, including Chinese spokesmen, voiced anger. Critics in Australia shared their anxiety. However, rather than reflecting a new initiative, Obama's speech was more a consolidation of a series of initiatives in which the US had many Asian advocates.

As the US leans forward in Asia on freedom-of-navigation exercises, as it deepens its diplomacy and its economic, political and military engagement in North and Southeast Asia, American decision-makers see themselves as marching to local drummers, one of whom is us. We aren't, as is perceived by some commentators, a supine ally bending to yet another ill-advised US policy. We were joyfully complicit.

In the minds of policymakers who opposed the pivot, Australia is a culprit. We dealt not with an overbearing ally but with one which sought advice. We gave advice, and that creates an entirely different dynamic when our preparedness to uphold a 'rules-based order' is on the table. The US is used to allies pushing it into commitments and then fading away. It doesn't expect that of us and wouldn't tolerate it. From the American point of view, the *leitmotif* of DWP 2016 is reassuring.

The question arises: can the US sustain the pivot? The answer is complex. The US has backed and filled on Asian policy in the past. Attention is hard to sustain in the face of the ISIL challenge. ISIL isn't taxing of resources, and US air and special forces capabilities are more than adequate for the task. Special Operation Forces Command is now virtually a corps in itself. The service personnel attached numbers are over 60,000—about the size of Australia's armed forces. The current Middle East campaign doesn't demand the commitment of heavy forces as those in Iraq and Afghanistan did. The US can handle its global commitments and base force structure around what it requires to underpin the military elements of the Asian pivot.

Political will is another issue. Should Hillary Clinton be elected, the thrust of American policy will be sustained. If Donald Trump is elected, the future is problematic. The Trans-Pacific Partnership (TPP) would be killed immediately. The Chinese relationship would go from competitive to adversarial. The relationship with Japan and Korea would be instantly complicated. Some argue Trump is exaggerating for his political base and on election, in time-honoured tradition, will tack to the centre. On some things maybe, but not sufficiently on the Asian agenda.

There is a mind in the US Congress now to pass the TPP. They confront a frightening public mood captured by Trump and they have gone quiet on action. Failure of the TPP in the Congress would devastate American influence in Asia. An American president would have to work very hard to overcome the consequences for American influence in that event. Trump would hardly perform such a role given his joyous efforts at its destruction and his longstanding hostility to features of American relations with Asia.

If Trump happens, DWP 2016 will need a rewrite early next year and the strategic sections will look very different. We won't be able to make assumptions about American forward policy. We would still be deeply embedded in what might be seen as the American deep state—the intelligence community, the military and the arms industry. However, a lot more intellectual muscle would need to be put on the priority attached to defending our approaches. More broadly, bilateral investment now standing at $1.3 trillion would still be surging, integrating our economies more deeply.

Dare one say it, but 'self-reliance' might be expected to pop its head up again, and 'rules-based order' might become a little more muted.

The alliance: dependence grows as our options narrow

1 May 2018

Image courtesy of Kim Hansen on Flickr.

The irony for Australia in the post–Cold War era is that our dependence on the United States has grown as the strategic options in our region have narrowed. Our national strategy of 'defence self-reliance within our alliances' has been tilted by major shifts in power relativities and US engagement. The change is also driven by a major enhancement of military technologies and intelligence capabilities, led in the West by America.

We're on the cusp of significant leaps in both. We've long seen technological solutions as vital given the challenge of defending a vast continent with a small population. Economic growth and hence military potential in our region has advantaged us but also augmented the challenge. The 'glad, confident morning' of the fall of the Berlin Wall obscured this likely scenario. Like most, we seized a 'peace dividend' and it's clear now that this reduced focus on defence is problematic.

Our zone was a Cold War backwater after Vietnam. The 1980s were our defence and foreign policy golden years. Our hosting of joint facilities, critical strategically to the US, and the relative military impotence of our neighborhood, meant we were more important to the Americans than they were to us.

However, the Cold War atmospheric sustained the salience of defence issues in our politics. We were able to press the frozen architecture of the Cold War framework for a vast array of Australian initiatives in regional—and sometimes global—affairs in the areas of arms control, peace solutions in places like Cambodia, and human rights, notably in assisting the end of apartheid in South Africa. Defence self-reliance strengthened the hands of our foreign affairs ministers and diplomats.

Now the outlook is massively changed. Our region isn't a backwater but a focal point of global interest. Partly this is driven by China emerging as a major economic partner of many nations, and as a military competitor of the US. That the US identified the zone as a priority was clear with President Barack Obama's 'pivot', which added Southeast and South Asia to the longstanding American focus on North Asia.

The Trump administration has confused this picture somewhat, but in its defence strategy it has identified the Indo-Pacific as top of its priorities. Despite manifold distractions in the Middle East and Europe, both the Obama and Trump administrations continued the allocation of 60% of military capabilities to the Indo-Pacific zone.

There's a paradox in this. Some commentators point to our trade relationship with China, and its projection of strategic power in the zone and further afield, as indicating a need for us to be more cautious in our relations with the US. Yet the same factors, combined with the economic rise of the region, increase the saliency of the American relationship in our regional diplomacy. It's a card in our relationship with nations other than China. We'd be lightweight without it. Even with China, it's a card.

When purely focused on the economic relationship with China, the argument for caution has a degree of saliency, but in terms of foreign investment in Australia, the US is far ahead of China. And that's before we consider the enormous value of our military/intelligence connection.

As our options narrow, it's increasingly clear that there are flaws in our otherwise very useful 2016 defence white paper.

One is that it gives equal priority to defending our approaches, deploying in our region and protecting the rules-based order when determining our force structure. The latter two are important, and defence capabilities are important factors in our diplomacy. But we have always understood that the requirements of the first will usually produce capabilities that will help with the other two.

The second flaw lies in much of the ADF's promised new capability coming far down the track. Being able to deny an enemy passage through the choke points in the Southeast Asian archipelago and around northern Papua New Guinea has acquired a new urgency.

Submarines are vital, but we have too few of them and their replacements are too far away. At least the RAAF is better placed. Some note that the Wedgetail command-and-control aircraft, as well as the refuellers, that we need for operations at and beyond the choke points would be vulnerable. At least the incoming F-35s are a mini-AWAC in themselves. They'll be able to act directly with over-the-horizon radar and satellites to vector other aircraft.

Another major national security issue is our failure to hold sufficient fuel reserves to meet our International Energy Agency obligations. We're obliged to hold 90 days' reserves but our best category has 17 days and others are much less. Our supplies are at sea, spread from Singapore to North Asia. This isn't sustainable and an obvious point of pressure on us well short of war.

It's in the incorporation of new defence technologies that the US relationship is critical. Only the US can sustain the challenge of inventiveness in the areas of cyber, artificial intelligence, autonomous systems, hypersonics, directed-energy weapons, constellations of satellites and, above all, the development of

systems of systems. China and Russia will, from time to time, be ahead of America, as was the Soviet Union at points during the Cold War. But as a developer of systems of systems, the US does it the best.

Air Vice-Marshal (Retd) John Blackburn argues in his superb paper on integrated air and missile defence that our bottom-up approach needs to move closer to the US topdown approach. With new platforms and capabilities, we must consider how each links into, enhances and is enhanced by the picture produced by the integrated system. We're engaged with the US in the development of a number of these technologies and evolving new strategies using them.

Independent capacities in these areas are way beyond our finances, yet they'll be vital to our survival and to the credibility of our deterrent and defence posture, and they'll underpin our diplomacy and choices. Chinese advances in the South Pacific will only amplify these requirements.

All this scarcely features in the day-to-day discussion of the shifting power equation in our region as we focus on infrastructure development, economic growth numbers and trading relationships. That the US is the only power that we can credibly connect with in order to provide new military capabilities has to underpin our reactions to the evolving political structure.

We've come full circle since the 1980s when the weight was on the 'self-reliant' component of our national strategy. Now it's 'within alliances'.

The Trump ascendancy

A Trump victory and the alliance: a preliminary cut

9 August 2016

Image courtesy of Disney/ABC Television Group on Flickr.

US defence secretary Ashton Carter told the world at this year's Shangri-La Dialogue that 'the US–Australia alliance is more and more a global one. As our two nations work together to uphold the freedom of navigation and overflight across the region, we're also accelerating the defeat of ISIL together in Iraq and Syria.'

The ANZUS alliance isn't necessarily the most significant allied relationship for the US. However, it is arguably the most productive. The other allies draw the US into their affairs and spend American security capital. The Australian ally demands nothing, in the current environment, of American security that can't be met with (albeit lopsided in Australia's favour) intelligence exchanges, paid-for access to the best American equipment, joint scientific research projects, and mutually useful exercises. We don't spend American capital obliging the US to confront dangerous possibilities. Our military is also capable of enhancing American capacity, supporting the American forces anywhere with effective force. We are more than just a flag.

Arguably, of all the allies of the US, we're capable of an intense strategic dialogue free of a subliminal self-interested agenda. That's been the case since World War II (with a brief exception in Southeast Asia in the early 1960s). The difference now is that we're a meaningful power with the sophistication to articulate effective suggestions in dialogue about the affairs of our region and world.

Our conundrum in the current American political race is this: having established a complex strategic relationship and dialogue with the US, what on earth do we say, and where do we begin, with a victor in the presidential race who during the campaign has trashed the entirety of the alliance system, and the liberal international rules-based order, that have underpinned trade and broader global relationships since 1945?

