



Australia's Submarine Pact: China Scores an Own Goal

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Rarely has a military contract been so consequential. Australia dropped plans to purchase conventional submarines from France and agreed to buy nuclear-powered submarines from the United States and United Kingdom. That expensive switch was wrapped within a newly announced AUKUS partnership or de-facto alliance. The latter involves other security issues, ranging from missile development to artificial intelligence.

For the U.S. there will be new revenues and additional jobs. Canberra will join an exclusive military club, with more capable and prestigious nuclear-powered subs. The UK will enjoy contracts as well as a tighter relationship with America and a security shift to Asia.

The biggest loser appears to be France, which was supposed to upgrade Australia's conventional submarines. Paris takes a significant economic hit. Moreover, President Emmanuel Macron, facing a tough reelection race next year, was blindsided by the AUKUS announcement. Paris reacted angrily, complaining of being stabbed in the back, and recalling its ambassadors from Australia and the U.S.

Ironically, France's caterwauling diverted attention from the real loser in the newly inked deal: the People's Republic of China. The PRC was not mentioned by Washington, London, or Canberra. Indeed, White House Press Secretary Jan Psaki managed to keep a straight face when claiming that the agreement "is not about any one country." She added that the administration did "not seek conflict" with Beijing.

While no one believes that President Joe Biden wants a war, China is the obvious primary target of the new initiative. Australia, involved in a bitter diplomatic and economic dispute with Beijing, is bolstering its naval capabilities. The UK, once a significant Pacific naval power, is reentering the region alongside the U.S. and Australia. And Washington is extending the naval

reach of a close ally, which could join operations involving the Paracel, Spratly, and Senkaku/Diaoyu Islands, as well as Taiwan.

That's only the start. Antoine Bondaz of the Foundation for Strategic Research argues: "The regime in Beijing isn't just worried about the increase in Australia's military capabilities; it's also concerned about the precedent the deal creates for other countries that would one day also like to acquire nuclear-powered submarines, such as Canada, Japan or South Korea. For China, the pact between Washington, Canberra and London is the realization of a long-standing fear: the multilateralization of American alliances in the region. Today, it's Australia and the United Kingdom. Tomorrow, maybe Japan will join."

The Chinese foreign ministry spokesman, Zhao Lijian, responded caustically:

"The nuclear submarine cooperation between the US, the UK and Australia has seriously undermined regional peace and stability, intensified the arms race and undermined international non-proliferation efforts. ... China always believes that any regional mechanism should conform to the trend of peace and development of the times and contribute to enhancing mutual trust and cooperation among regional countries. It should not target any third party or undermine its interests. Seeking a closed and exclusive clique runs counter to the trend of the times and the aspirations of countries in the region, which finds no support and leads nowhere. Relevant countries should abandon the outdated Cold War zero-sum mentality and narrow-minded geopolitical perception, respect the will of the people of regional countries and do more to contribute to regional peace, stability and development. Otherwise, they will only end up shooting themselves in the foot."

Although the agreement is widely seen as a victory for the U.S. in its effort to contain Chinese power, there are potential downsides for AUKUS members. Nuclear-powered submarines convey high status and state-of-the-art security capability, but also come at a high price, and maintenance will burden Australia, a wealthy but relatively small state.

Moreover, targeting the PRC's weakness in anti-submarine warfare will push China to increase investments in that area. The issue is particularly sensitive for Beijing, which is at risk in its home waters, unlike America, thousands of miles away. Thus, the Quincy Institute's Ethan Paul contends: "The formation of AUKUS and the deployment of additional [nuclear-powered subs] will only reinforce China's sense of insecurity, pushing it to double-down on efforts to secure a degree of strategic breathing room in its own backyard."

At the same time, Beijing should see AUKUS as an important foreign policy bellwether. China's increasingly aggressive rhetoric and activity have generated blowback. By imposing economic sanctions and demanding changes in domestic policy by Australia that the PRC would never accept itself, Beijing convinced many Australians that they should strengthen their military and relationship with the U.S. The Biden administration also wants military basings rights in Australia.

Nor is Australia alone in tilting against China. Opinion toward the PRC is hardening in Japan, highlighted by the recent high-level debate on how Tokyo should respond to a military threat to

Taiwan. Moreover, Japan's candidates for prime minister targeted Chinese human rights and pushed for increased military outlays. Spokesman Zhao complained that "China's internal affairs cannot allow any foreign interference. Japanese politicians should stop making an issue out of China."

Although South Korea's government remains more cautious in addressing issues involving China, the South Korean people have turned sharply against the PRC. That, of course, reflects Beijing's economic retaliation over Seoul's cooperation with the U.S. on THAAD missile defense deployments.

Rising antagonism toward China is evident elsewhere, including in Europe, India, and the Philippines. Although Beijing's "Wolf Warrior diplomacy" appears popular with the Chinese public, it is fostering greater foreign hostility and military preparations. As a result, the PRC, which has been substantially enhancing its own military capabilities, shouldn't be surprised that Australia is following a similar path with the aid of America and the UK.

Lest this spiral continue, further undermining relations and increasing the potential for diplomatic disputes and military clashes, the Xi government should reconsider its international strategy. The PRC and its major partners and antagonists, often the same states, should step back before increasing confrontation overwhelms decreasing cooperation. Until then, agreements like AUKUS might become a Pacific norm rather than novelty.

The world faces enormous problems—health, economic, climate, and more. Surmounting these challenges will require cooperation among the U.S., China, Europe, and Asia's leading states to avoid military confrontation in the Asia-Pacific.

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