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## **Submission to IPAN**

### **A People's Inquiry: Exploring the case for an Independent and Peaceful Australia**

This 'Peoples Inquiry' poses two questions. The first is quite specific. What are the costs and consequences of Australia's involvement in US-led wars and the US-Alliance? This can, although not without a degree of difficulty, be quantified. We are dealing with human lives and with economic costs and consequences. The second question; what are the alternatives, is at first glance straightforward but it becomes intensely difficult to find a realisable solution.

The essence of this inquiry and of this submission is inextricably linked to how Australia sees itself and its relationship with the United States. It is also tied to a question of how this middle power can forge something that resembles an independent foreign policy stance. What is unstated in the overarching brief of the inquiry is how Australia reacts and responds to the growing tension between the USA and China. That Australia will be drawn into any such conflict would seem almost inevitable, despite all manner of claims that Australia will always act in accordance with its national interests.

The cost, in human lives, wasted economic resources and the loss of peaceful economic returns to Australia because of its unshakeable and increasingly militaristic alliance with the United

States is difficult, but not impossible to measure. The cost, in human lives, since 1945 and the development of such a close alliance with the United States is tragic. The economic expenditure has been enormous. Such an unchanging policy formulation, and one that has become ever more set in concrete has been based on a persistent threat perception that has come to infuse the very ethos of Australian political life. This confected perception has been largely accepted by the majority, primarily as a result of an intense and consistent barrage of propaganda. To prove a real or credible threat to the peace and stability of this country at any time since 1945 remains an impossibility, and yet Australia has unflinchingly sent troops to fight and die, at the bidding of each US administration, expended many billions of dollars on military spending and created a war-led mystique that is more than disturbing. Today we hear politicians proudly proclaim that Australia is becoming a leading weapons trading nation. Militarism is being presented as a manufacturing and industry policy. In 2013 military spending stood at 1.59 per cent of GDP. By 2019 that had risen to 1.9 per cent and it is set to reach the 'magical' figure of 2.0 per cent during this financial cycle. Our major political parties speak with one voice when it comes to the alliance and of the need to continually spend and increase spending on the military. It is delicately described as a defence force but has, since the formation of the US alliance always been offensive in nature and in purpose. The question that this submission will return to is what can be done about this?

We live in a world that is threatened in so many ways. Potential conflict, both regional and global, environmental disaster, pandemics, the forced migration of millions of people, poverty, the commodification of people, all make life precarious. How do we live in such a world and

why is the world in such crisis? Each of these problems are ultimately linked and it is this linkage that forms the basis for this submission.

What follows is predicated on the rational observation that economic imperatives drive political responses. The world is connected as never before. Economic structures, while based in and around individual nation-states are increasingly integrated. The economic system, and here we are speaking specifically of capitalism, enjoys a close, symbiotic relationship with the state. The state exists to facilitate the development of capitalist economic relations. Simply put, there is an economic base, upon which rests the institutions of state and society; political and social. If this premise can be argued and accepted, then independence becomes increasingly difficult, in an increasingly integrated global economy, let alone in one that is dominated by an economic, political and military hegemon.

The conditions that exist in the world today closely resemble those in the years preceding WWI. Then, as now, capitalist economies were seeking to either maintain or expand control and power. Then, as now, capitalism was globalising. A contradiction became apparent. If unchallenged, the globalising nature of capitalism would threaten the nation-state and yet the same state structures existed in order to assist capital's development and growth. The more powerful states sought to resolve this contradiction by force. Today those same conditions prevail. The United States cannot countenance a diminution of its global power. Chinese economic growth threatens this. The inexhaustible drive for power, profit and control endangers the planet in every conceivable way. All of the fracture points; war and potential war, refugees, ecological disaster, pandemic,

flow directly from this economic crisis that seems to have no solution. How then, does a nation-state such as Australia; a middle power that has traditionally relied on the 'patronage' of greater powers, tread?

This inquiry aims to find a way for Australia to develop an independent path, but is that realistic, given the undeniable fact of Australia's dependence upon and interdependence with other nation-states? Conventional wisdom suggests that Australia has a range of options open to it. It can either cling to its alliance with the USA and remain a steadfast ally, regardless of the potential military and economic cost in the event of conflict with China. In contrast it can direct its foreign policy towards closer engagement with China and hope to derive on-going economic benefits from such an alliance. It can also seek to be an 'honest broker' in the increasingly fractious US-Sino quagmire. The first of these options would receive a warm embrace from our traditional ally in the USA but it is doubtful that Washington would accept any shift by Australia towards Beijing. The honest broker scenario would, in all likelihood, be manipulated by both the USA and Australia to give an appearance of an autonomy that this country simply does not enjoy.

