



STRATEGIC CHANGE AND NAVAL ROLES

Issues For A Medium Naval Power



Sam Bateman and Dick Sherwood
Editors



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STRATEGY AND DEFENCE NO. 102**



ISSUES FOR A MEDIUM
NAVAL POWER
PROCEEDINGS OF THE MARITIME STRATEGIC ISSUES WORKSHOP HELD AT
JUNYAT CRENSHAW, NOVEMBER 1992

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ABSTRACT

This monograph comprises the proceedings of a Maritime Strategic Issues Workshop hosted by the Chief of Naval Staff at HMAS *Creswell* in November 1992. The workshop was attended by academics and by naval officers and other government officials with an interest in maritime security developments. The objective was to assess the implications for the Royal Australian Navy (RAN) of the changes that have occurred in recent years in the global and regional strategic environment.

Successive sessions of the workshop considered the impact of strategic change, changing naval roles, the RAN's contribution to regional security, current maritime strategic issues and the strategic role for the RAN as perceived by naval officers at different rank levels. The monograph highlights the importance of a military service being prepared to look ahead to anticipate the impact of strategic change on its roles and functions.

Canberra Papers on Strategy and Defence are a series of monograph publications which arise out of the work of the Strategic and Defence Studies Centre, Research School of Pacific Studies, The Australian National University. Previous Canberra Papers have covered topics such as the relationship of the superpowers, arms control at both the superpower and South-east Asian regional level, regional strategic relationships and major aspects of Australian defence policy. For a list of those still available refer to the last pages of this volume.

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ACRONYMS AND ABBREVIATIONS

ACT	Australian Capital Territory
ADF	Australian Defence Force
AEW&C	Airborne Early Warning and Control
AFB	Air Force Base
AIDS	Acquired Immune Deficiency Syndrome
ANZ	Australia and New Zealand
ASEAN	Association of Southeast Asian Nations
ASP90	<i>Australia's Security Planning in the 1990s</i>
ASW	Anti-Submarine Warfare
C3I	Command, Control, Communications and Intelligence
CBM	Confidence-Building Measure
CDR	Closer Defence Relations
CINCPAC	Commander-in-Chief Pacific
CRA	Conzinc Riotinto of Australia Limited
CSBM	Confidence- and Security-Building Measure
CSCA	Conference on Security and Cooperation in Asia (proposed)
CSCE	Conference on Security and Cooperation in Europe
DDG	Guided-Missile Destroyer
DSD	Defence Signals Directorate
EASI II	East Asia Strategic Initiative, Part II
EEZ	Exclusive Economic Zone
FFG	Guided-Missile Frigate
FPDA	Five Power Defence Arrangements
GNP	Gross National Product
HMAS	Her Majesty's Australian Ship
HQADF	Headquarters Australian Defence Force
ICBM	Intercontinental Ballistic Missile
IN	Indian Navy
JORN	Jindalee Operational Radar Network
MHQ	Maritime Headquarters
MNCO	Multinational Naval Cooperation
MOU	Memorandum of Understanding
NATO	North Atlantic Treaty Organisation
NZ	New Zealand
OPEC	Organisation of Petroleum-Exporting Countries
Op Ed	The page in a newspaper opposite the editorial page

PASSEX	Passage Exercise
PMC	Post Ministerial Conference
RAN	Royal Australian Navy
RDMI	Region of Direct Military Interest
RSL	Returned Services League
SACLANT	Supreme Allied Commander Atlantic
SEAL	Sea, Air and Land team
SLBM	Sea-launched Ballistic Missile
SLOCs	Sea Lines of Communication
UN	United Nations
UNCLOS	United Nations Convention on Law of the Sea
US	United States
USAF	United States Air Force
USIS	United States Information Service
USN	United States Navy
WPNS	Western Pacific Naval Symposium

INTRODUCTION

In an address to the 1987 Naval Symposium, the then Minister for Defence, Kim Beazley, told the audience of naval professionals that they needed to focus on the objectives of their organisation and the reasons why their profession existed. He further highlighted the need for the navy to play an integral part in the development of the maritime strategies, which would be required as a contribution to Australia's overall defence and security postures. In so doing he suggested the need to build upon foundations, which existed in the Australian Defence Force Academy, the Naval Staff College and more importantly through the increasingly strong interface with academia, to create a coherent approach to strategic questions.¹

In some ways it was the pursuit of the minister's advice that led to the creation of the Royal Australian Navy (RAN) Maritime Strategic Studies Project, which subsequently evolved into the Maritime Studies Program. This programme, through its links with regional navies and national and regional centres of maritime and strategic studies, has been in the van of increasing strategic awareness within the RAN, and it has highlighted the significance of Australia's maritime surrounds both in terms of security and of national economic well-being.

Kim Beazley's advice in many ways echoed that given by a noted American academic to the United States naval profession in 1954. In an article published in the *United States Naval Institute Proceedings*, Samuel P. Huntington noted that the fundamental element of a military service was its purpose or role in implementing national policy. He called the statement of this role the *strategic concept* of the service. He described it as basically the *how*, *when* and *where* the military service expected to protect the nation against some threat to its security.²

Significantly, both Beazley and Huntington highlighted the need for public support. In order to obtain that public support, there

¹ Kim Beazley, 'The Development of Australian Maritime Strategy', RAN Naval Symposium, HMAS Watson, 26 November 1987.
² Samuel P. Huntington, 'National Policy and the Transoceanic Navy', *United States Naval Institute Proceedings*, Vol.80, No.5, May 1954, p.483.

2 Strategic Change and Naval Roles

was a need to be mindful of change, and to be able to articulate, to the public and the political leaders, the effect of that change on the way the navy, as an element of the national security apparatus, should go about its business.

In recent years in Australia there has been a new dimension to the strategic rationale of a military service with the idea that strategy goes beyond the defence of the nation against direct attack to include promotion of its security interests.³ In addition to defending national interests, naval capabilities can promote the nation's security interests by, for example, playing an active role in regional defence cooperation, which helps build a stable regional security environment.

It was with these issues in mind and with the support of the Chief of Naval Staff, Vice Admiral Ian MacDougall, that the Maritime Studies Program brought together for two days of discussion a group of selected defence officers and members of the academic community who were known to have a particular interest and expertise in maritime security issues. Although the group included representatives of both the Chief of Air Staff and the Chief of the General Staff, the workshop was essentially a single-service activity. Yet in terms of focusing on maritime strategic matters, it should be recognised that, in naval thinking, maritime security means a product of naval and air force cooperation. The essentially single-service nature of the workshop recognised the facts that each of the services is affected in different ways by the changes that are occurring in Australia's strategic environment, that each will react differently to these changes, and that any new intellectual endeavours should not be stultified by a search for common ground or the lowest common denominator of a joint approach.

The maritime component of the Australian Defence Force (ADF) is perhaps the one most affected by the process of change that is occurring in the regions around Australia. This is an area of primary strategic interest dominated by the sea, not just in a strategic sense but also in terms of trade, communications and potential sources of conflict. It is perhaps significant that, in the increased dialogue on regional security cooperation, most of the feasible initiatives for

³ *Australia's Strategic Planning in the 1990s*, 27 November 1989 (Defence Departmental Publication, Canberra, September 1992), p.2.

cooperation in operational terms are in the maritime environment or are associated with maritime issues.

Regional countries are increasingly preoccupied with maritime security. In the broad strategic sense, they are concerned about how China, Japan and India might respond to the declining presence of the United States in the Western Pacific; and in terms of specific issues, there are disputes over maritime boundaries, conflicting claims to offshore territories and resources, as well as problems with piracy, drug smuggling, refugees and illegal fishing. Concerns over maritime safety and associated marine environmental issues are also gaining prominence in both Southeast Asia and the South Pacific. Should conflict break out in the Asia-Pacific region, it would inevitably have a significant maritime dimension. Concerns about the disruption of seaborne trade, which is now so very important to regional countries, explains the growing interest of these countries in procedures and capabilities for the protection of shipping. This is one of the more significant maritime strategic developments in the region in recent years.

The proceedings of the workshop were arranged in such a way as to allow the participants to focus on several specific questions, within the framework of the impact of strategic change on naval roles of a medium power. The first of these questions is covered in the first section, where papers by Professors Andrew Mack and Jeremy Davis and by Commodore Sam Bateman focus on the strategic environment, the dynamics of organisations and how they react to change, and ultimately on the question of the balance between the warfighting and peacetime roles of navies. Some years ago a prominent strategic analyst, Ken Booth, suggested that navies have three roles: military, diplomatic and policing.⁴ While in the past it has been easy to say that the warfighting role of a military service is paramount and that other roles could never be determinants of the size and shape of forces, that is possibly not the case today, especially with respect to naval forces.