Trump may not win. His campaign has had a shocking month. His party followers at the Republican National Convention manifested the psychology of hostages. It was like watching a mass Stockholm syndrome event. There was nothing in their talisman's basic line that represented previous Republican verities so they mobilised around chants worthy of the killing of Piggy in *Lord of the Flies*. Hillary's the substitute for the virtuous Piggy. Mostly it wasn't 'kill the beast', but 'jail her'—though 'shoot her' was to be heard as well.

Should Trump win, there will be immense responsibilities on us. Almost exclusively our trade and security arrangements have missed his widely swung sabre. But that sabre slices into trade and security arrangements which have been critical for our prosperity and security. There will be plenty in our zone who will have things to say to him, and at least his vice president would be listening—Trump is unlikely to listen to them. When he's briefed on the depth of our relationship and the massive character of our mutual investment, which far exceeds any American pairing in the region outside Japan, he might listen to us. The ensuing discussion will be tough.

Some of our commentators and analysts share in a broader global *schadenfreude* that will see them rub their hands at a picture of a rogue, isolationist America repudiating old shared values and perspectives. However, we don't have the capacity to readily survive an uncoupling of our bilateral defence relationship with our national security intact. For example, when I was defence minister, the objective with the joint facilities was to ensure we had full knowledge of, and concurrence with, their capabilities and operations. Now, having expanded in number and capacity in recent years, they're integrated into our intelligence system and our military's operational capabilities.

The equipment, systems and technologies we get from the Americans are vital to our order of battle. The marines in Darwin are important, but what's critical for us is the engagement of US-origin equipment and technologies in assisting the defence of our northern approaches. Though our latest defence white paper placed the role outlined by Ash Carter as a co-equal force-structure determinant, the character of the equipment to be acquired and the systems to be developed overwhelmingly relate to that more traditional task.

I have mentioned here before the essential American-origin character of our air defences. We start with the strategic and tactical contribution of US satellite surveillance, over-the-horizon radar (an Australian-developed joint research product), airborne early warning, anti-submarine warfare, and broader surveillance US-origin aircraft. Strike and interdiction come from our Classic Hornets, Super Hornets and Growlers (ours is the only other air force deploying the latter). The F-35s constitute the next phase. Equipment foreshadowed to enter service over the next 30 years will need the enhancements of capability coming through emerging technologies developed under the rubric of Washington's

'third offset strategy'. Our Defence Science and Technology Group is heavily engaged in associated research programs.

We can't afford to sit back and let mayhem rule. More broadly, we can't afford to see our region, including relations with China, fall victim to ill-considered confrontations. Some have confidence that the US constitutional system of checks and balances will counter Trump's worst excesses. US presidents have few positive initiatives they can engage without Congress.

The powers, however, for a US president's negative initiatives are manifold. He can undermine confidence among allies that he will initiate action in support of them under any guarantee. He can use the broad licence US trade laws give an American president to pursue punitive action against trade partners. He has plenty of power to ensure border agents torment unwanted entrants.

A Trump presidency won't be a question of hold onto your hats for four years and then sanity will rule. America will be a different place after four years of Donald Trump. Australia's responses, should they be necessary, must be immediate, forceful and sustained.

Trump gains momentum

20 September 2016

Image courtesy of Flickr user IoSonoUnaFotoCamera.

At this point in the US presidential campaign, the momentum is with Donald Trump. If the trend continues, he'll be elected. Outside the US, his serial deceits and appallingly bombastic narcissism are redolent of candidates in immature democracies on their way back to dictatorship and authoritarianism. President Obama has been extraordinarily popular with the global public and has burnished the American reputation in difficult times. A Trump victory would much diminish it.

Current polling has Trump poised in the 'purple states' of North Carolina, Ohio, New Hampshire and Florida, and pushing in traditionally Democrat Pennsylvania, Michigan and Iowa. As he narrows the nationwide popular gap, the rising tide is raising all boats. There are a number of reasons he has come this far.

The first part of the answer lies in the deep American ideological divide that puts a floor under each side of politics—it's hard to fall below 45%. A large group of Americans will hold their noses and vote for their candidate whatever. The checks and balances in the US Constitution demand compromise but the system can't deliver it under ideological pressure. This is well demonstrated by an analysis of ideological overlap in the House of Representatives. It's useful for this purpose as the composition of the House, of all institutions, most reflects the American state of mind.

The analysis done by *National Journal* was based on members' voting records of the 435-strong House. In 1982, there were 344 members situated between the most liberal Republican and most conservative Democrat. In 1994, the figure was 252. In 2002, it was 137. In 2012, it was four. Now it's probably none. As the dust settled on the deeply bleak Republican convention, which saw many Republican leaders absent themselves, there's been a slow but predictable assembling of support for Trump reflective of this growing intolerance of the other side. The incentive of the possible replacement this term of four Supreme Court justices has underpinned this trend.

Second, Hillary Clinton's campaign has been in disarray, including unforced errors such as describing half of Trump's voters as 'deplorable', a term taken now as a badge of honour at Trump rallies. She breached the cardinal rule in politics: your opponent is on the ballot paper not on the electoral roll. A forced error was a bout of pneumonia which caused her to stagger at a 9/11 commemoration. But the lack of transparency about the diagnosis which reinforced its capacity to add legitimacy to false Trump claims about her health and fitness was unforced.

Less commented on was an extraordinary quiescence as she went under the radar to concentrate on fundraisers. This 'sitting out of summer' is a traditional strategy. Unfortunately, this isn't a traditional year. There were groups she needed to reach out to to consolidate. A vital group was the young, inspired by Bernie Sanders and enthusiastic Obama voters in the previous election. A 20-point lead among them after the convention has sunk to near single digits. Increasingly, they're looking to the libertarian and green alternatives, and certainly showing no enthusiasm to turn out for Clinton. She needs, and needed, a clear plan to reach them. Summer has been wasted.

Third, Trump has sought to modify his harsh confrontation with ethnic minorities and to flesh out foreign policy positions. His hope is to reduce a serious gap in voter perceptions on fitness to be commander-in-chief between himself and Clinton. He brilliantly manipulated the Mexican president into a meeting and modified the immediacy of illegal migrant removals on his election. At the 'commander-in-chief debate' a fortnight ago he indicated a preparedness to accept illegal migrants' membership of the armed forces as a path to citizenship. For the African Americans, he has attended worship in African American churches.

Despite claims to the contrary, this isn't about winning Hispanic and black votes—in many states where the Republican state administrations control the ballot, efforts at voter suppression will be the main mechanism here. Rather, the strategy is about consolidating the vote among better-off suburban whites to complement his working-class support. That seems to be working, if polls in states like Pennsylvania, Ohio, Michigan, New Hampshire and Iowa mean anything.

There's no joy on the foreign policy side. In fleshing out his stand on Iraq, deceptively portrayed as his opposition to the war, he suggested the US should have seized Iraq's oil. That, he said, would have prevented it from falling into ISIL's hands. The major Iraqi fields lie in the south, firmly under government control. He didn't outline how any of that might have been done without a large American military presence. His plan for ISIL is 'secret' and the generals he has frequently criticised are to give him a decisive plan 30 days into his presidency. There's been nothing modifying his stance on trade, devastating though it would be on growth in the American economy. Or on the positions he has outlined on allies and trade in the Asia–Pacific. No comfort in this for American friends.

Alarmingly, there's one area where he does have a thought-out position—Russia. 'I think I would have a very, very good relationship with Putin. And I think I would have a very, very good relationship with Russia', Trump said in the debate. He's thoroughly aware of Putin's authoritarianism, deceptiveness and violence in his near abroad, his damage to the anti-ISIL operation in Syria, his menace in Europe, and his suppression of domestic opposition. That's not questioned. Rather, it's lauded. As US intelligence figures Mike Morell and Mike Vickers, who've served both sides of US politics, said in an open letter to him: 'You said that as long as Putin says nice things about you, you will say nice things about him. That is not a standard by which a president should make policy decisions. That should not even enter your calculus. Your only question should be "What is in the best interest of the United States?"'

No serious student of international politics has anything but contempt for the positions he adopts. But that misses the point as far as the election is concerned. Most voters aren't serious students of those issues. Trump has a very low bar to jump here. He appears to be thinking and learning. Beyond that, little is demanded of him. He's at least ticking the boxes and, though Clinton leads him on defence and foreign policy, he leads on dealing with terrorism. There's likely to be a number of terrorist attacks in the US between now and polling day, albeit of the lone-wolf variety. Ticking the boxes may be enough.

But he might have peaked too early. Clinton has a chance and now must put him away in the debates. In addition to her own efforts, she now has an increasingly popular Obama on her side. Not for him, the formal role of an incumbent president in his replacement campaign—an endorsement and not much more. Not for Obama, President Dwight Eisenhower's tepid endorsement of his vice president Richard Nixon when asked of his achievements, 'If you give me a week, I might think of one.' Obama's popularity is redolent of the old saying, 'You don't know what you've got 'til it's gone'. He's spending that political capital on Hillary.

Trump and Australia

18 November 2016

Image courtesy of the US Department of Defense.

Donald Trump spoke to Malcolm Turnbull within 24 hours of his election. The event produced a quaint response in commentary redolent of an older era in the character of allied relationships.