With the election of US president Biden came a flurry of reports and analysis arguing that a more responsible approach to world affairs was in the offing. His first comments, however, even before he was inaugurated were that America is 'back' and that it would be leading the world. In this respect US foreign policy and particularly in this region would seem to be changing very little from the Obama period. Biden visited Australia, as vice-president in 2016. He came to promote the new US doctrine of 'containment' of China, which was an abrupt shift from

economic engagement. It was the period of the Pivot to Asia, from which sprang so much of the growing animosity between the two powers. It might be worth recalling his words during that visit. “Anyone who questions America’s dedication and staying power in the Asia Pacific is not paying attention ... and we’ve committed to put over 60 percent of our fleet and our most advanced military capabilities in the Pacific by 2020.” Referring to US foreign policy, the vice president, quoted Obama: “As the president said, we are all in. We are not going anywhere.” It was a speech that clearly targeted China but also served to remind those nations in the region that just possibly needed to be reminded about who calls the shots. In the same speech, Biden declared: “If I had to bet on which country is going to lead economically in the 21st century... I’d bet on the United States. But I’d put it another way: It’s never a good bet to bet against the United States.”

Such a blunt statement of facts as they appear to the USA has ramifications for Australia’s foreign policy and for its economic policy now and into the future. All nations, regardless of political or ideological persuasion use a common phrase when describing their political stance. It is that we will always act in our national interest. It is a phrase that is primarily designed to read well for the domestic market but logically ends up pitting one nation against another as interests are seldom, if ever, uniform across borders. Those who frame Australian foreign policy and economic strategy are inevitably caught in a dangerous dilemma. On the one hand we have an economic superpower that is visibly on the wane and another that is no longer waiting in the wings but is taking centre stage. What to do? If we take things out of the abstract and look at what is happening, then what Australia is doing is dangerous and problematic.

As the potential US-Sino conflict heightens, then so too has our alliance with the United States become stronger and more militaristic. In 2020, our government further strengthened this alliance; an alliance that has China firmly in its sights. It worked to forge the Quadrilateral Pact between the USA, Japan, India and Australia, signed a new military pact with Japan, and engaged in a series of actions that China could only perceive as provocative. There might be an element of logic in this; the USA remains our major ally and provides the greater share of capital investment into Australia. At the same time, the Australian economy relies heavily on trade with China. Thirty percent of Australia's income is derived from the Chinese market. One job in thirteen is a by-product of Australia's engagement with the Chinese economy. What, then are the options? What are the alternatives?

All of this is giving Australian business and government leaders more than a little pause for thought. Playing one side off against the other is a dangerous game. When PM Morrison returned from signing the military pact with Japan at the end of 2020, he made a rather revealing speech to the British think tank *Policy Exchange*. He made it clear that he maintained his commitment to Washington's on-going offensive against China while appealing to business in China and Australia to preserve the essential Chinese markets. In this, Australia falls back on the rhetoric of pursuing 'national interests.' It would seem to be an impossible task. What becomes clear is that the overarching motivation behind Australian foreign policy behaviour is to maintain the *status quo* of partnership with the USA, regardless of short or long-term problems that will almost certainly ensue.

Any quest for an independent foreign policy for this country, or indeed for any but the major actors involved, would appear to be a vain quest and made more so by the integrated economic dependency and interdependency that exists within globalised capitalism. This poses real and present considerations for the immediate future. This does not mean an acceptance of the reality of subservience, and nor does it wave away any action on Australia's part to act on behalf of the common good of its own citizens or, more importantly, the citizens of the world. Equally, however, to not recognise the imperative of economic integration and the ills of capitalism, both national and international, is to commit a tragic mistake.