As countries become more and more concerned about their offshore resources, and the nature of their jurisdiction over offshore resource zones becomes more complex, inevitably the policing role of maritime forces must increase. Similarly with the diplomatic role,

⁴ Ken Booth, *Navies and Foreign Policy* (Holmes & Meier, New York, 1979), p.16.

which in the Australian context must include both the ADF's contribution to regional security and the notion of naval peacekeeping. In thinking about the balance between warfighting and peacetime roles, and excluding peacekeeping, it is really only the navy that has significant peacetime functions. Clearly warfighting wholly preoccupies the army and air force but navies, as demonstrated by the likes of Cook and Flinders, have always had important peacetime roles. Traditions in this regard between the services are very different.

The second question considered is the RAN's contribution to regional security and the promotion of Australia's security interests. The papers by Mr John Dauth and Captain Bill Dovers highlight the importance of this contribution and show that the RAN is already doing much with regional deployments and port visits. Dr Graeme Cheeseman provides an interesting alternative view of the way Australia could be pursuing her security goals and the commentary on the session provides some interesting insights into the way the workshop participants saw the RAN's future role in this important, but perhaps not always well understood, aspect of national security.

The workshop's third session addressed important aspects of current strategy. These included the problems of building a two-ocean navy, whether there is a clear strategic rationale behind the concept of two-ocean basing, and finally, the security of Australia's sea lines of communication. It would seem that, in the last decade or so, strategic planners in Australia have tended to play down the protection and control of shipping as strategic priorities. Yet Australia's most vulnerable interest in regard to military action could be its seaborne trade.

In a report issued by the Department of Foreign Affairs and Trade in early 1992, concern was expressed over the vulnerability of shipping to military interdiction in the event of conflict at focal areas and choke points in the confined waters of Southeast Asia and in the approaches to Japan and South Korea. Significantly, it noted the importance for Australia of concentrating on planning with like-minded states for the control of shipping in the unlikely event of conflict.⁵ Some security analysts are now giving more recognition to

⁵ East Asia Analytical Unit, Department of Foreign Affairs and Trade, *Australia and North-East Asia in the 1990s: Accelerating Change* (Australian Government Publishing Service, Canberra, 1992), p.96.

the fact that disruption to Australia's seaborne trade, which in many areas is easy to interdict and in most instances difficult to protect unilaterally, would greatly affect our economy, and the possibility of such disruption requires greater strategic consideration.

The papers by Professor Paul Dibb, Associate Professor Robert Bruce, Dr Bill Tow and Rear Admiral Rob Walls give some insights into these current strategic questions. The commentary in the discussion period that followed their papers was illuminating for the way in which the participants saw the increasing importance of Australia's sea lines of communication and perhaps of our inability to rely too heavily on great and powerful friends to the extent that we may have done in the past.

Finally, the last three papers of the proceedings give a view of the strategic role for the navy as seen by three generations of serving naval officers. The final discussion period acts as a summary of the proceedings and highlights the fact that the workshop was fundamentally about strategic change and the need to endeavour to anticipate change rather than just react to changes after they have occurred. The workshop was designed to allow naval strategic thinkers, assisted by prominent academics and others with an interest in maritime strategy, to attempt to cast their thoughts one jump ahead, by assessing the implications of changes in the security environment for how the navy of a medium power, such as Australia, should be going about its business.

We believe that the proceedings and discussions conducted over two days at the RAN's Alma Mater, HMAS *Creswell*, show some further way ahead for the naval profession in heeding the advice of Kim Beazley and Samuel Huntington in developing its strategic rationale. Additionally, the publication of the proceedings may go some way in explaining to the public part of the *how, where* and *when* the naval service expects to play its part in defending and promoting Australia's national security interests.

Sam Bateman and Dick Sherwood

CHAPTER 1

FIGHTING THE WAR AND/OR WINNING THE PEACE*

Professor Andy Mack

In Europe, in Russia, in Eastern Europe, in America, in Latin America and in Africa, defence budgets declined as the Cold War wound down. The Cold War has also ended in the Asia-Pacific, but in this region defence budgets are increasing, and at a quite extraordinary rate, 10 per cent or more per annum in some cases. Increased defence budgets are paying for a major increase in arms imports into the region, and a considerable expansion of indigenous arms-making capabilities.

Regional states are acquiring state-of-the-art missile systems, submarines, strike aircraft, and modern surface combatants, plus force multipliers like airborne early warning (AEW), in-flight fuelling and sophisticated surveillance systems. As a consequence, power-projection capabilities are growing very rapidly, although not in the conventional sense of acquiring capabilities to invade other countries. They are, however, growing in the sense that more and more states are able to launch lethal strikes over greater ranges with greater accuracy. They can, in other words, hit targets that they could not previously reach.

In addition, as a consequence in part of the growth in indigenous defence industries, we are seeing the region becoming increasingly involved in arms exporting. China until very recently was number four in the world arms exporting league. North Korea is now the world's major exporter of missiles, followed closely by the Chinese. Many other states are turning to exports in order to reduce the unit costs of their indigenous military production programmes.

* This chapter is loosely based on material contained in the concluding chapter in R. Leaver and J.L. Richardson (eds), *The Post-Cold War International Order* (Allen & Unwin, Sydney, forthcoming).

The arms build-up is paradoxical, not only because the Cold War has ended, but also because the regional security environment is more benign than it was previously.

Five or ten years ago statesmen and citizens worried about the possibility of a global war between the United States and the Soviet Union, and there is no doubt that such a war would have involved our region. It could possibly have involved Australia directly as a consequence of Soviet nuclear strikes against the so-called joint facilities at Pine Gap and Nurrungar. It would clearly have involved US bases in Japan, Korea and the Philippines. The US maritime strategy was predicated on the assumption that, in a global war, Soviet bases in East Asia would be prime targets.

These concerns are simply irrelevant today. In addition, we no longer worry about the sort of interventions that led the United States to fight in Vietnam, or the Russians to invade Czechoslovakia, Hungary and Afghanistan. Moscow has given up supporting Vietnam and North Korea because there is now no longer any strategic point in so doing and because such support is extremely expensive and Moscow cannot afford it. The United States has given up supporting right-wing regimes simply because they are anti-communist, while China is no longer concerned about being 'encircled' by pro-Soviet states like Vietnam. As the Cold War ebbed there was real movement towards a solution to the Cambodian conflict. The United Nations (UN) plan may well come completely unstuck, of course, and a tragic and bloody civil war could result. But it is now inconceivable that the superpowers would be drawn into such a war.

China has normalised relations with Indonesia, Singapore, Vietnam, and, most recently, with South Korea. Even on the Korean peninsula itself, which the US rates as the most dangerous 'hot spot' in the region, there has been a significant positive change over the past two or three years. This has occurred primarily as a consequence of the more accommodating policies pursued by the Roh Tae Woo government in the South. The North has lost its traditional ally the Soviet Union/Russia and has also failed to secure a compensating increase in support from China. Pyongyang has thus been forced to make concessions that it would certainly have preferred to avoid.

The Republic of Korea has normalised relations with Russia as well as China. This means that, if there ever were to be a war on the

Korean peninsula, Russia would not be drawn in, although the US almost certainly would. This was certainly not the case a decade ago when war on the peninsula could well have resulted in a superpower military confrontation.

The nuclear issue is still far from being resolved, however, and there are worrying signs that the North is continuing to pursue clandestine nuclear weapons, although technical difficulties make it unlikely that Pyongyang can acquire deliverable nuclear weapons in the near future. Even in the worst case of North Korea actually acquiring deliverable nuclear weapons, it is difficult to believe that the North would contemplate using them - unless attacked first.

The one area where a Cold War conflict remains far from resolution is the so-called 'Northern Territories' dispute between Moscow and Tokyo. President Yeltsin cancelled his 1992 visit to Tokyo because he feared being humiliated by Japan's refusal to compromise its claim to all of the disputed islands. In Russia's view, the Japanese stance is too hard-line for real progress on major issues to be made. But notwithstanding this, the situation today is very different from that which existed previously. Once, the Japanese would not talk to Russia about confidence-building measures, or any other security issues, until the Northern Territories issue had been resolved; now they will. Indeed, a significant arms control agreement (an 'Incidents at Sea' agreement) has been successfully negotiated and simply awaits a Russian/Japanese summit to be signed.

When one looks at the region today, and contrasts it with the region a decade ago, what is most striking is that Russia is now an *object* of politics, and not really an actor in its own right, as it clearly was at the height of the Cold War. Russia retains great military power but today this counts less than economic leverage. Compare the influence that Japan, which spends around one per cent of its gross national product (GNP) on defence, wields in the region, with that of Russia, which until recently devoted some 25 per cent of its GNP to military spending.

In Southeast Asia, which twenty years ago was known as the 'Balkans of the Orient', security relations have improved enormously. The region is now almost a 'pluralistic security community': while there are still conflicts between the various nations which are part of that community, there is no longer any expectation that they will be

resolved by resort to force. The ASEAN Post-Ministerial Conference (PMC) has now become the official forum for region-wide security dialogue—a considerable achievement by the ASEAN states.