On the one hand, there was gratitude that our important ally hadn't overlooked us. On the other, Trump's election campaign, wherein the candidate disparaged China, trash-talked the TPP, and criticised Seoul and Tokyo for not pulling their weight in support of their own defence, simply reinforced the views of some senior politicians and academics that we should disconnect from the alliance and concentrate on Asia. Turnbull's focus on their mutual business experience, while understandable, kept contemplation of the significance of the call brief.

According to the Prime Minister's Office, Turnbull was the second political leader president-elect Trump spoke to after his election victory. The priority we were assigned is significant. It reflects, in part, the fact that we have a unique status in the Trump view of alliances—the only one where the American partner's contribution wasn't criticised by candidate Trump. Privately, his policy advisers and campaign team made thoroughly clear to us that they understand both the value of past and current commitments in military campaigns and the importance to the US of facilities we share, capabilities we're acquiring from American industry, and mutually embedded military and intelligence personnel.

From our point of view, the product of those facilities, the technological advantages we gain from US equipment and our involvement in the development of new capabilities under the 'third offset strategy' are crucial to Australia's defence and unaffordable in any other relationship. Our current status with Washington has evolved well beyond the situation that existed at the end of the Cold War.

The challenge now is how we use that connection to influence American policy in our region where all our friends and allies are deeply disturbed by what they heard from the GOP nominee. Trump's campaign positions translated into administration policy would result in the suspension of America's leadership of the post–World War II liberal international project. Originally, the project focused on global free trade, a rules-based system for the global commons, and a comprehensive Western alliance under a system of American extended deterrence. More recently, those priorities have been joined by an effort on nuclear disarmament and a coordinated response to climate change.

A Trump indifferent to South Korean and Japanese nuclear weapons would dramatically destabilise our major trading partners in North Asia. A Trump declaration that China was a currency manipulator—a perception outdated by at least five years—and the promised imposition of a 45% tariff in his 'first one hundred days' plan, would be ruinous to the regional and global economy. However, Trump now denies he ever said the former, and the latter would seem to fly in the face of the, albeit undetailed, protestations of mutual respect in the phone conversation between President Xi Jinping and the president-elect. Over the weekend, Newt Gingrich described the promise of a large, high border wall with Mexico as a 'campaign device', an elegant exposition of a 'non-core promise'. Asian leaders will hope that such 'devices' will come to characterise plans with regard to the Indo-Pacific.

The Asian leaders' conversations with Trump and his team so far have been bilateral. They will have noted, however, the priority assigned the Australian conversation. They know that Australia wants nothing from the US beyond what it already has and which is unchallenged. They want Australia to be avidly engaged with the US. They know our regional policies and aren't uncomfortable with them (with the possible Chinese exception to our South China Sea position). Quickly we will become message-bearers.

A recent article in *Foreign Policy* by Trump advisers Alexander Gray and Peter Navarro appears to be the underpinning of possible Trump secretary of state Rudy Giuliani's intervention this week on a more militaristic approach to policy in the Asia–Pacific region. He said that the Trump administration would undertake a massive military build-up aimed at countering China and curbing its ambitions. The article and the broader policy direction indicate that under Trump US leadership on the liberal international agenda will be suspended while the commitment to enhance American military capabilities and economic power will accelerate.

There's much in the *Foreign Policy* article that will disturb Asian policymakers. It's a root-and-branch criticism of the implementation of Obama's Asian pivot but not the priority. They characterise Obama's implementation as 'feckless and mendacious', particularly in its responses to perceived Chinese initiatives. They're hard-line on North Korean approaches, Taiwan's defence and South China Sea signalling. As part of their countermeasures, they propose a massive build-up of the US Navy from 274 ships to 350 with a strong Pacific Ocean focus.

Trump plans to end sequestration in defence spending and massively increase the defence budget. In the light of the 'third offset strategy', the focus on platform numbers is antiquated. As the Trump administration evolves, they may eventually realise that it's not the sum total of navy and air force platforms that counts but the capabilities they deploy.

We're in for a wild ride which will test our maturity and effectiveness. Abandoning the field isn't an option.

Trump, ‘One China’ and regional stability

12 December 2016

Image courtesy of Flickr user Tim G. Photography.

As a number of commentators have observed, the phone call between Taiwanese president Tsai Ing-wen and US president-elect Donald Trump has set a cat among the pigeons. It has breached a practice in place since 1979 whereby the US recognises Taiwan as part of ‘One China’. While there have been quiet written communications between Taiwan’s leadership and America’s presidents, there hasn’t, until now, been verbal communication by presidents or presidents-elect.

The call was staffed by Trump’s transition team. Trump is surrounded by advisers whose suggestions range from using the Taiwan relationship to pressure China while not breaching the ‘One China’ policy, to conducting a diplomatic build-up in Taiwan and ‘ultimately restoring full diplomatic recognition’, as one potential appointee as secretary of state, John Bolton, advocated earlier this year.

Two members of the transition team, Alexander Gray and Peter Navarro, argued, just before the election, for a substantial quantitative and qualitative increase in arms sales to Taiwan. They said that while President Obama was right to pivot to Asia, the administration had been ‘feckless and mendacious’ in its implementation, alienating the leadership of the Philippines and the military government in Thailand. In effect, they suggested Obama’s careful work through Asia’s multilateral channels and deep diplomatic engagement with Beijing should be replaced by a ‘peace through strength approach’. In their view, America needs to boost its military capabilities in the Asia–Pacific, and indeed that that’s what the region truly expects and respects from American engagement.

This school of critics believes that Obama's policy has smoothed the way for China's regional supremacy, hasn't been an effective check on China's behaviour in the South China Sea, and has undermined confidence among Washington's friends and allies in the region. China's description of its South China Sea claim as a 'core interest', previously only used by Beijing to describe its position on Taiwan, has devalued the term's meaning. So in a sense this is a chicken coming home to roost. Nevertheless, should Trump continue high-level verbal dialogue with Taiwan the impact would be profound on Sino-American relations.

Quoted in an article by Jane Perlez last week, Shen Dingli of Fudan University said:

> I would close our embassy in Washington and withdraw our diplomats. I would be perfectly happy to end the relationship. I don't know how you are then going to expect China to cooperate on Iran and North Korea and climate change. You are going to ask Taiwan for that?

While the implications aren't quite that severe, taken together with Trump's plan to declare China a currency manipulator and broader threats to impose punitive tariffs, any further moves to change the character of relations with Taiwan would bring volatility to US–China relations.

The problem is, as Newt Gingrich said a few months ago, 'Trump doesn't know what he doesn't know.' He knows very little about the complex set of arrangements between Taipei, Beijing and Washington. They've allowed Taiwan to evolve into a prosperous democracy and allowed the US to establish a position to deter the realisation of 'One China' by anything less than peaceful means. China has accepted that, but dissenters remain in China, including in elements of the PLA which continue to build up capacity in order to forcefully seize Taiwan. No longer can the US operate surface ships in the Taiwan Strait in a hostile environment. Even with activity east of Taiwan, war-gaming by organisations such as RAND has suggested American carriers would be highly at risk. In a worst-case scenario, the combined effects of the trade and Taiwan initiatives would strengthen the hand of those in Beijing wanting to bring forward military means to resolve unification.

One recollects here foreign minister Alexander Downer's suggestions in August 2004 that a Chinese attack on Taiwan wouldn't necessarily trigger ANZUS: 'The ANZUS Treaty is invoked in the event of one of our two countries, Australia or the United States, being attacked, so some other military activity elsewhere in the world … doesn't automatically invoke the ANZUS Treaty.' A few months later I became opposition leader. I then had the Chinese embassy quietly advised that, as such a move would invariably involve US military forces, the treaty would be applicable if there was a Labor government. Australia couldn't afford for the situation to get out of hand then, and it can't now.

The Australian government should at least be getting a read out on possible directions that Trump will try to navigate Washington's relationship with Beijing. It appears that Trump will declare China a 'currency manipulator', and that his constituency expects him to move on the US–China trade relationship. For our part, Australia would want him to pick his fights carefully, mindful of the economic and security consequences for China, the US and all of us in the middle.

If the Australian government understands what's at stake, now's the time for quiet advice to the Trump team. As Taiwan has been able to develop as it has wanted and its economy is deeply integrated with that of the mainland, Trump should let the Taiwan initiative end here.

JASTA: a poison pill for President Trump

25 January 2017

Image courtesy of Pixabay user WikiImages.

In its dying moments the 114th Congress passed a bill, the Justice Against Sponsors of Terrorism Act, and then, for the only time in Barack Obama's presidency, overrode his veto. The legislation negates the international legal principle of 'sovereign immunity' for governments, permitting parties injured by terrorist acts in the United States to sue foreign governments where complicity in an act of terrorism is proven.

That possibility already exists for states officially designated as sponsors of terrorism. Saudi Arabia isn't one of these. However, the legislation has Riyadh right in the frame for the 9,000 victims (killed and injured), and their families, of the 9/11 attacks. The bill was passed on the 15th anniversary of that atrocity. 9/11 families' and survivors' organisations campaigned for JASTA for a long time, conscious of the US$2.7 billion compensation settlement in the case brought against Libya's Gaddafi government for the Lockerbie bombing, which averaged $10 million for each affected family.