It cannot be questioned that there are pressing and immediate issues that confront us all. The threat of cold war and actual war, the crisis of global warming, the threat of global pandemics, are just some of the existential issues that face us and ones that must be addressed. It has been remarked and forcefully argued that such critical issues are more pressing than questions of economic control. It has been said that we simply don't have the luxury or the time to dispute or debate questions of ideology or of how a global society might be organised, given the immediacy of these existential threats. It is an argument that has a degree of logic but all existing crises and those still to come stem, ultimately, from the same cause. It is not a question of not having the luxury of time, but rather acknowledging a pressing issue that must be addressed and sooner rather than later. Addressing the underlying problem; that of capitalism, is not for some far distant agenda and it is not in any sense a utopian project. The global economy is in crisis and is unlikely to ever move into calmer waters. States will vie with each other for political and economic dominance. The simple fact remains that the USA will continue its decline and, barring a catastrophic war, China's rise will continue. How then, given such a scenario, can a

nation-state such as Australia hope to develop an independent foreign policy and if it was possible, would it not simply mean a withdrawal from the world, while the major powers continue their *danse macabre*?

Australia, as a middle ranking capitalist power, is caught in a dangerous dilemma. The century of engagement with the USA and the past seven decades of close military and economic alliance make an amicable separation or divorce extremely unlikely. If we consider the question of US bases for just a moment, then it becomes clear that arguments from Australia that we must defend our national 'sovereignty' have no relevance for the USA. For decades people have campaigned for a closure of Pine Gap. It can certainly be argued that it is not in our 'national interests' for the base to remain, but to make such a demand of any American administration would be regarded as an act of hostility. The huge foreign capital investments that the USA makes always hangs as a Damoclean sword over the Australian state. Again, the issue of economic imperative rings in the ears of our leaders of whichever political persuasion. Australia, in the dangerous times in which we live, will find it increasingly difficult to have anything but a whole-hearted (if one-sided) relationship with the USA. It will always be an all or nothing relationship. Australia will not have the luxury of saying no to this or that war, of saying that the next Middle East adventure is not in our interest, that the relationship is over, and can't we remain friends? This might sound depressingly like an acceptance of a submissive role but need not be so. The simple fact of the matter is that Australian political parties and large sections of the economic community endorse a belligerent US foreign policy. We can't get out of the relationship but also don't really want to.



Change is possible but there is a well-worn aphorism that needs to be remembered. There must be political will. From whence does this political will come? Appealing to a political class whose *raison detre* is the maintenance of existing political and economic structures; the continuation of a system that is so clearly flawed, is unlikely to be successful. Any desire for change must come from below and yet the entire state apparatus, and this includes the media, is geared toward maintaining this same *status quo*. Despite this, there is a clear groundswell of opposition to the US alliance. The Australian people are becoming increasingly cynical and distrustful. However, the anti-China rhetoric that has been so assiduously promoted in recent years has given the impression that there is no viable option but to cling to the alliance.

So, where to for Australia and for our economic future? It would seem that there is too much foreign investment at stake to allow for any alienation of the USA. At the same time there is too much foreign trade at stake to alienate China, although that seems to be the way things are heading. The dilemma, as outlined in Morrison's speech to *Policy Exchange*, is to maintain good economic ties with China while remaining a loyal ally of the USA. For the sake of political stability and to maintain a sense of legitimacy in the institutions that make up the Australian state, our leaders, both Liberal and Labor are anxious to show that everything is under control.

And, while our political leaders struggle to find a way of maintaining order and legitimacy, the quest continues, beyond the corridors of power, to find a rational way forward. Clearly there are certain policy formulations that could be developed that would act in Australia's best interests in the immediate future. These would have little long-term effect on the power play under way

between the economic superpowers and they would be fraught with difficulty. However, they are worthy of consideration while fully realising that they will not fundamentally alter the course of the global crisis that is being played out in our region. What is important to consider is that our political leadership, from either political party, is tied to the concept that we must remain in the US camp. Lobbying such intransigent people and institutions, cannot hope to result in effecting real change. Appeals to reason or logic will fall on deaf ears. The history of the peace and anti-war movement in this country would seem to attest to this.

Conceivably, Australia could take a unilateral decision to play no further role in military adventures. It could demand that any engagement of the military must be shown to be in response to a real and present threat to the borders of the country. It would be a policy that might win wide popular support but runs counter to every political action from Australia since before Federation. Just who, in the context of the Australian political establishment, would be willing to take such a step becomes more than a little problematic. It would face opposition from the USA who demand loyalty. It would have to enjoy bipartisan support at home, because an opposition would be courted by outside influences if it were not a united front. It would have to be linked to a dismantling of what has been euphemistically described as 'forward defensive' capabilities, in favour of purely defensive ones. Even so, and as dangerous as this would appear to be to the alliance with the USA, it would still mean that Australian military doctrine would remain pro-US in the region.