Elsewhere in Southeast Asia, Vietnam, once seen as the 'Prussia of Indochina', is slashing its military budget and is preoccupied with trying to repair its basket-case economy. The Russians have left Vietnam and the once fraternal relations between Moscow and Hanoi have been soured by Russia's hard-nosed policy of requiring its former allies to pay for Russian goods in hard currency. Hanoi, like Pyongyang, has no real foreign currency reserves. It is true that the conflict over claims by regional powers to various of the Spratly Islands in the South China Sea is a source of tension and possible conflict, but this dispute predates the end of the Cold War by many years.

When all these positive factors are added up, this only sharpens the question with which this paper began. If the regional security environment is more benign and if the Cold War is over, why are defence expenditures rising so rapidly in the region?

One reason frequently noted by regional security planners is that defence expenditure *as a percentage of GNP* is not going up, indeed it is often going down. But because regional GNPs are increasing so rapidly, defence expenditures rise automatically. Indeed, some recent research by the International Monetary Fund shows that the best single indicator of increases in a state's defence expenditure is the rise in its GNP. In other words, if GNPs go up, countries tend to spend more, *regardless of perceptions of external threat*. The Asia-Pacific is, of course, a region which (unlike Africa and Latin America) can afford even higher levels of defence expenditure. On the supply side, arms manufacturers in Europe, the US, Russia and what was Eastern Europe are confronting declining markets at home and are desperate to secure new markets. The Asia-Pacific, together with the Middle East, is now the world's most lucrative market.

Regional states also argue that their increased military expenditure is part of a process of normal equipment modernisation. Buying F-16s is thus seen as little different from acquiring 400 Series 747 Jumbo Jets; it is simply another dimension of modernity and as such is no cause for alarm. But we should not forget when listening to such arguments that they may well be self-serving. The military play

an important role in politics in the Asia-Pacific. In Indonesia, South Korea, Thailand and Taiwan, for example, the military voice is particularly powerful in the corridors of power.

There is also an element of prestige arms racing going on in the region, as anyone who has looked at the sequential purchases of F-16s in Southeast Asia will recognise.

Finally, there is the issue of corruption. Although rarely discussed in polite academic circles and though hard evidence is difficult to come by, there is little doubt that corruption may also be a crucial determinant of defence purchases.

What all of these causal factors have in common is that none relates to the external threat environment. Conventional wisdom suggests that defence budgets rise when perceptions of external threat increase. The regional reality suggests that this is often not the case. Indeed in some countries defence budgets soar while the external threat declines. In Thailand, for example, defence budgets continued to grow rapidly even after the Soviets had withdrawn from Vietnam and the Vietnamese from Cambodia.

There are, of course, some external security factors which still tend to drive defence budgets up. The Asia-Pacific is essentially a maritime security environment. Most of the states in the region are either islands, or archipelagos, or (like South Korea) on peninsulas, which act as 'de facto islands'. Maritime issues are thus central to regional security: a sharp contrast to the situation in Europe. In this context the importance of the emergence of 200-mile exclusive economic zones (EEZs) will be apparent. The new economic zones can transform specks of rocks that no state previously cared about into vital strategic and economic assets. Sovereignty gives access to the undersea resources that lie within 200-miles of the territory in question. In the case of the South China Sea and the disputed Spratly Islands, there is the possibility that huge oil fields may be discovered. So the creation of 200-mile EEZs gives maritime forces within the region a series of missions that simply did not exist previously. At least part of the regional build-up is directly related to these new missions.

China has recently caused much regional concern with its acquisition of 24 Russian Su-27 strike aircraft. There is also talk of MiG-31 purchases and even rumours of possible Chinese acquisition of Russian Backfire bombers. China is also reported as being interested in acquiring the aircraft carrier being built in Ukraine. Both the Su-27 purchase and any carrier acquisition would be directly related to China's determination to protect its claimed 200-mile EEZ around the disputed Spratlys.

In addition to the new maritime missions which 200-mile EEZs have created, there are also a number of unresolved territorial conflicts in the region - conflicts which threaten regional security. The Silvhon or Korean peninsula is the most obvious cause for concern. It is the one part of the region where the armed forces of each side are directed exclusively against each other. There are many other sovereignty/territorial disputes in the region, including those between China and Japan, Japan and Russia, Indonesia and Malaysia. China's conflict with Taiwan remains far from resolution and, despite the burgeoning economic relationship between the two Chinas, the competitive acquisition of major new weapons by both sides is a source of potential instability. The Cambodian situation continues to deteriorate and full-scale civil war appears increasingly likely.

In addition to the security concerns raised by the new EEZs and the still unresolved territorial disputes, there is a pervasive concern throughout the region that America's commitment to Asia is declining and could decline much further. Regional security planners note that the Cold War is over, and that it was anti-communism which provided the central rationale for American forces to be forward-deployed in the region in the first place. This central rationale no longer exists, while the US is less able to afford its global commitments than it was previously. America now confronts enormous problems at home: a crumbling physical infrastructure, a crisis-ridden education system, an appalling health system, which delivers inadequate care at exorbitant cost and, of course, the huge twin deficits.

Regional security planners believe that in future the US will have to focus much more on the domestic front. Resolving domestic problems will consume financial resources, which cannot therefore be spent to support expensive overseas commitments. US officials respond to claims that America's commitment to the region is

questionable by arguing that the US has vital interests to protect in the region, even after the Cold War. US trade with the Asia-Pacific is now greater than US trade with Europe, while US/Asia-Pacific cross-investment now exceeds US\$160 billion. There are also cultural ties created by 11 million Asian Americans. But many analysts do not find these arguments compelling. The US has economic interests in the region, but so does Europe. Yet Europe has no forward-deployed forces in the region. Japan has huge economic interests in Europe and in the United States, and yet Japan is not forward-deployed anywhere. The United States has massive economic interests in Latin America, but deploys no troops there. In other words, the fact that a state has economic interests in a region does not necessarily mean that it has to have forward-deployed military forces to protect those interests.

It is these sorts of concerns that underpin regional worries that US commitment to the region may be drastically reduced in the medium to long term. And even the *possibility* of 'power vacuums' emerging may precipitate regional defence build-ups. There is concern in this context about China and India but, above all, about Japan. The offensive arm of Japan's defence is now provided by the United States, and one of the most important confidence-building measures in the region lies in the fact that Japan's Self-Defense Forces are defensively structured. Japan has no long-range bombers, no long-range missiles, no aircraft carriers, no nuclear attack submarines, no major amphibious forces. Japan simply lacks the capability to invade or occupy any of its neighbours; it also has limited strike capabilities. But if America were to withdraw, Japan's defence planners might well argue that Japan should become a 'normal' power, that it should acquire an offensive arm to match its military defensive arm - an offensive arm once provided by the United States.

America's most important security role in the region has not been to defend Japan against external threat, but to 'enmesh' Japan in an alliance relationship, which makes the region feel relatively reassured about a future Japanese role. Regional concern about Japan is perhaps misplaced, and not simply because the pacifist tendency in the Japanese populace is a very strong one. Economically Japan has done extraordinarily well while spending one per cent of its GNP on defence. Those who worry about resurgent Japanese militarism rarely ask what interest the Japanese might have in again embarking on the militarist path when they have done so well by being non-militarist.

The last time Japan went on a military rampage it suffered a humiliating military defeat and nuclear weapons were dropped on Hiroshima and Nagasaki. But this view is not one shared by all regional security planners. They worry about uncertainty, about *possible* future security threats. Their response to strategic uncertainty is to spend more on military hardware. Perception of insecurity is one of the most important causes of the regional military build-up.

This is a rather particular way of thinking about security. It assumes that 'if you want peace, you prepare for war'. Peace is believed to derive from superior military strength. There are, however, many ways of seeking to improve security other than that of deterrence and policies of 'peace through strength'.

If a state's security problem is Saddam Hussein, or Adolf Hitler in 1939, then the last thing it needs is confidence-building measures, security dialogues or common security strategies. What it needs is a credible deterrent, which is predicated on a good warfighting and war-winning capability. But if the central security problem is not a known and unambiguous threat of aggression (the Hitler model) but rather uncertainty, then the 'peace through strength' approach may actually undermine security. 'Peace through strength' policies may create or exacerbate 'security dilemmas', they may start 'conflict spirals', and lead ultimately to confrontations which neither side originally sought and which could culminate in war. In other words, when political relationships deteriorate, 'peace through strength' policies can lead to arms races, to reinforcing mutual hostility, fear and suspicion. The history of arms races is not encouraging. Canadian political scientist Michael Wallace has found that 82 per cent of arms races associated with serious international disputes have culminated in war.

If the problems that we confront are those of 'conflict spirals', 'security dilemmas' and the risk of inadvertent war, then the solution to those security problems is not more deterrence, not more guns, bombs and tanks, but more reassurance.