JASTA is a disaster. It has massive ramifications for Saudi–American relations, including bilateral collaboration in the struggle against fundamentalist terror. There's also the clear prospect of copycat legislation in other countries aimed at American assets. As the EU delegation in the United States argued in September 2016:

> State immunity is a central pillar of the international legal order. Any derogation from the principle of immunity bears the inherent danger of causing reciprocal action by other states and an erosion of the principle as such. The latter would put a burden on bilateral relations between states as well as the international order as a whole.

They know whereof they speak. In Belgium in 1999, a new law gave its courts jurisdiction for crimes against humanity anywhere in the world. Bush administration officials then had complaints filed against them, prompting a threat from Washington to remove the NATO headquarters from Brussels. The Belgian law was repealed in 2003.

JASTA was strongly supported by Democratic senator Chuck Schumer of New York. But the real driving force was the Republicans in the House and Senate, who were out to embarrass Obama, extracting advantage in the lead-up to November's elections. Candidate Trump enthusiastically attacked Obama for his subsequently overridden veto. Republican senators even attacked Obama for not doing enough to stop them!

Now the problem is in Trump's lap.

No evidence of official Saudi collusion in the 9/11 attacks has emerged in the years since, including in the recently published secret parts of the comprehensive official report on the investigation of the attack. However, pursuit of that claim, and any others yet to be made, could place before the courts comprehensive details of American intelligence collections, putting at risk critical collaboration with American partners in the Middle East and elsewhere. Saudi investment in the United States is around US$800 billion. They've threatened to sell up—not an easy task. However, they could determine to no longer peg the riyal to the US dollar, which they have done to their cost. As a group of former defence and intelligence leaders wrote to President Obama and Congress: '[The Saudis] have been willing to pay a steep price in the form of declining dollar reserves for the sake of their alliance with the United States.' If they were to conclude that the peg served no strategic purpose and removed it, 'such a development would, of course, directly undermine the dollar in global currency markets'.

More to the point, copycat legislation in other countries would adversely affect the United States, which has more assets spread across the globe. US officials conducting global counterterrorism operations, including drone, air and special forces actions, would be vulnerable once sovereign immunity was removed.

It isn't easy to see Congress reversing itself. Likewise, it's not easy to see President Trump, with his well-known proclivity to 'double down' on positions he has taken, do otherwise on this. There's no real deal here to be had. Whatever one's thoughts on the Saudi Kingdom, the balance of advantage in the relationship lies heavily with the US. The Saudis have been a strong supporter in the struggle with terror and they're also a big defence customer of the US. Under Obama, around $50 billion worth of defence equipment was acquired by the Saudis—three times the amount under his predecessor.

The Republicans in Congress, having perceived problems with the legislation, undertook to examine the issue in the new Congress. The JASTA legislation leaves in place a capacity to delay court actions. The administration can intervene to assert that it is trying to resolve the issues involved in litigation, with the relevant government. The stay in proceedings lasts six months and is renewable. That will pit the aggrieved party effectively against their own government. It will be a major impediment to building community trust in government endeavours if the government is effectively arguing against its citizens.

Congress has kicked a massive 'own goal' in an arena where American leadership is crucial. We have personnel in the field in this struggle and we need to raise it with the new administration, and with Congress, at the earliest opportunity.

Trump and the future security of the Asia–Pacific

Mr Xi goes to Mar-a-Lago

4 April 2017

Image courtesy of Michael Mandiberg on Flickr.

When I was ambassador to the United States, I used to say that Australia was allied to the US—minus one building in Washington. That building housed the United States Trade Representative (USTR). Along with the Department of Commerce and the relevant section of the National Security Council, USTR runs US trade policy. The building was once the headquarters of the Grand Army of the Republic, a veterans' lobby organisation formed in 1866 after the American Civil War.

That spirit of a hard war still haunts the current occupants. Their concern for the American interest overshadows those of friends and enemies. 'Win–win' outcomes are slow to emerge and any retreat is glacial. DFAT sends hardened officers to staff our trade policy branch, but they bond with USTR staff in their adversarial relationship. Staff farewells with their American counterparts are tearful, sometimes fraught. My last social function with USTR had a winter frost around it as they thought we had forced a TPP package on them.

That's a long way of saying that Trump, despite being the least prepared president in living memory, has tools to hand in the form of his departmental public servants as he prepares for hard bargaining with Xi Jinping. Last week USTR broke out the ammunition in its annual trade barriers report. For fair-trade advocates, it's a table of grievances. In recent years, it has informed speeches more than policies, though it has produced occasional hard anti-dumping measures.

This year the timing is impeccable for Trump, and it accompanied two presidential executive orders on trade issues, including the ordering of a new report on the cause of America's trade deficits. Hilariously, Trump walked out of the signing ceremony in high dudgeon, pursued by his vice president waving the unsigned documents, after a press question. This year's USTR report has a sharp focus on China for its

catalogue of most notable offences. They cover alleged excess steel and aluminium production capacity, excess restrictions through its cybersecurity regime, forced technology transfers, online piracy, delayed approvals for agricultural biotechnology products, continuing bans on US beef imports, and obstacles facing US providers of electronic payment services.

Peter Navarro, head of Trump's newly created National Trade Council, claimed that the president's latest executive orders weren't directed squarely at China, but rather were 'a story about trade abuses'. Indeed, the focus was on uncollected anti-dumping duties of $2.8 billion since 2001 and measures to improve collection. Further, the US trade argument to this point has produced the most spectacular clash with Germany, rather than China. Germany is the real competitor of the US in high-end manufacturing. US trade officials could point to Germany, Japan and Mexico as similar targets to China. 'You have to think about it this way: we are in a trade war … have been for decades', Commerce Secretary Wilbur Ross said on CNBC's *Squawk Box* last week.

On a recent visit to DC, I was asked by an official in the Executive Office Building what I thought of 'the policy'. My response was that I couldn't discern a policy. There were 'attitudes and reactions' and that dynamic might produce a policy. In trade policy, that process is now evident. Spokesmen like Navarro were at pains to point out the careful deliberation being put into developing the framework of the Trump executive orders. The National Security Council is learning from the experience of the failed immigration executive orders. Policy will be hardened 90 days from now, as the trade study is completed.

Accompanying Navarro's broadening of the pain in the USTR report was Secretary of State Rex Tillerson's extraordinary assurances in Beijing that Washington would be guided by the Chinese formula of 'nonconflict, nonconfrontation, mutual respect and win–win cooperation'. The Chinese shouldn't be fooled: Trump will come after the trade balance very hard with a reciprocity formula. Mercantilist Xi meet Nationalist Trump.

Trump will be looking for early steps to redress the trade imbalance—the merchandise trade deficit with China was close to $350 billion last year. Autos are a poster child for Trump. China levies a 27% tariff on US-origin vehicles and limits investment ownership in production plants in China to no more than 50%. That will not persist. The range of offences identified in the USTR report will be canvassed. Along with trade, US anger at what it sees as weak Chinese efforts in preventing North Korea's nuclear developments will form the nub of the conversation in Mar-a-Lago this week. But US hardness will be checked by Trump's desire to establish a personal relationship with Xi and the sense that trade policy is evolving.

On trade, Trump doesn't lead a united Republican front. Kevin Brady, chairman of the powerful House Ways and Means Committee, criticised notions that the US trade picture was solely dominated by bad trading behaviour by partners, observing that 'in fact our trade agreements have been successful in making it easier to sell "Made in America" products and services, lowering and even eliminating our trade deficits in manufacturing and services and frequently resulting in a trade surplus'. The Republican congressional delegation, including the far-right Freedom Caucus, is overwhelmingly pro-free trade. Attitudinally, Trump is their polar opposite.

Trade policy isn't an area in which a quiet adjustment to current practice will evolve. Detail and knowledge will aid the development of a disruptive agenda. Regardless of whether there are fireworks at the Trump compound, the Chinese will have laid before them a determination to rebalance the stark bilateral trade deficit. Being well aware of that, Xi will bring a package. It will barely foreshadow a start on this road.

Old friends and opportunity cost

15 February 2017

Image courtesy of Pixabay user robbrownaustralia.

President Obama was a good ally. His agreement to take up to 1,250 refugees placed by us in the Pacific was as extraordinary as it was helpful. As ambassador in Washington I found a degree of discomfort with our approach to border protection, particularly at mid-levels in his administration. When doubts were raised, the embassy pushed back. When the *New York Times* editorialised against Australia's 'brutal and ruthless treatment' of refugees, my response was that 'brutal and ruthless' described ISIS against whom we fought and whose victims were eligible for consideration in our refugee program. We wanted to deter those contemplating a dangerous journey.

In the end Obama got that. The agreement represented our ally's grasp of our sensitivity to securing our maritime approaches and an appreciation of the proportionately large Australian immigration program and refugee intake. It's not surprising really that Trump was taken aback by an agreement, scarcely a 'deal' that required quite a detailed interaction with us to comprehend. The response of some of our commentariat that Trump's questioning of the agreement was a major strike on the alliance displayed a level of self-awareness that Trump's critics often assign to him.

Hard talk is common between allies. As a minister and ambassador I have been involved in a lot of it over matters much more consequential than this and over much longer than 25 minutes. None were, I must admit, quite so brusque. This is a reflection of the rollout gone wrong in the US. The PM had to stick to his guns. The issue is important to us and couldn't be let go, but it's a real pity it had to be done, and that it was the only part of the president's broader initiative we got to discuss. The PM had no space to mention critical regional issues, let alone broader aspects of the Trump order.

