



Submission No 10

Inquiry into Australia's Defence Relations with the United States

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SUBMISSION ON

AUSTRALIA'S DEFENCE RELATIONS WITH THE UNITED STATES

TO THE

**DEFENCE SUB-COMMITTEE OF THE JOINT STANDING COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND TRADE**

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March 2004**

General observations

The alliance with the United States has been and remains a rewarding relationship for Australia. Since the alliance is widely perceived to be healthy and secure, it must be the case that Washington is broadly of a similar view. This also means that, over the past half century, Australia and the US have continued to share basic values and beliefs, to view the world in broadly compatible ways, and to pursue similar interests and objectives in the international arena. Had this not been the case, the alliance would have withered long ago.

The alliance provides Australia with the assurance that any power contemplating major military aggression against us would have to reckon on a robust American response.¹ The alliance does not guarantee such a response but it does not have to. If this is simply seen as quite likely it has much the same deterrent effect as if it was practically certain. It is true that Australia has no need at the present time or in the foreseeable future to draw on this assurance. It is equally true that assurances of this kind cannot be reliably generated on demand.

The alliance also provides the ADF with a variety of extremely valuable practical benefits in the form of intelligence, technology, training and exercising. Moreover, it offers us a wide variety of effective channels through which we can seek to influence the policy development process in the United States on issues that effect our interests. This is not to overstate the influence that we can bring to bear but simply to say that the alliance offers greater certainty that we will be listened to by the right people. Moreover, to the extent that other countries appreciate this dimension of the alliance (and they do), it can enhance Australia's weight in the international arena provided Australia is seen as pursuing its distinctive national perspective and, potentially at least, influencing US policies.

In the final analysis, an alliance is a contract, and exchange of obligations, albeit of the most serious kind. Alliances are typically forged when the parties have a common perception of major peril. Such a perception is almost a necessary condition for an alliance because most states have a natural instinct to eschew arrangements that to a greater or lesser degree increase the probability of involvement in other people's quarrels.

For Australia and the US that common peril resided in the Soviet Union and its apparent determination to facilitate the spread of socialism by all possible means, including the threat and use of force. That contest, of course, ended in 1991 in an emphatic victory for 'our' side when the Soviet Union broke up. Indeed, for the better part of two decades prior to this watershed, Australia's exposure to this central contest began to softened quite significantly.

The fact that ANZUS readily survived both the lower profile and then the elimination of threat that inspired it suggests that there is a dimension to the alliance extending beyond hard-headed realism. I think that this is clearly the case. To an important extent, Australia and the US are natural allies in the sense that it would not be outrageous to

suggest that our entwined history since 1951 would not have been greatly different if we had not bothered with a formal treaty.

This characterisation of Australia and the US as “natural allies” has at least two important foundations. First, there has been mutual high confidence of responsible behaviour on the international stage. Neither side has harboured concerns that the other is prone to banking on the alliance to back up reckless behaviour. Secondly, strong commonality in terms of cultural roots, values and beliefs, political structures and decision-making processes and so on resulted in strong expectations that each party will have broadly similar perspectives on security challenges and crises, and on how to address them.

Ironically, even though the danger that inspired the alliance has passed into history, the on-going process of alliance management, of ensuring a politically sustainable balance of benefits and risks, has become tougher. This has everything to do with America’s unprecedented pre-eminence since the demise of the Soviet Union. America’s responsibilities and obligations in terms of global governance have become heavier. And America’s appreciation of the opportunities available to it to shape global developments has sharpened markedly. Even if one regards the last several years as a probable aberration – special circumstances that resulted in excessive zeal that is now being tempered – an America that is dominant in the world will be a reality for decades to come.

All this means that we can expect the United States to be a very busy actor on the world stage into the indefinite future. We can also expect that the deployment of military forces and the threat or use of military force will be an important dimension of US activism. And with respect to both responsibilities and opportunities, the United States will be seeking support from its allies.

This characterisation of Australia’s alliance with the US, its past and the broad circumstances in which it will operate in the future suggest some basic guidelines for alliance management. These are not comparable to the laws of physics but more in the nature of commonsense rules of thumb.