What do reassurance strategies mean in practice? They mean security dialogues, confidence-building measures, and restructuring forces so that they are strong on the defence, but relatively weak on the offence. But countries must also retain an adequate deterrent and

warfighting capability, since aggression remains possible, if not probable.

A real difficulty arises because the requirements of the two strategic approaches - deterrence and reassurance - are sometimes antithetical. So the question of how to balance the requirements of deterrence against the requirements of reassurance are critical. The difficulty arises primarily because the military are often deeply suspicious of 'reassurance' strategies. If one looks at the history of the Conference on Security and Cooperation in Europe (CSCE) negotiations, it is evident that there was enormous suspicion on both sides. The Russians argued that if they permitted too much 'transparency' they were giving to the United States valuable intelligence that could undermine the Russian deterrent policy.

To give another example, the US Navy has long been opposed to any confidence-building measures that would constrain its forward exercising in the North Pacific. It believed that any such constraints would prevent it from exercising its provocative maritime strategy in a 'realistic' manner, and that this in turn would undermine deterrence and, in so doing, increase the risk of aggression. Therefore, confidence-building measures could, paradoxically, actually increase the risk of war! Proponents of arms control simply cannot understand this argument. The assumptions underpinning the deterrence and reassurance approaches to enhancing security are very different.

What is necessary is a sensible balance between the needs of deterrence and the needs of reassurance. Yet there is no doubt that in the Asia-Pacific the balance is tilted too far in the direction of 'peace through strength', and not nearly far enough in the direction of reassurance, or strategies which stress 'transparency', confidence building, defensive restructuring and so forth.

Why should one assume that aggression is a less likely cause of war today than it has been in the past? There are a number of reasons. First, territorial aggression is extraordinarily difficult to justify internationally today as contrasted with the situation in the nineteenth century, when it was considered perfectly legitimate and reasonable for the French, the Germans, the Belgians or the British to go out and conquer large areas of what we now call the Third World.

Second, economic power is becoming more important than military power in terms of having influence in the international system. We are living increasingly in a world of geo-economics rather than geopolitics.

Third, there is the Mueller thesis, that to resort to war is of declining utility for major powers because the costs of waging war are no longer worth the benefits. This is clearly true as far as nuclear weapons are concerned. In Northeast Asia, Japan could go nuclear in six months, possibly less, if it chose to; South Korea might take about a year; Taiwan is not that far away; nor is North Korea. China, of course, already has nuclear weapons. So Northeast Asia has some nuclear deterrence without nuclear weapons actually existing. The Chinese, for example, know perfectly well that should they ever be inclined to build up the sort of invasion force that would be necessary to invade and occupy Japan, the Japanese could acquire nuclear weapons more quickly than an invasion force could be created. This knowledge might in itself be sufficient to ensure that China would never consider such an idea seriously. There is, of course, no evidence that China would seek to do this anyway.

Fourth, modern societies are increasingly difficult to govern by force and coercion. This is because they are complex, because they are interdependent, and because actors within them have roles that are indispensable and not substitutable. Therefore, governments must have cooperation in order to govern effectively. This fact helps explain the growth of what might be called 'people power' over the last 25 years. In Europe authoritarian regimes in Greece, Spain and Portugal collapsed in the 1970s. In the Asia-Pacific, in the Philippines, South Korea and Taiwan, civil society has grown stronger *vis-à-vis* the state with a consequent diminution of the repressive powers of the regimes in question. In Latin America the repressive authoritarian regimes of the 1970s have nearly all gone. Most dramatic, most obvious and most recent, are the extraordinary changes in what was the Soviet Union in Eastern Europe. The most interesting aspect of all of these changes is that the military essentially 'gave up'.

If modern, complex, interdependent, industrial societies cannot be governed effectively by coercion, this fact is also a very obvious deterrent against invasion. Israel fought three wars (in 1948, 1956 and 1967) and won them brilliantly; in 1982, Israel invaded and

occupied the Lebanon, which turned out to be a total disaster. Israel eventually withdrew for essentially the same reason that the Americans quit Vietnam and the Russians got out of Afghanistan.

The fact that aggression is a decreasingly probable cause of war does not mean that we will have no more wars. Wars have many causes other than aggression, but these other causes may be more effectively addressed by strategies of reassurance than by deterrence.

Although at the level of rhetoric there is an increasing interest in the region in security dialogues, confidence-building regimes and common security, that interest is greater within foreign ministries than among defence planners, many of whom remain wedded to the traditional verities of 'peace through strength' and continue to be suspicious of the idea that security should be sought *with* other states rather than *against* them.

What is really lacking in the Asia-Pacific is the sort of debate about the fundamentals of security policy that took place in Europe in the mid-1900s and provided much of the intellectual basis for the concept of 'common security', which underpinned the Conference on Security and Cooperation in Europe agreements.

That debate is beginning to take place. But those who argue for common security policies must engage in dialogue with the military. Only when the military can be persuaded that 'peace through strength' policies may be problematic and that reassurance strategies can make strategic as well as diplomatic sense will real progress be made.

CHAPTER 2

THE STRATEGIC CONCEPTS OF AN ORGANISATION

Professor Jeremy Davis

All organisations, at least in the private sector, will have strategies or strategic concepts. The question is not about their existence but rather their relevance, their power and their validity for the organisations' future actions. However, although one can safely assume that organisations have strategic concepts, these will often be tacit and implicit knowledge will be shared by the key managers. The difficult thing is to determine exactly what that shared assumption of the strategy is, and how relevant it remains in a new environment. These are the aspects of strategy in the private sector that are addressed in this chapter.

If a group of business executives were asked what they meant by the word 'strategy', two ideas would predominate in their answers. The first would be that the strategic choices of an organisation are those that imply irreversible commitments. The aluminium industry provides a good illustration of such irreversible commitments.¹ The single largest asset that Alcan Australia has on its balance sheet is its aluminium smelter in the Hunter Valley, worth approximately \$A400 million of the total \$A700 million assets. If Alcan is correct in believing that it is cost-effective (in world terms) to bring alumina down from Queensland and use Hunter Valley coal to smelt aluminium, then the smelter is worth \$A400 million. If the company is wrong, however, an aluminium smelter has no conceivable alternate use, and they would be lucky to get enough in scrap value to pay to restore the site environmentally.

Once a company has built a plant of that type, it has made an irreversible commitment. We can find many technologies, particularly in the capital-intensive industries, such as steel, pulp and paper, and petrochemicals, that have a clear irreversibility. There are other

¹ The author is Chairman of Alcan Australia Limited. The example is typical of capital-intensive industries.

technologies in which it is less obvious; but even in a bank, or a major life insurance company, we would find the same thing around their central computing systems and software, for example. Once those choices are made, the cost of trying to vary them is so high that the organisation rarely succeeds in doing so. At the core of the notion of strategy is this notion of the few decisions that cannot be reversed except at enormous cost, writing off most if not all of the investment.²

The second notion of strategy one would usually find in a discussion with a group of managers would be an emphasis on the degree of coherence across a whole sequence of decisions. Consider as an example a firm like David Jones, which has several stores out in the western suburbs of Sydney, whose managers call up headquarters and say: 'The range of merchandise that you have sent me for the winter season is not selling here'. Perhaps the patterns, the fabrics, or the colours are not acceptable in Penrith or Parramatta or Campbelltown. The request is, 'Can I have permission to supplement the range?'. What happens if those managers are allowed such a degree of discretion? Local managers, with knowledge of their own markets and environments, will almost certainly improve short-term performance. But at a very high cost. The core of retailing strategy is to establish a company's image, positioning it in the mind of the consumer. If local discretion is allowed, over time that positioning is degraded. In this example, people would become confused and not know any longer what David Jones stood for. Thus in some enterprises it is not so much the single large irreversible commitment that lies at the heart of the strategy, but rather consistency across a whole series of decisions. What really matters is the pattern these decisions form and the coherence of that pattern.

Business strategy borrowed its core language from the field of military strategy, and the concept of the art of generalship, according to *The Concise Oxford Dictionary*.³ In business, it is critical to understand that there are few truly dominant strategies. This insight derives from game theory, which shows that in most cases whether a strategy is

² This aspect of corporate strategy is central to the recent book by Pankaj Ghemawat, *Commitment: The Dynamic of Strategy* (Free Press and Maxwell Macmillan, New York, 1991).

³ *The Concise Oxford Dictionary* (Oxford University Press, Oxford, 8th edn, 1990), p.1205.

successful or not depends on the choices made by competitors.⁴ For example, when Alcan decided in the late 1970s to build a smelter in Australia, logic dictated that, following two Organisation of Petroleum-Exporting Countries (OPEC) oil shocks, oil-fired power in Japan and Western Europe was no longer competitive by world standards, and that many smelters in those countries would be shut down. Such logic implied that the world-competitive locations for smelting in the latter part of the twentieth century would be in countries that had either hydro-electric power (a fairly limited number) or very good natural resource bases in the form of coal. It would have been a brilliant strategy if Alcan had been the only organisation to think of it, but five such aluminium smelters being built at the same time leads to a glut of capacity and a price war. At the heart of the contingent nature of strategy and business is the recognition that there is no single dominant choice one can make. Most of the time firms are gambling on the choices that will be made by other firms against which they compete. In that context, a strategic concept for a firm, or a strategic paradigm, must have two critical components.