We needed to talk to Trump about his initiative, not to criticise his desire to tighten US vetting, which is already very tight. Loose talk by the administration that it targeted Muslims in areas where the struggle with ISIS is most intense posed a challenge to our interests, particularly those of our service personnel in Iraq. Our troops run one of three major bases training the Iraqi Army. The coalition presence is a mixed blessing to the Baghdad government. It knows its authority requires that indigenous forces, particularly those under their control, are perceived to be freeing Iraq from ISIS. But it's under pressure on two flanks. Shia militia backed by Iran are sceptical of the US and allied presence and sometimes threaten to make their objections kinetic. On the other flank, and heavily entailed in the training effort, is the attempt to reattach the minority Sunni Arab tribal elements, many of whom have gone over to ISIS. The language around the administration's initiative plays into some bad narratives in Iraq, potentially increasing the risk to our troops. We need a chance to point this out.

The PM also needs the opportunity to talk to Trump about East and Southeast Asia and our concerns about trade, particularly the TPP and our East Asian trading partners and US approaches to institutions like the East Asia Summit. We are worried about mixing trade and security agendas and anxious about the administration's views on activities in flashpoint areas in the South and East China Seas and on the Korean peninsula. The foreign minister has had useful conversations on these matters with her new US counterpart and Vice President Pence. We need the PM to have one with President Trump.

Last week, outside the White House, policy stabilised. Defense Secretary Mattis toured North Asia with a message of guarantees and continuity. Secretary of State Tillerson calmed his agency and moderated his tone from his confirmation hearings. Former national security adviser Michael Flynn contacted his Chinese counterpart, arranging a friendly presidential letter to Xi. The subsequent Trump call to Xi addressed no major issues in detail but assured US adherence to the One China policy.

The week concluded with a bonding visit by Japan's PM Shinzo Abe, who has conducted brilliant regional diplomacy following Trump's election. He has assured the administration's support for the inclusion of disputed islands under the American guarantee. With Trump he positioned himself closer to the idea of a bilateral trade treaty. One can't help thinking both Xi and Abe might be concluding Trump has strong views, weakly held.

One pattern seems to be emerging. While Trump's views appear disruptive, they don't carry a detailed policy tail. He has reactions on issues where he argues the US has been disadvantaged and demeaned. These are not framed policies. He does not have a plan for relief let alone revenge. His appointees have detail but not for his apparent agenda. This does not mean that much more aggressive US policy challenges won't emerge. It does mean they can be shaped.

Abe is already well down the shaping road. We have a well-developed perspective on the issues the Trump administration has decided to confront. We became a very effective 'muse' for the Obama administration on Indo-Pacific politics. A reward was this refugee agreement. Unfortunately, having to defend it cost us temporarily the opportunity to play the muse again. It won't be easy or pleasant for Turnbull to resume the conversation. At least he has the advantage of a huge bipartisan outpouring of affection for Australia, together with the acknowledged significance of the alliance in Congress and with the American commentariat. They will also have noted Turnbull's restraint and the minimal leaking of internal Australian government thoughts. The conversation, when a peg develops to hang it on, must resume.

North Korea: high-stakes poker with a novice at the table

25 May 2017

Image courtesy of Voice of America via Wikimedia Commons.

Australia has only one agreement that automatically commits us to war and it isn't ANZUS. At the signing of the armistice in Korea in 1953 we agreed, with South Korea's allies, that we would defend the South in the event of an attack by the North. It had nothing to do with the US alliance, but rather is a UN commitment. It was associated with a set of non-aggression pacts which were repudiated by North Korea in 2013. At that time a UN spokesperson said the pacts couldn't be unilaterally repudiated under terms registered with the UN and that Pyongyang was considered bound. The stakes for Australia are high indeed.

President Trump has been gripped by the North Koreans' steady progress towards an ICBM that could reach the continental US. His 'never going to happen' pledge publicly established a 'red line'; it will be a litmus test of his credibility. The issue's unique status is underlined by the president's apparent willingness to read all related briefs and intelligence reports. If diplomatic efforts, ramped up sanctions and Chinese persuasion fail, then Trump has made clear that military options will be seriously considered.

The Trump red line hasn't been extended to shorter range missiles or the nuclear program generally. However, military preemption associated with it would significantly raise the prospect of a North Korean response making consideration of even broader preemption necessary. That could spell devastation for South Korea and cause massive damage both to Japan and to US bases in Japan and Guam. A major war would result; minimising those consequences would be the main task for the allied military. A subsequent North Korean attack on the South would engage Australia's 1953 armistice obligations.

Trump's red line is drawn on a situation Asia understands well. He has put American credibility on the line. To the North Koreans he has said that he would be 'honoured' to engage Kim Jong-un in discussions on nuclear matters, making clear that regime change in Pyongyang isn't on his agenda. Nonetheless, North Korea presses on.

With the Chinese, Trump has deployed a range of carrots and sticks, all of which carry their own implications in the minds of Asian leaders. The stick is that China, a longstanding enabler of North Korea's program, faces the prospect of a war on its border and a harsher American attitude on bilateral issues. The carrots have been extraordinary: a walk-back on Taiwan, a trade agreement, a retreat from freedom-of-navigation patrols in the South China Sea, and an effective enhancement of China's regional status (the opposite of Trump's stated intention in the presidential election campaign).

Despite paying close attention to briefings, Trump appears not to have grasped the regional context. The ally most affected is South Korea. Seoul has been jarred by an apparent presidential indifference to South Korea's fate in all this. Nothing the president has done has allayed local concerns at what they call the 'Trump risk'.

Consider here the extraordinary series of comments and initiatives by Trump in the last month of the South Korean presidential campaign. First was the announcement that a carrier task force—an 'armada', in his words—has been dispatched as a signal that Pyongyang's actions could draw a military response. Fear, then ridicule, was the reaction in South Korea when its appearance was delayed.

Second, Trump erroneously opined that South Korea had once been occupied by China, reinforcing a South Korean view that he knew nothing about them. He also indicated that it might be necessary to renegotiate or repudiate the US–ROK free-trade treaty.

Finally, having deployed the THAAD missile defence system—a controversial move in South Korea and heavily related to the defence of American troops in the region—Trump claimed that South Korea should pay. All of Trump's interventions roiled a South Korean presidential election campaign in which Moon Jae-in, the overwhelming winner, sought to reset the Seoul–Pyongyang dynamic.

The risks of a preemptive strike are acceptable to Trump. However, the red line is limited. A freeze of the contemporary position with strong verification might just be possible (though it isn't on the table currently). Such a deal would stop North Korea's nuclear weapons program short of an ICBM, but it would massively complicate the global non-proliferation regime. The Iran deal was doable in part because Tehran's public position was that it didn't want a nuclear weapon. Kim Jong-un is way beyond that. Fig leaves would be necessary. Somehow North Korea's six-party commitment not to proceed to a nuclear weapon would have to be in any agreement.

China will underperform. Beijing won't get the North Koreans to a complete rollback or to a negotiation focused on achieving that goal, so vital to the non-proliferation regime. It isn't vital to Trump, who is overwhelmingly motivated by perception. North Korea not proceeding with an ICBM gets him there domestically.

For the rest of the region, it's important to cool the situation. Lessons, however, have been drawn. South Korea, Japan and Taiwan are developing their own local defences and defence industries. This experience will accelerate that trend. Lessening dependence on the US military is now on the agenda in all three countries. But that is long term.

In the meantime, the trio seek breathing space. Return the US deterrent to a latent status. It shouldn't be at the forefront of diplomacy but credible enough should Pyongyang consider a more active approach to its nuclear ambitions. Seoul, Tokyo and Taipei now hope they can lift the threshold of that eventuality.

A cold northern spring

8 December 2017

Image courtesy of Pixabay user artvereu.

When North Korea launched its Hwasong-15 ICBM last week, Donald Trump responded with the words, 'We will take care of it', later adding, 'It is a situation we will handle.' The latest missile launch followed what had seemed like a pause in North Korea's testing program, which has involved 23 missile launches since February.

The US president's words were interpreted by some as another piece of braggadocio. But to me it seemed they were full of menace. I visited Washington shortly before Trump's recent Asian odyssey. The talk around town was of early phases of military mobilisation. The US's three-carrier battlegroup exercises off the Korean coastline last month, together with this week's large-scale air exercises with South Korea, seem consistent with that view.

The US–South Korea exercises include half a dozen American F-22 and F-35A aircraft along with two B-1B Lancer bombers, all capable of penetrating North Korean air defences. South Korea has responded to the Hwasong-15 test with its own missile firings involving land-based, air and naval assets. These are all heavy preemption capabilities. The talk in Washington is about the US readying itself to be in a fight around the northern spring. Even as sober a strategic judge as Richard Haass, president of the Council on Foreign Relations, puts the possibility of war at 50/50.

Writing in the *New York Times* on 4 December 2017, Madeleine Albright reminded us of the last cold spring in 1994 when the Clinton administration contemplated a strike against North Korea's nuclear reactor. At that time, I was sufficiently convinced to bet a former US official $50 that Clinton would preempt. I lost. Kim Jong-un's father, Kim Jong-il, had previously stated that he would use the waste from the reactor to produce six nuclear devices. The prospect caused the ambassador to South Korea, Jim Laney, and the commander-in-chief US Forces Korea, General Gary Luck, to remind Washington that, before hostilities commenced, the US would need to withdraw non-combatants involved with US forces. That action could well have prompted a preemptive military response from Pyongyang.