- Approach every major decision, especially those involving potential joint military operations, as if the alliance did not exist but rather posed the question of whether we should enter into an alliance.
- Do not aspire to be a loyal ally but have the coverage to affirm on each occasion that we are allies because we agree, not that we agree because we are allies.
- Do not give any weight to the view that we should suppress our interests and instincts in order to accumulate favours, or to put the US in our debt, and thereby make their assistance to us more probable in some future hour of need.

Plainly, these observations are different ways of expressing much the same thought. Particularly in a very asymmetric relationship such as that between Australia and the US,

the onus is on the smaller party to keep its feet firmly on the ground and to protect both the substance and the appearance of sovereignty and independence.

US Engagement in the Asia Pacific Region

The majority of countries in East Asia value and, at least privately, support the US commitment to the stability of East Asia and its sustained preparedness to underline this commitment with military forces either based in or routinely deployed to the region. America's several bilateral alliance relationships in the region are seen as anchoring the US in the region in the political sense, and as providing a strong core of practical support for its forward-deployed forces. These arrangements allow the United States to be a key player *integral* to the region, a condition that is crucially different from being an external player with the capacity to project power into the region.

Quite obviously, the pivotal US alliance from this perspective is that with Japan but the same reasoning applies, in attenuated form, to the alliance with Australia. In other words, the alliance has in broad terms been an asset for Australia in our engagement with the region. Moreover, this should continue to be the case for as long as most countries in the region prefer to have the US playing a major role in shaping the security environment.

Again, however, capitalising on this asset now requires more care and sophistication in policy development and articulation. The post Cold War security environment is widely seen as generally stronger but also more complex and multifaceted. The distinctive challenge of international terrorism, which has generated imperatives that often cut across those associated with more traditional security interests and concerns, has complicated the picture further. In this new and turbulent environment, regional states are placing greater demands on the US for thoughtful and nuanced security policies.

There are particular expectations, or at least hopes, of Australia in this regard. On the one hand, we are seen as the country in the region with the closest and most intimate relationship with the US, not least in the security sphere. Because we share so much with the US in historical, social and cultural terms, we are considered to have more effective channels of communication and influence than our strategic weight would suggest. On the other hand, we are also seen as a country with both motive and opportunity to absorb, understand and, indeed, share Asian concerns and perspectives.

In other words, in addition to the basic function of helping to anchor the US in the region, Australia's alliance relationship with the US is valued because of our potential contribution to shaping US policies to better serve regional needs and interests. Taking advantage of these circumstances is as demanding as it potentially rewarding. While we can never hope to avoid all criticism that we have failed one side or the other, our longer term credibility is clearly dependent above all on the perception as well as reality that our policies, while reflecting a uniquely broad mix of interests and affiliations, are home grown.

Although judgements in this area are inherently subjective, there can be little doubt that Australia has lost ground in this regard. To some extent, this has been the inescapable consequence of doing what we had to do, as in East Timor in particular. At the same time, the present government has consistently pursued its declared objective of undoing what it perceived as the 'Asia only' foreign policy stance of its predecessors, and the consequent relative neglect of Australia's relations with the US and Europe. This was a subtle but cumulatively significant change in attitude and approach, and it did not go unnoticed in Asia. Moreover, since the election of the current Bush administration, Australia is perceived, fairly or unfairly, as having moved unreservedly toward Washington.

Even if this is predominantly a case of misplaced perceptions, it is costly for Australia, both directly and in terms of the services we can provide within the alliance. In the final analysis, Washington will value a close ally accepted by its neighbours in Asia as a natural partner, and with matching access, status and influence in the region, at least as much as it value the outstanding niche capabilities of the ADF.

Intelligence Sharing

While Japan has long been described as America's more important ally in Asia, no one contests that Australia is its closest ally in the region. And the single most important indicator of this quality is the scope and depth of the intelligence-sharing arrangements that have developed between our two countries. Intelligence is the last commodity that any state will consider sharing freely with another state. When this occurs, it speaks of a degree of comfort with and confidence in the relationship that is extremely rare.