The first component is the ability of the management group to define the goals of the organisation. Too many people assume that goals in business are simple and clear-cut, that the so-called 'bottom line' is straightforward. However, although we can state the goal in abstract terms - maximisation of long-term value to the shareholder is usually accepted as the predominant goal - operationalising that goal into specific actions for managers is very difficult. Many organisations in the private sector are quite poor at making these goals operational and at clearly defining what is high performance. It is too easy to assume that this is self-evident, and to let that specificity of goal definition slip by.

The second component of the strategic concept is an agreement within the top management team about 'the technologies'. They must ask themselves not only what it is that they are trying to achieve but also what they have to do to achieve it. Very rarely is this process of articulating the required technology made explicit. There

⁴ See C.F. Camerer, 'Does Strategy Research Need Game-Theory?'; and G. Saloner, 'Modeling, Game-Theory, and Strategic Management'; both in *Strategic Management Journal*, Vol.12, Special Issue, Winter 1991, for critical assessments of the contribution of game theory to strategy research.

tends to be an embedded understanding shared between senior managers, developed over time, not clearly articulated, and not the result of formalised strategic planning processes. While organisations engage regularly in strategic planning, much of what is done is actually intended to educate middle management, and to flesh out short-term operating details of the strategy, and does not in fact address the core concept of the strategy itself. It is necessary to draw a very sharp distinction between the organisation's strategy and its strategic processes, which are often completely uncoupled.

What do we know about the shared strategic understanding of a management group? In any management school library, the text books in any discipline (for example, marketing, finance or production) are nearly all based on a fairly standard Western assumption about how to make a rational decision. Although it could be expressed more elaborately, its basic structure is as follows:

We have some goals. Then, somehow, we generate a series of alternate courses of actions, some options; because if we have no options, we have no choice problem. We collect relevant data in order to analyse the options; we compare them with the goals; then we select the best option.

At one level, we accept this decision-making model wholeheartedly. For example, our decision to be here at this workshop at 0815 hours this morning can be analysed in terms of that model. We woke up at 0600 hours and thought about a range of options and their consequences (lying in bed, skipping town, etc.) and it was fairly easy to get to the choice to be here at the appointed time. Nonetheless, it can be argued that the most significant strategic decisions of major corporations are not well described by this model. Observations show that the major strategic choices of most firms have two important characteristics. Firstly, 99 per cent of possible options are almost instantly discarded without reflection. The alternatives actually considered by a management team are a very reduced set of those available to them. Secondly, the process of collecting information to validate those choices, or to distinguish between the alternatives, is not nearly as comprehensive as is often suggested in the literature. Most

firms make their critical choices intuitively, collecting just enough data to validate the intuition.⁵

Such empirical description is extremely important because we need to understand better how a management team agrees on its strategy and on what the threats are. One of Australia's better known major companies, originally the Colonial Sugar Refining Company Limited (CSR) provides an illustrative example. CSR is a classic, diversified firm. Yet if we look at the distribution of the assets of the corporation, first as they were in 1985, then in 1990, we will see that between 1985 and 1990 more than half of the company was sold off. Gordon Jackson retired as the Chief Executive in about 1982 or 1983, and Bryan Kelman and Ian Burgess succeeded him. They came to the conclusion that CSR could not be competitive in most of the resource businesses which CSR had acquired during the 1970s. Out of \$A4 billion worth of assets, more than \$A2 billion worth were disposed of in the next two years and huge investments were made, particularly in building materials, both in Australia and two very large acquisitions in the United States. By what process was that decision, which resulted in as fundamental a transformation of a corporation as one can find in recent times in Australia made? For CSR to sell half its assets and then double its asset base with huge acquisitions was indeed a major change in strategy. Did the Board and the top management team of CSR spend a lot of time debating about entry into such businesses as information technology, for example (either computing, telecommunications, software), or value-added services? Did they spend a lot of time studying bio-technology, or retailing?

It is very unlikely that this was done. Of the major growth technologies of the late twentieth century, very few would have even been considered by the management team as relevant strategic opportunities. Here, as elsewhere, the management team would have discarded large numbers of options, in order to focus their time and energy around a very few.

This technique is both a strength and a weakness. The organisation cannot survive if it insists on looking at all of the options:

⁵ This emphasis on the process aspects of strategy, as opposed to a normative 'optimising' model, has been powerfully developed by James Brian Quinn, Henry Mintzberg and Robert M. James in *The Strategy Process: Concepts, Contexts and Cases* (Prentice Hall, Englewood Cliffs NJ, 1988).

sheer scale renders this impossible in business, where the range of options is so large that to attempt to review them all would paralyse the organisation. There must be some rule by which one can throw away most of the options, and observations show that that rule is embedded in an understanding, normally shared between only five to ten of the senior managers, about what is a business's core competence.⁶ This has become known as 'sticking to the knitting' or 'getting back to basics'.

What is meant is that the group has a shared understanding that there are some things the organisation does well, on which it should concentrate. An outside observer would find it difficult to validate that shared understanding. For example, in the case of CSR, it may be true that the firm had substantial experience in building materials in Australia, but is that a core competence, or a skill, which can easily be extrapolated into the United States? These powerful assumptions that skills and strengths are known and are extensible contain the seeds of weakness. Because they are just assumptions, they are not necessarily valid. The performance of the assets acquired by CSR in the United States leaves the validity of CSR's assumptions an open question today.

In the private sector, every organisation of any scale seems to have what might be called a theory of the business, or a 'belief system' within the top management team. Furthermore, this tends to be shared only by very senior management. Normally in these organisations, a person cannot join the senior management unless that person accepts the belief system; the only people promoted are those who are fundamentally in agreement with the underlying strategic assumptions of the organisation. The price of admission to senior management is to be 'socialised' in the belief system, which at its very heart specifies what makes the organisation successful, and how it creates value.⁷

⁶ See, for example, C.K. Prahalad and G. Hamel, 'The Core Competence of the Corporation', *Harvard Business Review*, Vol.63, No.3, 1990.

⁷ A similar description of the 'paradigm' or 'frame' can be found in Gerry Johnson, 'Managing Strategic Change: Strategy, Culture and Action', *Long Range Planning*, Vol. 25, No. 1, 1992. In his book, *Industry Recipes: An Enquiry into the Nature and Sources of Managerial Judgement* (Blackwell, Oxford and New York, 1989), J.C. Spender documents the existence of several quite different belief systems held by various firms in the same industry at one time.

To ask what makes an organisation successful is to pose one of the most naive and most powerful questions in business. An answer by the members of the top management team would describe how competition occurs in their industry; how they differ from their competitors; how by specialising in certain types of products, or certain customer segments, or certain distribution channels, and so forth their particular organisation is uniquely good at something. These factors make up the tacit model of the organisation, and its underlying strategic concept. However, this model and its insights are never written down in the formalised strategic plan. The core strategic concept is never there because it is embedded knowledge, already assumed between the managers, who have no need to rehearse it and prefer not to do so, since it is not easy to articulate.

Of course, such a model has both strengths and weaknesses. One great strength is that shared assumptions permit managers to act. One weakness is that, over time, the assumptions may no longer correspond with reality and, because they are tacit, it is not easy to stop that drift. An example occurred in one of the world's leading chemical companies, Dupont, which had a track record for many decades of extraordinary innovation and profitability. The core belief of the Executive Committee at Dupont in the early 1970s was that no one could make a 'decent' profit in the 'commodity' phase of a chemical. This idea dictated their way of thinking about the world, with very particular consequences. The belief had its own code language. What does the word 'decent' mean? For Dupont, historically, it had been a 25 per cent rate of return on the gross assets undepreciated after tax, which is a figure about three times the level of average corporate performance in the United States. This was because Dupont senior management took the view that every year approximately half of shareholders' funds should be risked in research, from which very little pay-off in terms of actual commercial products could be expected. Therefore the ventures that did pay off had to show very high returns. What is a 'commodity'? Technically, in economics, it is a product whose buyers will switch between competing suppliers very quickly for a very small premium, or for any small price differential. In the Dupont environment, however, it meant any business in which they had more than one competitor - a very different meaning.

The Dupont belief system dictated to management that it would be difficult to make a reasonable return in the later stages of the life cycle of the products the company made. As managers, therefore, they became increasingly reluctant to continue to invest in those products. In the chemical industry, failure to add capacity tends to mean that plants get older and smaller relative to those of competitors and that, over time, the firm loses cost position, which then validates the decision not to invest. For the company its strategic concepts spelled trouble; indeed, the belief became almost a self-fulfilling prophecy.