In the autumn of 1994, after months of painstaking negotiations, the Clinton administration cemented a framework agreement with Pyongyang in which the North Koreans shut down the reactor, sealed 8,000 fuel rods and froze their plutonium production under International Atomic Energy Agency inspection. The US and its allies agreed to help North Korea cope with its immediate fuel shortages and pay for the construction of two civilian nuclear power plants. No bombs were produced, but the Bush administration eventually abandoned the agreement, and none have stuck since.

This coming spring there will be a considerably higher level of risk. Senator Lindsay Graham has called on the administration to withdraw American dependents from South Korea. Kim Jong-un is much less stable than his father, and his constant purges suggest a much greater sense of vulnerability. Contemplating the loss of his nuclear capability, and facing a much more formidable American capability of precision interdiction, Kim might see a preemptive move as an even greater possibility.

Irrespective of these considerations, a key question is whether a successful nuclear disarming strike against a leader with Kim's level of security would draw a chastened response without retaliation. It needs to be said that over the years repeated North Korean atrocities have never drawn an allied response. In part this is a product of an allied calculation that, after a tit-for-tat exercise, there would be a risk of massive retaliation from Pyongyang.

Whatever the US might be preparing, Trump's national security team has broadened the president's response and now seeks to intensify Chinese pressure on Pyongyang. H.R. McMaster, Trump's national security adviser, used this five-minutes-to-midnight scenario:

> China has tremendous coercive economic power over North Korea … There are ways to address this problem short of conflict, but it is a race because he's getting closer and closer and there is not much time left.

Unremarked on here was a *New York Times* op-ed by the State Department's director of policy planning, Brian Hook, on North Korea's savage treatment of its population. Torture and starvation feature prominently. In this context of enslavement, the real significance of the article is that it draws both China and Russia into complicity in the forced labour program that Kim uses to finance his regime. The US is painting a circle of blame around Kim's enablers.

The critical point here is that most in the Trump administration don't believe that a nuclear-armed, ICBM-capable North Korea can be deterred in the classic pattern of deterrence relationships. Deterrence of the US for the North isn't defensive. It's an umbrella for intense coercive pressure in the neighbourhood with the US culled out from the equation. Further, it's a weapon in the hands of a regime perceived as unstable and paranoid and contemplating a variety of scenarios that would lead to a strike on the US. For the Trump administration, the threshold of acceptable pain as a consequence of preemption is much higher than that faced by its predecessors.

Though he strongly supports a diplomatic outcome, Secretary of Defense Jim Mattis has indicated that he has given the president options which would lead to a likely low level of violence against American allies. In this age where secrecy in military capabilities has superseded the openness of the era of deterrence, America's capacity to locate and destroy its targets has increased exponentially. This may be inducing Mattis's confidence. Trump has frequently displayed a marked lack of empathy for South Korean concerns. He is the first American president to be genuinely prepared to attack. He has nailed his personal credibility to his policy.

This will be a cold spring.

John McCain: a personal note

31 July 2017

Image courtesy of Wikimedia Commons.

Senator John McCain walked back into the US Senate last week and there wasn't a dry eye in the place. It was an unexpected event, as all knew of the terrible diagnosis of cancer of the brain, issued following an operation behind his left eye. His return permitted Republican Senate leader Mitch McConnell to bring the embattled healthcare legislation to the floor—not that McCain was prepared to vote for it in its current form. In any case, McCain wasn't back for that. His immediate purpose was a plea for a 'return to regular order'. In this case, he meant that such legislation shouldn't be prepared in the Republican backroom but in the relevant committees of the House and Senate. More generally, it was a plea for the Senate to live up to its reputation as the world's greatest democratic deliberative body, to return to bipartisanship and to its role underpinning the American global stance. McCain asked:

> What greater cause could we hope to serve than helping keep America the strong, aspiring, inspirational beacon of liberty and defender of the dignity of all human beings and their right to freedom and equal justice? That is the cause that binds us and is so much more powerful and worthy than the small differences that divide us.

Among Republican leaders he is the 'anti-Trump'—honest, bipartisan, deeply knowledgeable, courteous and appropriate. It's strange, then, that what was most on his mind wasn't just the history and reputation of the Senate. No, it was to shepherd the defence authorisation bill, which contains the increased defence expenditure he has advocated for years—and, ironically, the one thing on which he agrees with Trump. He describes the bill in this manifestation as 'a product of bipartisan cooperation and trust among members of the Senate'.

Despite his brave words, his colleagues do not expect him to be with them for long. And among them there must be a sense, as Trump speculates on using his pardoning powers for himself, his family and his associates—and as he pressures Attorney General Jeff Sessions out of office, probably foreshadowing shutting down the special counsel and his Russia probe—that folk of high standing will need to be around to call the shots on next steps. With his 30 years of Senate service, candidacy for president and extraordinary war record, his leadership would be vital. Many of his colleagues are of his opinion, but not of his stature. No time is good for this illness on a personal basis. It couldn't be worse timing for his country.

McCain loves Australia, and it is deeply embedded in his mental strategic map. He is in the first instance a man of the Pacific. His grandfather was a prominent commander in the Pacific during World War II. His father commanded submarines operating out of Fremantle in that war, and was then CINCPAC for part of the Vietnam War. At the time, John McCain had been a prisoner of the North Vietnamese for five and a half years. He loved his R and R leave in Sydney as a flier prior to capture.

McCain's major fault is a foul temper. He was incandescent with rage at what he thought was Trump's demeaning phone call with the Australian prime minister earlier this year, as he informed the Australian ambassador at the time. He went into greater detail in his Alliance 21 address in Sydney in late May. It contained, beautifully expressed, his longstanding views of the alliance, US and Australian roles in regional and global politics, and the zone's geopolitics. What was new was an underlying plea throughout that we do our best to influence Trump towards adopting America's traditional stance.

When I was ambassador, every visiting prime minister, foreign minister, defence minister and their opposition equivalents included McCain on their must-see lists. In his office, heavily decorated with portrait photography by a predecessor Arizona senator, Barry Goldwater, it was an opportunity for cheerful banter. But, more particularly, it was an opportunity for serious discussion about Pacific affairs.

That didn't mean he was an easy interlocutor. In the US he was forward-leaning on every issue: the South China Sea, the use of Australian bases, engagement in Afghanistan and the broader Middle East. There wasn't much diplomatic nuance there. The administration never satisfied him; he was out in front not only of them, but also of his party, and probably his electorate. When Obama wanted congressional support for bombing Syria after it crossed his 'red line' on chemical weapons, he was one of the few in support. But he had a price—he wanted Syrian opposition bases in the country upgraded and weapons delivered. He was given comfort on that. He wanted direct support by American forces on the ground in Iraq and Syria; not so much was forthcoming. His agenda was as hard for the American government as it was for us.

He understood Australia's difficulties in its economic relationship with China. But if he wasn't easy on the US administration, why would he be with us? He calculated Australia as more powerful than we calculate ourselves. Uniquely among American congressional leaders, he understood Australia's vital role in the South Pacific and he acknowledged that we did the heavy lifting. That's probably a factor in his calculation of our relative strength.

I once introduced him at a gathering of delegates to the Australian–American leadership dialogue in Washington. It was in a Senate reception room, partly at his invitation. 'I have just been introduced by the worst ambassador you have sent us', he said. He thoroughly understood the great Australian habit of 'taking the piss'. We have had no better friend in Congress.

James Mattis's national defence strategy and us

15 February 2018

Image courtesy of the US Department of Defense.

Commentary on the character of our security relationship with the US rarely examines what type of ally Australia is. We first, and often exclusively, focus on what type of ally the US is. However, the best way to calculate the impact of US policy on us—as revealed in Secretary of Defense James Mattis's summary of the national defense strategy (NDS)—is to start with us.

We're a unique ally. For the entirety of the Cold War and since, we alone of substantial US allies have contemplated no threat to our existence or our major interests that would oblige the US to consider an existential threat to itself as it assists us. None of its major northern hemisphere allies offer that comfort.

We're also among the few allies of the US determined to defend themselves. This raises the threshold of American obligation further. We're prepared in the South Pacific and, to a degree, in Southeast Asia—through alliances such as we have with Malaysia and Singapore, and agreements such as that with Indonesia—to raise the threshold again for the US. In addition, through joint facilities, we've been prepared to take on what might be existential burdens to render the US effective globally.

Diplomatically and militarily, we've committed ourselves to all facets of the social, economic and security elements of the post–World War II 'rules-based order'. These are constructions that, while not American, sustain values to which they've been committed. In recent times, we've been prepared to commit forces for lengthy periods, particularly in struggles against Islamist terror.

Overall, our force structure has primarily been based on the exigencies of interstate violence. The alliance has rendered our strategic environment transparent through the intelligence relationship; our weapons potent by accessing equipment from an ally staying ahead of the game; and our troops sharp as a result of training with, and being interoperable with, the best our ally can produce.

In recent times, as military forces undergo another revolution in capability and operation in cyber and space, we've sustained an ability to participate in the research and development of new systems. We see defence affordability, in our stretched budgetary circumstances, as resting exclusively on this US connection. The American NDS is therefore a critical document for us.