Australia could seriously take up the issue of US bases and the troop deployment in Darwin. What would happen when such an appeal was unsuccessful is quite another matter and it is doubtful that the US administration would accede to such demands.

Trade, free trade arrangements, and multilateral trade agreements certainly offer scope for presenting an independent face to the Australian people and to the world. The promotion of Australian nationalism by successive Australian governments becomes a potential problem. There is a growing sentiment that economic nationalist ideas in the face of economic globalisation can offer some salvation and such trade agreements are often seen through a lens of suspicion. Even so, such trade deals are a fact of life and need to be encouraged. All need to actively encourage Chinese participation. The infamous Trans-Pacific Partnership which sought to exclude and 'contain' China is a case in point. Again, how this sits with an America that has determined that active engagement in the region is in its 'national' interest remains a vexed question and does not provide a way out of the binding US alliance and its negative implications. Active participation with China as a partner in its Belt and Road Program would clearly serve our economy well and break down some of the negative wall that the anti-Chinese propagandists have erected. While this is clearly in our best interests, it still does little to break the bonds that tie us to the alliance.

While-so-ever we remain a part of a global capitalist economy, the only possible expression for an independent foreign policy is within a capitalist economic framework. Australian political leaders fully recognise that the sun is inevitably setting on American economic power. These

leaders must be encouraged to not merely recognise this fact but to make a calculated political decision to encourage greater foreign investment from a range of countries, including China. Such an act would undermine the direct and indirect power that the US exercises over Australia. This, whilst being anathema to many, could be achieved, without an overt confrontation with the United States, but once again the question of political will and where this will might be found, remains the primary obstacle.

This approach, based on economic realities, will not be easy to sell to the broad public and numbers count if seeking to persuade political actors from either side of the fence. The people have been carefully 'shielded' from economic realities and made to believe in the fiction that stock markets have anything to do with the real economy. But as former US president Clinton once famously remarked in a debate, 'it's the economy stupid.'

But whatever happens, the idea that a small to medium capitalist economy exercising anything like an independent stance, whilst co-existing in a global and competitive capitalist marketplace remains an intensely improbable dream to realise. True economic independence, given the integration of economies can sadly be another name for autarky.

The world is facing possibly its most critical period in history. War stalks the planet. Trade wars threaten economic stability. It looks increasingly likely that cold war is becoming a reality. Global warming is set to make large parts of the planet virtually uninhabitable. Millions of people have been displaced from their homes as a direct result of war and environmental

destruction. We are living through an unprecedented pandemic and we have been warned that it will not be the last. Poverty, insecurity, anxiety and social inequality are having a devastating effect. Wealth is being concentrated into fewer and fewer hands. The two rival capitalist economies; the USA and China are locked in a struggle to assume hegemony over this disrupted planet. Central to all of these crises is the economic structure that rules the planet. In parallel to this is the separation of people into rival nation-states, each striving to further its national interest, generally at the expense of another state's national interest. The only possibility to resolve any of these crises is through united, global action. This cannot conceivably happen while rivalry and profit-making are the 'normal' order of things.

If we look at the world around us it is to see fissures and cracks emerging. In 2019 there was a remarkable upsurge in unrest around the world. The pandemic year of 2020 did not see the anger dissipate. That anger was invariably directed against government, whether that be in the USA, China, Chile, Lebanon or in any of the dozens of countries that we saw virtually aflame night after night on our television screens. This inquiry is rightly called a People's Inquiry. It is seeking ways and means of breaking the destructive US alliance. It is representative of a deepening feeling that something better needs to be put in place. The future demands that this be the case.

A final document will be presented to the Australian Parliament. It is a gesture rich in symbolism but even the act of presentation needs consideration. There is, by implication, a sense of belief that the political parties that have led us to this impasse can somehow lead us to a better future.

The People's Inquiry is a beginning and a positive one. The Australia-US alliance serves us poorly and endangers our future and the future of so many others. Chains must be broken. A People's Inquiry needs to be a significant step toward arming and educating the people to take action that is in their best interest and not to rely on those whose interests are driven by power and profit.

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