Dupont's managers, all with PhDs in chemical engineering, were very able and talented people, who were quite capable of thinking creatively and imaginatively. But they created a belief system about the nature of competition in the chemical industry that made it virtually impossible for them to continue to invest as competitors began to erode their technical leadership. The great difficulty for Dupont was the historical embedding of their thinking. In the 1920s, 1930s and 1940s, the invention of a new chemical usually created a monopoly for 20 or 30 years; but by the mid-1970s the Germans, the Japanese, and perhaps the English had substantially eroded those periods of leadership. The management team shared an underlying belief system that was slowly becoming inappropriate for the environment in which they had to operate.

Observation and research suggest that this occurs to most organisations in the private sector over time. The single largest challenge that these organisations face is overcoming the problem of an immovable belief system. Although it may enable them to be effective for many years, the system may embed and reinforce itself, becoming the selection criteria for promotion. Slowly the environment may move in a way that makes that belief system no longer operative, or no longer relevant. Correcting that mismatch is very difficult for a management team.

It must be reasserted that the belief systems in organisations have strength as well as weakness. No organisation of any complexity can survive without a belief system, because this enables action. If it was necessary to go back and argue from first principles every time an organisation wanted to make a decision (set a selling price, or decide on an advertising strategy or to which customers to give priority), the

organisation would be paralysed. An agreed belief system is a necessary condition for action: it gives focus to the organisation and provides direction, particularly for middle management, about the strategic intent of the corporation.

The challenge is to find a mechanism by which the organisation can adapt its belief system over time. Some would argue that there are no such mechanisms, or no good ones at least. In management science, the population ecology stream of research, which draws heavily on biological science, argues essentially that organisations do not adapt, and that they are simply wiped out from time to time.⁸ Perhaps Westpac is a looming present example of one of these.

In examining the content of some of the belief systems in the private sector, it is necessary to ask what are their strong points and what are their weak points. The central focus of much work in strategy and management over the last 20 years has been upon developing a competitive advantage. In many management journals are found articles discussing sources of competitive advantage, the conditions under which they apply, and so on. In a sense, the area is almost overworked - but it is nevertheless important for understanding strategy. There are, for example, emerging theories about the role of innovation and being a 'prime mover' in a particular field.⁹ Under what conditions will it be the best strategy to be the 'prime mover'? Under what conditions is it better to be a 'fast follower'? Naturally, much will depend upon the speed and ease with which a competitor can replicate innovation and upon the degree of protection of intellectual property. It is necessary to look very carefully at the legal structure and at the way in which consumers form preferences between competing products. There is now rich research on the way many organisations see themselves developing competitively, and this is undoubtedly the strong side of the strategic management literature in industry.

The weak understanding, however, is about the dynamics of strategy and, in particular, about periods of instability. One of the most

⁸ See, for example, G.R. Carroll, 'A Sociological View on Why Firms Differ', *Strategic Management Journal*, Vol.14, No.4, 1993.

⁹ For a critical review, see M.B. Lieberman and D. Montgomery, 'First Mover Advantages', *Strategic Management Journal*, Vol.9, Special Issue, Summer 1988.

intriguing things, from a management school perspective, is to see many of our disciplines moving conceptually towards biology, towards models of so-called 'punctuated equilibrium', or the notion that a period of time in which the organisation and its environment is basically stable is followed by a sudden, discontinuous shock, or a period of turbulence, from which then evolves a further period of stability. This basic metaphor has not only been adopted by social psychologists and organisational behaviouralists, but is also becoming central to much of the new work in competitive strategy. It produces the notion that markets shift, sometimes unpredictably, from periods of reasonably stable co-existence between competitors to periods of overt rivalry, and it also explains something about the triggers for these shifts.

The most important trigger for rivalry is when a firm behaves in a way that is inconsistent with its reputation, in a game theory sense. The assumptions made by competitors about a firm's future behaviour are predicated on the basis of its past behaviour. If a firm behaves in a way that violates those assumptions, this is likely to lead to rapid and radical destruction of competitive equilibrium within that firm's industry.¹⁰ A case in point is that of the leader in an industry, who has gradually been losing market share and then decides at some point in time that the process has gone too far and that it is now time to hold its ground. Almost inevitably this will produce a fairly catastrophic price war, because competitors have developed their strategies on the assumption that the leader will continue to lose market share as before. It takes time and an orchestrated plan for an organisation to produce a significant shift in the expectations held by its competitors, so as to re-establish a period of equilibrium. One classic example is provided by Alcan and the aluminium industry - an industry that goes through regular cycles, where a down-cycle requires smelter closures because it is too costly for any company to finance inventory build-up. Throughout the 1950s and 1960s Alcan basically accepted a role in the industry as the swinging supplier: when recession came, 'reliable' Alcan would close a smelter. But the core of Alcan's smelter system was based on hydro-electric power in Quebec; and when the OPEC crisis brought a significant increase in the

¹⁰ Management theory has borrowed heavily here from political science - notably from Thomas C. Schelling's classic work, *The Strategy of Conflict* (Harvard University Press, Cambridge Mass., 1960).

world price of energy, it was no longer logical for Alcan to maintain a strategy of being the swinging supplier. Unfortunately, competitors continued to expect them to be the swinging supplier, and the endeavour to change those expectations and strategic reputations led in the 1970s to the first of what proved to be three debilitating world-wide price wars in the industry.

The difficulty in any period of violent instability in a market is how to negotiate peace. Managers are mindful of the constraints imposed on them by trade practices legislation. It is necessary to re-establish peace by each firm sending a series of signals to competitors about its own emerging expectations about the future. This is a clumsy peacemaking process, in which organisations must gradually adapt their mutual expectations about behaviour to the point where they are once again consistent. Peace cannot be established until the organisations involved have mutually consistent expectations.

What are the real strategic threats to most companies? In the private sector, organisations are beginning to realise that the greatest strategic threats come from moves that threaten committed competitors. The most dangerous competitor is likely to be one that has only a single, narrow line of business, such as the 'classic' family-owned firm. Such a firm is inflexible. Thus any attack on that firm, or on its core customer-base, is very dangerous. Given that it has no options, it cannot retreat; it must choose to cut price down to marginal cash cost before it will close a plant or give up customers, with serious implications for any firm that provokes it, but especially if that firm is diversified.

A second very dangerous threat can arise when competition occurs between firms that have markedly different cost structures. (This does not mean necessarily different costs, since the average cost for each of them to produce a product may be the same, but applies where the organisational configuration reflects different degrees of reversibility of commitment). In many industries, competition between Japanese and American firms provides a good example. Major Japanese corporations, with their qualified commitment to life-time employment, have turned the labour force into a fixed cost, instead of a variable cost: workers cannot be laid off for a year. Similarly, high debt levels in the capital structure of Japanese industrial companies during

the 1970s and early 1980s rendered them very highly leveraged. Paradoxically, that placed US firms at a strategic disadvantage. These were characterised by variable labour forces, or attitudes to labour that allowed workers to be laid off, and they had high equity bases, which meant that they could postpone a dividend and did not have to have cash flow to pay the interest to the banker. In this configuration, the Japanese firms had a cost structure that, no matter what was happening in the economic environment, forced them to produce and sell. They had nothing else to do with their labour forces and had to service their debts. Thus the Japanese firms would inevitably respond to any economic downturn with behaviour that, in the perception of competing firms in the West, was 'dumping'. (It could be argued that such behaviour was exactly what their Western competitors were also doing, but that they were driven by a different cost configuration.)¹¹ One of the greatest strategic threats is posed by a competitor who gives commitments, or 'hostages', because these reduce that competitor's capacity to adapt to a changing environment, forcing all of the change onto the other party. A great deal of damage was incurred by American and European firms who did not understand this process of interaction with Japanese firms with high fixed commitments.

One might think that firms that can trim their labour forces in recession and do not have to meet fixed debt commitments are in a position of strength. But experience shows that, precisely because such firms have those options and competitors do not, their position is one of weakness, not strength. The private sector is now thinking about the way in which available options are actually used. Economic theory assumes that having options is valuable, that options should be prized. But the danger of options is that they reduce commitment. Organisations that have a large number of options may in fact be at a significant strategic disadvantage when competing against committed competitors.

Firms tend to focus their attention excessively - and dangerously - on competitors of similar size and approach. If one studied Westpac, one would probably discover that Westpac management spends most of its time thinking about the National Australia, the Commonwealth and the ANZ banks. Yet in many

¹¹ See, for example, J.C. Abegglen and G. Stalk, *Kaisha: The Japanese Corporation* (Basic Books, New York, 1985).

industries it is not similar competitors who are the greatest threat. In most cases, the greatest threat will come from the competitor that is not understood, precisely because it is different. It always triggers my concern when the management team says 'Oh well, we do not really think of them as a competitor' or 'We do not really understand them, they are not very rational'. This is almost certainly a warning signal that the firm is ignoring a threat because the strategic logic of the other party is not understood. Naturally it is easier to look at people who are 'members of the club', and to ignore the people who are playing by different rules. A firm needs the flexibility to adapt its mental 'map of the world' so that competitors are seen as rational, and are not ignored. This commitment to understanding the rationality of competitors is a central part of what I have called the technology of the strategy process.