It's rendered more critical because the Trump administration at its outset challenged many of the assumptions that were key parts of the platform on which our security has been based—particularly in attitudes to its allies and our friends in North Asia, and the rules-based order.

An early shock for us was an irascible conversation between Trump and the Australian PM. On close examination though, it was evident that Trump was venting because he realised he confronted an embarrassing legacy agreement obliging the US to take refugees from areas from which he'd decided to take none. His anger was inflamed because he saw that the character of the relationship required that he honour the agreement. The doubts cast on American commitments to other allies, and the dismissal of key approaches to the rules-based order, have been problematic for us.

In the NDS perhaps, the most comforting statement was that the US saw that its rapidly renovating joint force, 'combined with a robust constellation of allies and partners, will sustain American influence and ensure favorable balances of power that safeguard free and open international order'. Trumpism slammed into reverse. Defined further, our region, the Indo-Pacific, was top of the alliance and partnership list, ahead even of NATO: 'We will strengthen our alliances and partnerships in the Indo-Pacific to a networked security architecture capable of deterring aggression, maintaining stability and ensuring free access to common domains.'

Less comfortable was the identification of China as an adversary. We were more at home with the Obama formula of 'partner and competitor'. This was mitigated, however, by the return of interstate violence as the top priority in US force structure developments. Terror was relegated, not because it doesn't retain importance, but because from the defence point of view, current technologies and existing forces are competent for the job. The new priority sustains a focus on weapons and systems that we identify as crucial to the way we prioritise defence. The document, one of the most superbly argued and succinct I have seen, gives confidence that the focus will be sustained.

Two questions arise. The first is Trump himself: Does he understand what his defence secretary has said and is doing? His major statement since the release of the NDS, the State of the Union address to Congress, contained little about the themes in the NDS. Instead, terror and, in particular, North Korea were dealt with at length. Will the NDS be derailed by accident in the fraught tangle as the US deals with that appalling regime's efforts to create a nuclear threat to the US? Will Trump's efforts at rebalancing trade with friends and trading partners in North Asia impede the balances that Mattis desires? And if Mattis falls under the proverbial bus, will the NDS be sustained without him? Answers to these questions are beyond the scope of this piece.

The second question is one of affordability: Can the US afford the NDS? The short answer at the time of its release would've been 'no'. That he feared 'no' was much in evidence in Mattis's remarks at the time. 'As hard as the last 16 years have been, no enemy in the field has done more to harm the readiness of the US military than the combined impact of the Budget Control Act, defense spending cuts and operating in

nine of the last 10 years under continuing resolutions … wasting copious amounts of precious taxpayer dollars.' He might have added that this handicap on sensible planning, particularly on the evolution of new weapons systems, was augmented by congressional determination to sustain useless legacy systems, facilities and unjustified emoluments for local political purposes.

Then in the last fortnight came an extraordinary budget deal that delivered more than Trump had asked for on defence, sending spending from $634 billion to $714 billion over the next two years. Caps have gone. Planning, crucial to new systems, is possible. Unfortunately, congressional backscratching remains, but its damaging effects have been lessened by the huge dollar increase. Undoubtedly, if sustained, the new defence spending makes Mattis's objectives achievable.

Unfortunately this budget, when combined with recent tax cuts (under which the US Treasury is losing $10–15 billion per month) and with still-to-come infrastructure appropriations, is fiscal madness. The US budget deficit clears a trillion dollars. It will stay there, rising over the decade to two trillion. That's a deficit almost the size of the Australian economy each year. The vocal director of the Office of Management and Budget, Mick Mulvaney (the equivalent of our finance minister), has been rendered mute. It's happening when the economy is thriving, a stimulus right out of the normal cycle. Nothing like this has been done in a crisis, let alone in prosperity. In it might lie the next economic crisis. The Republican Tea Party has become a college fraternity party.

At some point such spending will have to be reined in. The Federal Reserve will start by raising interest rates. The question will arise, 'When will they be assisted by disciplined budget measures?' Until then, however, it has to be said that Mattis will have his resources. If the strategy in the NDS permeates the rest of the administration, particularly in trade policy and US diplomacy, then the priorities we've sustained over the decades for the alliance will be underpinned by our ally.

Afterword

Defence policy in an era of disruption

Image courtesy of the White House on Flickr.

It's now clear that the strategic context underpinning Australian defence policy as set out in the 2016 defence white paper requires reassessment. That's a product less of a change in the behaviour of those identified as disruptors of the global system (notably, Russia and China) than of the directions of our principal ally under President Donald Trump.

DWP 2016 summed up our strategic circumstances:

> [The United States] will continue to be Australia's most important strategic partner through our long-standing alliance, and the active presence of the United States will continue to underpin the stability of our region. The global strategic and economic weight of the United States will be essential to the continued stability of the rules-based global order on which Australia relies for our security and prosperity. The world will continue to look to the United States for leadership in global security affairs and to lead military coalitions that support international security and the rules-based global order. The United States is committed to sustaining and advancing its military superiority in the 21st century, including through its Defense Innovation Initiative.

Based on these calculations about our ally, the government decided to assign military support for upholding the rules-based order and building confidence in our region equal status with the defence of our approaches as a force structure determinant for the ADF. The assessment acknowledged that two great powers (namely, China and Russia) were contesting that order globally and regionally. It also

acknowledged that the burgeoning military capabilities of both powers intensified the challenge for the Americans and for us. However, it judged that the objectives we see as critical to the peace, prosperity and sovereign rights of all states in our region—and therefore the challenges—should be met, working within the structures that emerged in the aftermath of World War II.

As the second year of the Trump administration concludes, it's clear that our assumptions about American leadership and objectives need to be revised. Liberal internationalism is subordinate to Trump's intensely nationalist vision. He perceives allies as users and economic competitors. He admires old adversaries with authoritarian tendencies as collaborators, and as potentially more reliable than old allies. He sees the global order's trading rules as fundamentally inimical to American interests.

July 2018 was a seminal month in the rolling out of these approaches. In Brussels for the NATO summit, Trump criticised and humiliated traditional friends and allies. He questioned their alliance commitments, alluding to NATO members' pledge to lift defence expenditure to 2% of GDP (an old US demand), but denouncing previously agreed timelines and shifting the goalposts to 4%. Blandishments for friends. Bouquets for adversaries. In Helsinki, Vladimir Putin was feted by Trump. Little is known of their private conversation, but it was evident there was no hard talk on the many points of difference between Russia and the US.

That this would be likely was evident in Trump's pre–Putin meeting tweet: 'Our relationship with Russia has NEVER been worse thanks to many years of US foolishness and stupidity and now, the Rigged Witch Hunt!' His demeanour at the press conference afterwards displayed a level of obsequiousness to the Russian leader unparalleled at such presidential encounters.

With suspicions mounting about the basis of Trump's fears of the Mueller investigation and his past financial and personal associations with Russia, former director of national intelligence James Clapper reflected the tone of post–press conference commentary and bipartisan anxiety. He told CNN:

> I think this past weekend is illustrative of what a great case officer Vladimir Putin is. He knows how to handle an asset, and that's what he is doing with the president … [Y]ou have to remember Putin's background. He's a KGB officer. That's what they do. They recruit assets. And I think some of that experience and instincts of Putin has come into play here in his managing of a pretty important account for him, if I could use that term, with our president.

Issues of Trump's alleged venality and allegiance are matters for US domestic politics. What focuses NATO members is the president's repeated calling into question of Washington's support in situations involving the collective military response mandated in Article 5 of the NATO Charter. In the past two years, Japan and South Korea have had similar concerns with their agreements as the president has worked his approaches to North Korea's nuclear disarmament. Trust has been further eroded by America's recent trade assault on allies; their experience isn't much different from that of an adversary and serial offender of at least the spirit of World Trade Organization rules (for example, China, on intellectual property related matters).

Trump's approaches to trade and to recalibrating relations with Russia and North Korea have lacked coherence. The resulting confusion has allowed allies to seek friends in the administration. State Department, Defense Department and intelligence officials have produced reassurances and signed up to policy pronouncements reflective of the old order. The communiqué of the NATO meeting covered the Russian disagreements in traditional fashion with the US signed on. Defense Secretary Jim Mattis's national defence strategy elevated Russia and China to once again being the main adversaries, displacing counterterrorism from the top spot.

The NDS was a ringing endorsement of the old alliance systems. It assigned those partnerships even greater importance in an era in which old adversaries were attributed more significance and approached parity in capability. What these contradictions mean is unclear. But what is evident is that nothing can be guaranteed in this muddle. This also raises the possibility that adversaries might probe possible gaps in the multilateral security edifice where responses from the US would be uncertain.

Returning to that quote from DWP 2016 at the beginning of this afterword, the one part that still resonates is the last sentence. The US, it says, will continue to sustain, advance and upgrade its military capabilities. While the rest of the assessment is somewhat frayed, major increases in US defence spending and vigorous technological regeneration now support that judgement.

Australia has evaded Trump's criticism on the economic and military fronts. No threats have been issued against our guarantees and commitments. However, our careful efforts over the past three decades to engage the US in our region in a way that member states are comfortable with have been massively undermined. This is a region devoted to the rules-based order (China somewhat qualified). US participation in the Trans-Pacific Partnership symbolised our strategy's and diplomacy's success. Trump repudiated the work, but America still seems to be committed to the multilateral meetings that are core features of regional diplomacy. A heavy security focus supplants economics.