Australia has such a relationship with the US. It is likely that only two other states in the world –the UK and Canada –have a comparable status (NZ was a third until its membership of ANZUS was suspended). As a consequence of these arrangements, Australia is probably the best-informed middle power in the world. Moreover, while Australia has a very respectable national intelligence capability, there is no way in the world that we could fill the gap if these arrangements with the US fell away.

Access to technology, exercises and interoperability

Together with the close partnership in intelligence, access to defence technology is a major practical benefit of the alliance, allowing Australia to field a more effective ADF for any given level of expenditure than would otherwise be the case.

Access to technology is linked closely to the objective of interoperability between US and Australian forces. Among the allies in Asia, this objective is pursued most strongly with Australia. Interoperability is a vital but elusive quality that depends as much, if not more, on common doctrine, procedures and sheer familiarity as on hardware. For this reason, regular bilateral exercises are indispensable to identify for rectification the inescapable tendency for large, complex organisations evolving independently to develop divergent modes of operation. Such exercises also provide the ADF with invaluable

opportunities to benchmark against the most capable military forces in the world. Nevertheless, interoperability requires that equipment capabilities be broadly comparable. In selected areas like communications and the collection and dissemination of intelligence, equipment capabilities have to be closely comparable if the forces are to operate together seamlessly.

The US and its allies face sharp dilemmas in this regard. Washington has a real interest in encouraging its allies to have strong, self-reliant military forces so as to raise the threshold for US involvement in local or regional contingencies. Similarly, it wants allies to have military capabilities that can usefully supplement its own should a crisis require a major US-led coalition (which could be described as lowering the threshold for combined operations with the United States).

A development that illustrates this interest was the Defense Trade Security Initiative. This initiative, launched in the second Clinton administration, sought to transform the principle guiding US export control machinery from a comprehensive presumption to deny access (the Cold War philosophy to give protection of US military technology absolute priority) to a presumption to grant access to selected allies. Although Australia was among a select group of allies offered the most liberal access, this was conditional on agreement that our capacity to protect technology was as effective as that of the US. It is also the case that many in the Congress remain reluctant to weaken constraints on transferring technologies, and that in this complex business a transaction may involve less than meets the eye in terms of access to technology.ⁱⁱ

It should not be inferred, however, that Australia's access has been unduly restricted in the past. The point is that, in the past, the US applied an elaborate and time-consuming process of checks and reviews indiscriminately to all countries. The effect of the initiative, if it is brought fully into effect, will be to greatly simplify and speed up the acquisition process for selected partners like Australia.

The deeper problem is the wide gap that has emerged between the US and everyone else in the capabilities of its conventional military forces. Relieved of the burden of maintaining the central balance, and enjoying a vibrant economy that supported a healthy defence budget, the United States has been able to focus strongly on exploring the application of the information revolution to the art of warfare. The results have been little short of breath taking, what President Bush has characterised as 're-defining war on our terms'. From Desert Storm in 1991, through Kosovo to Afghanistan and Iraq, the US demonstrated capabilities that threaten to make obsolete the traditional indices of conventional military power.

The US has surged so far ahead that it has lost touch even with its major allies like the UK and made interoperability within NATO a major concern. Moreover, while the US recognises that it must reach down and help its key allies to stay in touch, protecting its edge in critical technologies and a general unwillingness among the allies to make the necessary (and very large) financial investment suggest that the gap will continue to widen.

If this is the case for the US and countries the size of the UK, France and Germany, it requires no special powers of analysis to conclude that Australia will also have to look hard at the degree of interoperability to which it can realistically aspire. In a similar vein, we have an ADF funded at about US\$10 billion annually while our closest security partner has a defence budget in excess of US\$400 billion. Moreover, the ADF is constantly and intimately exposed to its US counterpart, and our access to US hardware and military technology is among the best. Again, it requires no special powers to conclude that these circumstances create a potentially significant risk of aspiring to capabilities that will seriously distort the coherence and sustainability of our defence effort.

This is clearly not a criticism of the alliance. It is the sort of problem that many countries wished they had. It does suggest, however, that there will be a growing premium on Australia exercising hard-headed common sense as it juggles defence funding, self-reliance and interoperability.