This chapter has focused on firms in the private sector. Yet there is a certain similarity between industrial strategy and what Samuel Huntington said about the strategic concept of a military service.¹² The description of how, when and where the service expects to protect the nation against some threat to its security is the statement of the goal, which is analogous to maximising shareholder value. It is a very abstract statement, and one that still has to be operationalised to be effective. It still needs specifics, in that we need to have a set of ideas about how we compete and win, given that goal. Any organisation needs to have both a view of its goal and a clear view of the technology by which it can achieve high performance if it is to survive in a changing world.

¹² Samuel P. Huntington, 'National Policy and the Transoceanic Navy', *United States Naval Institute Proceedings*, Vol.80, No.5, May 1954.

CHAPTER 3

STRATEGIC CHANGE AND NAVAL ROLES

Commodore Sam Bateman

Samuel Huntington has highlighted the importance of a military service continually adjusting its strategic concepts in response to changing strategic circumstances.¹ Strategic change has been widespread in recent years, with potentially far-reaching consequences for how navies go about their business. This chapter is a reflection on how the roles of navies might change in the light of tighter defence budgets, the evolving global and regional security scene and the wider concept of security, which now embraces considerations of resource and environmental issues.

The fundamental role of a navy is, of course, the warfighting one - to deter, and if necessary fight and win engagements at sea, in defence of sovereignty and national interests. However, as part of the wider concept of the utility of maritime power, navies have other military, diplomatic and policing roles to fulfil and, despite recent changes on the global security scene, navies continue to fulfil these roles - only the emphasis between the roles, and within each, may have changed.

Further, it is usually assessed these days that navies are more likely to be involved in lower level conflicts. Navies are also being used in the peacekeeping role and to help promote regional stability through confidence- and security-building measures. There have also been suggestions, most notably by Dr Gwyn Prins of the Global Security Program at Cambridge University,² that navies have a special role to play in monitoring and protecting the maritime environment.

¹ Samuel P. Huntington, 'National Policy and the Transoceanic Navy', *United States Naval Institute Proceedings*, Vol.80, No.5, May 1954.

² See G. Prins and R. Stamp, *Top Guns and Toxic Whales: The Environment and Global Security* (Earthscan Publications, London, 1991).

Developments in Maritime Strategy

The terms of reference for the RAN Maritime Studies Program require that we study developments in maritime strategy worldwide. This is a particularly interesting part of our activities for there is a lot going on at present in the maritime strategic area, regardless of whether maritime strategy is approached from the global, regional or national point of view.

When the evolution of maritime strategic thinking over the last one hundred years is reviewed (starting with Mahan and coming through to the present day), three clear trends are evident - or perhaps more accurately, one all-embracing idea or maxim, which supports two other central strands of thought.

The all-embracing idea is that maritime strategy is about achieving some degree of command or control over the sea either because of the direct strategic importance of such control, or because of the potential access or protection provided for national interests by the control. There is both a military and a national dimension to this control and both involve the concept of maritime power.

Stephen Roskill, in his important work *The Strategy of Sea Power*, has provided us with the classical expression of the military dimension of maritime power. Roskill said that 'the function of maritime power is to win and keep control of the sea for one's own use, and to deny such control to one's adversaries'.³ Thus we have an introduction to the twin concepts of sea assertion (or sea use) and sea denial as the two broad military objectives of maritime power.

The main factor to appreciate with this sea denial/sea assertion dichotomy is that maritime strategy is concerned with both. There is a tendency to focus primarily on sea denial involving a 'Clausewitz gone-to-sea' approach, with maritime sovereignty being protected by 'dug in' defences in the same way as land territory is held, with the enemy being brought to heel by some head-on confrontation. Sea assertion is the much more subtle and flexible facet of military maritime strategy. As Rosinski has observed, 'It is this impossibility of establishing a line of defence *across* the sea that constitutes the fundamental peculiarity of naval warfare, and confronts a commander

³ S. Roskill, *The Strategy of Sea Power: Its Development and Application* (Collins, London, 1962), p.15.

at sea with problems and perplexities unknown to his colleague on land'.⁴

There is also the consideration that military maritime power is not the sole prerogative of navies. Aircraft are an essential and integral element of the military dimension of a nation's maritime power and are well recognised as such in all modern literature on maritime strategy. As Sir Herbert Richmond wrote soon after World War II, 'Command of the sea is the indispensable basis of security, and whether the instrument which exercises that command swims, floats or flies is a mere matter of detail'.⁵

There is little in the more frequently quoted air power texts about the application of air power at sea. The explanation seems simple: the primary concern throughout the historical evolution of air power theory has been with the independent application of air power, and that makes more sense as an adjunct to continental theories of strategy rather than maritime theories. Generally, air power theorists have eschewed the support role of air power in land/sea operations and have directed their attention more towards the strategic role of independent air power and the importance of air superiority, although even the latter has been primarily in the context of the land battle or for the air defence of land targets.

For a contemporary expression of the national dimension of maritime power, one can turn to a regional maritime strategic thinker. In a talk to the Australian Naval Institute, late in 1991, the Chief of the Singapore Navy, Commodore Teo, defined maritime power as 'the aggregate of a country's ability to make use of the sea in order to fulfil its national economic, security and other goals'.⁶ This encompasses the importance of the sea to national defence, the common ground between maritime security, maritime interests and marine industry, and the contribution of sea, air and land capabilities to maritime operations.

⁴ H. Rosinski, 'Mahan and World War II' in Mitchell B. Simpson (ed), *The Development of Naval Thought: Essays by Herbert Rosinski* (Naval War College Press, Newport RI, 1977), p.23.

⁵ Sir Herbert Richmond, *Statesmen and Sea Power* (The Clarendon Press, Oxford, 1947), p.136.

⁶ Chee Hean Teo, 'Maritime Power in South East Asia', *Journal of the Australian Naval Institute*, November 1991, p.14.

The second theme, which is encountered in both classical and contemporary maritime strategic writings, is the idea that sea command is required to facilitate the application of naval power against the land (power projection, amphibious operations, and sea-based strike, including by nuclear ballistic missiles). Among the earlier writers, this idea of operations from the sea against the land was the approach of Sir Julian Corbett, who 'Over and over again ... sought to remind sailors that Command of the Sea should not be seen as an end in itself'.⁷ Corbett pioneered strategic thinking in terms of the relationship between land and sea warfare and was often at pains to impress upon the naval profession that maritime strategy had always to be subordinate to national strategy.

From the Soviet viewpoint, Gorshkov's basic maxim was that the primary role of naval forces was to facilitate sea-based strike against an enemy. He shunned the idea of military command of the sea, stating that the primary role of the fleet is against the sources of an enemy's military power rather than more directly against the opposing naval forces. Ballistic-missile submarines fitted this principle but he has also written that anti-trade and protection-of-trade operations are 'the most important constituent part of the efforts of a fleet aimed at undermining the military-economic potential of the enemy'.⁸

This quote from Gorshkov leads to the third central theme in the literature of maritime strategy. This is the idea that the primary purpose of maritime operations is economic rather than military. Because of the dependence of many countries on the sea both as a natural barrier to attack or as the medium for trade and communications, maritime operations are required to protect a country's own economic vulnerabilities or to attack those of the enemy. In a classical sense, this theme covers anti-trade and protection-of-seaborne-trade operations. These activities have a very long history, going right back to the days of privateering in the fifteenth century.⁹

⁷ Geoffrey Till, 'Corbett and the 1990s', Paper presented to the Corbett-Richmond Conference, US Navy War College, Newport, 28-29 September 1992, p.16.

⁸ S.G. Gorshkov, *Sea Power of the State* (Pergamon, Oxford, 1976), p.221.

⁹ For a comprehensive review of the relationship between maritime strategy and maritime trade, see Nicholas Tracy, *Attack on Maritime Trade* (Macmillan, Basingstoke, 1991).

In a more contemporary sense, the relationship between maritime strategy and economics can be extended beyond trade to embrace the whole gamut of a nation's offshore commercial interests, especially fishing and offshore mining, and their potential vulnerability to attack. When Mahan was writing just on one hundred years ago, his concept of seaborne commerce, as a key element of a nation's sea power, related only to merchant ships and their cargoes, but now times have changed. As discussed in more detail later, nations are becoming much more acutely aware of the full range of their maritime interests and the potential value of their offshore resources. This and other factors are leading to new developments in maritime strategic thinking.

The Russians are wrestling with the implications of fragmentation of the former Soviet Union and their horrific economic situation. Their particular strategic dilemmas lie in finding an appropriate balance between air, ground and land forces and meeting the particular requirements of individual states and regions. It seems likely, for example, that the residual need for maritime forces will be particularly strong in Eastern Russia, with the likely outcome that the Russian Pacific Fleet will emerge as the most élite of all the Russian fleets with a concentration of professional expertise and the better ships and submarines.