That's gratifying to a degree, but given the volatility in US policy, none can be certain what might transpire in a crisis or how the US might react to provocations in the region. A quicker resort to a military response to Chinese activity in the South China Sea, for example, might challenge US allies in an environment where the Americans place a premium on burden-sharing and react harshly to a failure in support.

While the US has stepped back from some regional engagements, a number of its allies and friends, including Australia, have stepped forward to address regional diplomacy more intensively. In the absence of the US, however, China looms large. Australia's situation is complex. Earlier in this compendium, I argued that our growing dependence on the US in the post–Cold War era has narrowed our options. In the 1980s, given the balance of advantage in the relationship with the US, Australia could push the frozen architecture of the Cold War to its limits and embark on a multiplicity of global and regional initiatives. A low-threat environment, and none that would oblige the US to contemplate its own destruction if it aided us, underpinned this flexibility. In addition, the US was relatively uninvested in the region.

That has now changed. The Indo-Pacific region has been elevated in US priorities and we have witnessed the emergence of economically powerful and increasingly militarily capable nations in our zone. Most importantly for a nation that focuses on a high-technology defence like Australia, only the US, which leads the advance to next-generation weapons, can provide us with the relevant systems in all their complexity.

For us, Trump may be inimical to the values we espouse in support of collective security, liberal internationalism and the rules-based order, even though his words of mutual regard bilaterally have been strong. However, unchallenged by him is the military component of what is fundamentally a military alliance. We are effectively invited by him to put sentiment on a back burner. The communiqués and press conferences from AUSMIN meetings, as evidenced at the most recent on 24 July 2018, still, however, reflect that sentiment. That is another manifestation of the more conventional outlook of Trump's national security team. Given the rapidly changing character of the distribution of power in our region, it would be wise for us to plan on greater volatility in both US policy and the international politics of the region.

Our focus is now on Trump. His spectacular character overshadows dramatic change in the other major regional player, China. Its internal order has been disrupted too. Deng Xiaoping's move to collective leadership, constitutionalism and the private sector as economic driver has been superseded. President Xi Jinping has reasserted party control, entrenched state capitalism and redefined China's maritime borders in a quest for legitimacy. It's possible that as time goes by and inevitable domestic difficulties arise, expectations will also rise in the Chinese polity that Xi will secure outcomes on Taiwan and military domination of China's maritime approaches. Much more is expected of time-unlimited authoritarian leaders than of time-limited party committees.

While Xi will likely outlast Trump, it doesn't require too much imagination to envisage confrontational events in both areas and on the Korean peninsula. He will be expected to resolve the Taiwan problem in particular. Should the US respond—and Trump has been much more supportive of Taiwan than of other friends and allies—it will look to regional friends. Both Trump and Mattis have been more hard-line on the South China Sea than Obama. They will look to us.

In this collection, I have canvassed these changes. The diplomatic and foreign policy responses are obvious and are being pursued. We are using institutions to strengthen confidence-building in the region. That is reflected in concluding the TPP on a regional basis, enhancing Singaporean and Malaysian military collaboration, working on quadrilateral consultations, and reactivating our diplomatic and aid focus on the South Pacific. The defence response is harder and massively more expensive.

The collective response clauses in our treaty arrangements with the US are not the most salient part of the arrangement. We are still realistically focused on being able to handle direct threats ourselves, albeit in the face of rapidly rising technological demands on our capacity. Chinese attitudes aside, our alliance relationship and its military aspect are welcome—or at least not unwelcome—among our regional partners. A decision to persist with the alliance carries little political cost and isn't directly the object of Trump's undermining. However, the contemporary era of volatile American decision-making means we will need to recognise that the cost might occasionally involve difficult choices.

The key question lies with our defence force planning. In doing what needs to be done to get the best out of the relationship, two areas stand out. The first is our level of readiness. The second is how best to use the allied relationship to advance our technological capability. Both are heavily affected by available resources. This wouldn't be such an issue if we had kept defence spending at the level we had in the 1980s—an average of 2.3% of GDP. At that level today, we would spending about $5 billion more on defence each year. We need to get back there.

Readiness calls into question the long lead time on our plans for new equipment and the resources devoted to supplies and ammunition for existing capabilities. We need to give higher priority and more disciplined attention to a strategy of denial in our maritime approaches; upgrade collaboration in the South Pacific neighbourhood in particular; bring a sharper focus to the vulnerabilities of our critical mineral provinces; and rapidly incorporate the 'fifth generation' capabilities coming in with the F-35 in systems across the ADF. DWP 2016 made clear that our focus on platforms has been 'at the expense of funding the vital enabling and integrating systems that allow the ADF to bring capability elements together to deliver more potent and lethal joint combat effects'.

It's in this area that the technological capabilities the US brings has immediate impact. While formulating the NDS, Mattis pointed out that although adversary capabilities with particular weapons and platforms will often advance ahead of the US (as happened in the Cold War), the US was yet to be bettered in systems of systems. In the longer term, from the Australian point of view, the issue is whether the US will sustain its focus on the technological changes necessary to be competitive and whether we will interact with the US sufficiently to obtain those critical capabilities modified for our own defence purposes.

There's a refreshing humility around American decision-makers at the moment on these matters. While Mattis's NDS doesn't mention the 'third offset strategy', it is intense on competition in next-generation capabilities. The notion of the third offset, like the first and second, was based on the assumption that the US would jump ahead. Former deputy defence secretary Bob Work said recently:

> I actually regret talking about the Third Offset Strategy, in hindsight. It made it sound like we had the advantage and we had time to think about it and go through the motions … I wish I would have said, 'we need to start about upsetting the *Chinese* offset, which is coming uncomfortably close to achieving technological parity with the US' … It's time for the US to crack the whip.

The competition, however, has been transformed, at least over the next four years, by the surge in America's defence budget. At US$714 billion (up from US$609 billion) a year, it compares with China's US$228.2 billion and Russia's US$66.3 billion defence budgets. It is arguable that Russia has poked the US into an arms race on nuclear capabilities, artificial intelligence, and hypersonic and directed-energy weapons that it doesn't have the resources to win. Journalist Paul McCleary pointed out in May that Senate Armed Services Committee members saw some mismatch between the new national strategy and the amount of funding requested by the White House. In their view, there was not enough focus on the strategic competition with China and Russia. Over the months, that has been much modified, and there's still argument over what many regard as a misdirected focus on the additional naval platforms and army

troops which Trump is keen on. What the armed services want is a focus on the new capabilities. The senate committee has finalised the budget with extra funds for hypersonics, directed-energy weapons, quantum information sciences, space constellation efforts, and rocket propulsion.

It's clear from the close relationship forged over the years with Australian defence science, defence forces and defence intelligence that industry now has something to latch onto. At the July AUSMIN meeting, Mattis emphasised Australia's inclusion earlier this year in the US national technology and industrial base as an enabler. This now facilitates defence integration and coordination between the US, Canada, Australia and the UK. Brendan Thomas-Noone in his seminal paper, *Mapping the third offset*, has pointed out how Australia might leverage this into participation in the Pentagon Defence Innovation Unit Experimental (DIUx), a mechanism for a shared meeting of these technological challenges that engages our private sector.

Australia is already involved in joint development in electronic warfare, hypersonics, directed-energy weapons and satellite constellations, among an array of technological research and development projects. Previous AUSMINs led to two new joint facilities focused on space situational awareness. The last one resulted in a memorandum of understanding on 'critical research and development of advanced cyber capabilities'. Hand-wringing over whether we should change course in our relations with the US is overwhelmed by the intensity of the intelligence engagement and Australia's embedding in American next-generation technologies. That intensity is matched by mutual investment in the private sector, which now stands at around A$1.5 trillion.

What this means is that Australia should be able to engage the American diplomatic posture with confidence. We can look after ourselves based on this relationship whatever way the US props, provided we move to a more direct focus on our approaches (or as we used to say, 'our area of direct military interest') in how we base our defence assumptions in the shifting strategic environment.

The US and the region are not as they were when core calculations were made in DWP 2016 for the strategic basis of our defence planning. The way things have changed since 2016 demands that we simplify our priorities. The emerging strategic order also requires, paradoxically, an even deeper engagement with our disruptive ally.

Kim Beazley on the US alliance and Australia's defence and international security

From May 2016 to July 2018, Kim Beazley was a distinguished fellow at ASPI and, freed from the constraints of his ministerial, political and ambassadorial roles, he wrote with relish and spoke at ASPI events with flair and great enjoyment about Australia's defence and international security.

Here we collect Kim's writing for *The Strategist*, ASPI's commentary and analysis site, because the depth of his knowledge and the urgency of his message are simply too valuable to be consigned to the cyber wasteland.

Beazley has spent a professional lifetime being deeply immersed in the design and implementation of Australia's defence and security policy. He steered his side of politics through the global anti-nuclear unrest of the early 1980s to craft an approach to Australia's alliance with the United States which still enjoys immense support across Australia's political divide. Beazley thought his way through the challenges of designing the right force structure for the Australian Defence Force and, largely, this is the force we have today: bigger and better equipped but still reliant on the alliance at a time when Washington has turned inward.