The missile defence issue

At one level, Australia's decision to 'join' the US missile defence program is unremarkable and of little consequence for the foreseeable future. The government has indicated that it is no more than a precautionary hedge against a potential future threat, that it involves purely defensive capabilities that should not trouble anyone, and that it will be a number of years before any decisions are necessary on concrete steps. In the meantime, however, Australian enterprises will be eligible to compete for research and development contracts from the US Missile Defence Agency.

While this is a defensible position, we need to be aware that it is not quite so simple. In the first instance, Australia has, for the first time, signalled a probable, if not likely, operational interest in a ballistic missile defence capability for the ADF. Whatever the focus of this interest - the Prime Minister is seemingly inclined toward defence of the Australian continent while the Defence Minister leans toward defending coalition forces in distant theatres - the only sensible assumption is that such a capability will be too costly to be absorbed within 'normal' real growth in the defence budget. It has also been acknowledged that we could not aspire to self-reliance in this area. Any capability that Australia acquired would be closely integrated with those of the US and dependent upon critical supporting US systems, especially space-based early-warning and tracking systems.

There are other dimensions to this issue that need to be borne in mind. Missile defence is likely to be one of the underlying strategic developments that will shape the character of relationships critical to the security of the Asia Pacific over the longer term, notably US-China, China-Japan, but possibly also US-Russia. The declared purposes of America's missile defence program are (1) to protect its forces when they need to deploy to regions where there is a threat from short/medium range ballistic missiles, and (2) to protect the

homeland from small numbers of long-range ballistic missiles that 'rogue' states like North Korea may succeed in acquiring.

In pursuit of these objectives, the US is sustaining a broad development effort embracing land, sea, air and space-based systems. The latter lay at the heart of the 'Star Wars' concept, although Congress has repeatedly denied funding to take it into the test phase. Initial deployment of 10 ground-based interceptors for homeland defence (6 in Alaska and 4 in California) is scheduled for October 2004.

The demise of the ABM treaty has lifted all restrictions on this development program, and left other states reliant solely on US statements of intent regarding the scale of deployments. The US has also declared its intent to maintain military forces 'strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equalling, the power of the United States.' In addition to a potentially formidable array of strategic missile defences, the US has resolved to maintain offensive strategic nuclear forces significantly larger than any other state, and capable of being more than doubled in size (in terms of the number of warheads) at comparatively short notice, of the order of 12-18 months.

It requires no rare powers of analysis to discern in this picture the seeds of strategic anxieties and pressures to find ways through America's supremacy. Australia's decision to join the US missile defence program will make us a more direct player in this very big league.

Many countries in Asia will have prepared assessments of this decision, not only its specific content - which is quite limited - but probably also what it suggests about how we now view the world and our place in it. They are probably wondering, for example, about our assessment of the likelihood that a state like North Korea will develop a full-range ICBM with a nuclear warhead, or that states closer to Australia will acquire ballistic missiles able to reach us. They may also be wondering about the reasoning that leads us to conclude that Australia would be a priority target for such weapons. It is important that we both think through ourselves, and seek to find out, what they might be saying so that we can seek to counter any unhelpful perceptions that may begin to take root.

ⁱ The ANZUS treaty does not in any way limit the military capabilities that the parties could bring to bear in a crisis. By implication, therefore, the treaty makes Australia a beneficiary of extended nuclear deterrence. Major Australian policy statements on defence have consistently referred to the value we attach to this dimension of the alliance. While the US has never contradicted these statements, it is also the case that, historically, its own statements on extended nuclear deterrence referred specifically only to European NATO countries and to Japan. Australia has sensibly not sought more specific assurances in the past, and it would make even less sense to do so now. The US has always been exceedingly cautious about explicitly widening the group of countries it would be prepared to defend with nuclear weapons. The more diverse and relatively untidy array of nuclear weapon capabilities that emerged during the 1990's can only have reinforced this caution.

ⁱⁱ Even for the closest allies, access to technology is not unlimited. Some technologies are considered so precious from a security standpoint that they are protected absolutely (stealth/low observables being perhaps the best example). Others will only be released provided arrangements can be made that give the

US on-going positive control over who has access. This has clearly been the case with some of the technologies that the US has been prepared to share to bring the Collins-class submarines to their full potential.