In the West, navies are, in the words of one commentator, 'clutching at straws' and '... rushing around in circles, looking for a mission before politicians could move in to mothball it in the next round of defence cuts'.¹⁰ Thus we are hearing more about the concept of multinational naval cooperation (MNCO) and the utility of naval peacekeeping on a global scale. MNCO involves consideration of multinational naval forces acting in the common interest under the auspices of the UN, NATO, the Western European Union or some other multilateral sponsoring body. As the recently retired Supreme Allied Commander Atlantic (SACLANT), Admiral Edney USN, has described the ongoing benefits of MNCO for NATO, naval forces are :

the most acceptable forms of military presence and response in crisis situations. They convey calculated

¹⁰ Derek Boothby, 'Sailing under New Colors', *United States Naval Institute Proceedings*, Vol.118, No.7, July 1992, p.48.

ambiguity and calibrated response. Their presence on the high seas does not irrevocably commit the Alliance to a given course of action but the choices are varied and the message clear.¹¹

In the United States, the United States Navy (USN) is experiencing a crisis of identity with the demise of the Soviet threat and the probability of deepening defence budget cuts. The maritime strategy of the 1980s is 'on the shelf' and the USN has had to develop its response to the new US national strategy espoused by President Bush in his Aspen speech two years ago, with its four key concepts of deterrence (conventional and nuclear), forward presence, crisis response and reconstitution.

The US maritime strategy of the 1980s is the great contemporary example of the principles of maritime strategy being applied with a direct focus on command of the sea.¹² The strategy was characterised as being forward, global, allied and joint. Its emphasis was on offensive sea control and horizontal escalation using the USN's command of the sea (for example, attacking the Soviet Far East if the Soviet Union had attacked Europe). The primary task was war at sea through sea control. Indeed throughout the Cold War period, the focus in Western maritime strategy was on the containment of Soviet power at sea by Western sea control, and economic themes played 'subordinate and derivative' roles.

Now there is a move away from open-ocean naval operations in USN strategic thinking. The recently endorsed USN White Paper, subtitled 'A New Direction for the Naval Service',¹³ places the emphasis on projection of power/amphibious operations rather than on sea command/control *per se*, although this remains an obvious prerequisite in the area of operations. Recognising the greater likelihood of regional conflict, the new USN strategy focuses on 'naval

11 Admiral Leon Edney USN, 'Maritime Roles beyond Bloc Politics', *Royal United Services Institute (RUSI) Journal*, Vol.137, No.1, February 1992, p.9.

12 For an analysis see Norman Friedman, *The U.S. Maritime Strategy* (Jane's, London, 1988). For a discussion of the US Cold War maritime strategy in the Pacific, including the relative balance between offensive sea control and economic themes, see E.A. Olsen, *The Evolution of US Maritime Power in the Pacific*, Working Paper No.246 (Strategic and Defence Studies Centre, Australian National University, Canberra, April 1992).

13 US Department of the Navy and US Marine Corps White Paper, *...From the Sea: Preparing the Naval Service for the 21st Century*, Washington D.C., September 1992.

expeditionary forces, shaped for joint operations, operating forward, from the sea, in the littoral areas of the world'. A notional expeditionary force comprises aircraft carrier and air wing, amphibious ships with embarked marines, surface combatants, submarines, maritime patrol aircraft and naval sea, air and land teams (SEALs).

US maritime doctrinal thinking is thus shifting its focus away from defending the fleet's battlespace on the open ocean towards penetrating and dominating the enemy's battlespace in littoral waters and coastal areas. Manoeuvre warfare at sea is joining with manoeuvre warfare on land and Sir Julian Corbett must be standing up and applauding from his grave.

At a regional level, it is now conventional wisdom to talk about the growing significance of the maritime environment and maritime issues in regional strategic thinking and the importance of maritime issues (law of the sea, maritime boundaries, conflicting claims to offshore territory, maritime safety, offshore resources, seaborne trade, marine pollution, transit rights, piracy, illegal immigration, etc.) in regional relations.

There is a shift in the threat perceptions of most ASEAN countries away from internal security and land threats to maritime threats, with a consequent emphasis in force development on maritime capabilities (ships, submarines and aircraft). Thus there has been what one commentator calls 'the re-emergence of the importance of seapower, until recent years a neglected dimension in the defence calculations of regional states'.¹⁴

The Strategic Emphasis on Maritime Issues

These developments in maritime strategy have to be seen against the background of perceptions of the growing importance of the oceans to nations. Maritime issues appear to be assuming greater significance in national strategic thinking, particularly among nations of the Asia-Pacific region. Indeed it is possible to go even further and argue that a new 'oceans era' is emerging with maritime security

14 Tai Ming Cheung, 'Command of the Seas', *Far Eastern Economic Review*, 27 July 1989, p.16.

becoming the fundamental concern of most island and coastal states. There are several reasons for this.

Firstly, there are the trends towards greater economic interdependence between nations. Very few countries are truly self-sufficient with regard to energy, foodstuffs, manufactures or strategic raw materials and the sea remains the basic medium for commerce between nations. The economic growth of East Asia involves both increased trade and reduced self-sufficiency. There is also the trend in developing countries, including some in ASEAN (see Table 1), towards building up national flag shipping fleets and becoming increasingly interested in capabilities and procedures for the protection of shipping.

TABLE 1 : ASEAN MERCHANT FLEETS

Country	No. of Vessels		Gross Tons	
	1980-81	1991-92	1980-81	1991-92
Indonesia	1,122	1,884	1,309,911	2,178,646
Malaysia	196	489	620,894	1,717,479
Philippines	620	1,420	1,606,019	8,514,876
Singapore	1,031	774	7,869,152	7,927,866
Thailand	136	296	361,669	614,800
ASEAN TOTAL	3,105	4,863	11,767,645	20,953,667

Source: *Jane's Fighting Ships*, 1980-81 and 1990-91.

Note: The decline in the Singaporean merchant fleet reflects Singapore's increased labour costs and the 'flagging out' of merchant ships owned in Singapore.

Secondly, nations are becoming both more aware of and potentially more competitive over the resources that lie on or under the seabed. While, on the one hand, there is concern over the dwindling supply of some land-based resources, on the other, technological developments are making seabed mining (including for oil and gas) technically feasible in deeper and more distant waters than was previously the case.

These factors are evident in the work of the UN Preparatory Commission on Deep Seabed Mining and the importance some nations have attached to being registered as pioneer investors in deep seabed

mining research and exploration. India is an example of a country in our region which has moved in this way to protect its position as a deep seabed mining nation independently of any internationalised seabed mining regime. The particular interest of India in 'pioneer investor' status undoubtedly flows from the fact that the Indian Ocean has extensive areas of potentially mineable seabed not under the sovereignty of a coastal state.¹⁵

Associated with this increasing concern over offshore resources is the whole issue of offshore sovereignty. The 1982 UN Convention on the Law of the Sea establishes a new, comprehensive and international oceans regime based on extended national jurisdiction, but unfortunately it also provides the grounds for a new round of boundary disputes. Furthermore, in many respects the Convention lacks the clarity necessary to provide an adequate basis for the resolution of disputes, not only with regard to sovereignty matters but also in the case of navigational and environmental issues.

Thirdly, there are significant maritime implications of the growing adherence, particularly within our region, to the multidimensional approach to security. Whereas national security in the past was concerned with the integrity of sovereign territory and protection against military attack, it now embraces consideration of economic and environmental security and social well-being. Hence there are concerns about resource security, marine pollution, marine safety, drugs, illegal population movements, global warming, depletion of fish stocks, etc. Given the significance of the maritime environment in the Asia-Pacific region, it is not surprising that most of these concerns arising from a broad definition of security are manifested at sea.

Finally, and partly as a consequence of the factors already mentioned, navies (or more accurately, maritime forces) have been

¹⁵ India has the unique distinction of being the first state to be allotted a mine site in the South Central Indian Ocean and to be registered as a pioneer investor. In this area, India has the exclusive right to carry out activities leading up to the exploitation of polymetallic nodules. The Indian mine site measures approximately 150,000 square kilometres and lies roughly between 10° and 17° South and 73° and 81° East. RADM O.P. Sharma IN (Ret'd), 'Exploitation of Undersea Resources and Conflict Potential', Paper presented to a Seminar on The Indian Ocean: Challenges and Opportunities, Navy Foundation, New Delhi, 29-30 September 1992.

relatively less affected by smaller defence budgets and trends towards smaller defence forces. This is partly due to the long lead-time for naval equipments and the difficulties of stopping programmes (such as Trident in the UK and the carrier and submarine programmes in the US) but it is also related to perceptions of strategic need. However, within our region, there has been no 'peace dividend' as such, and maritime capabilities have been attracting relatively greater resource expenditure in regional defence forces (Japan, China, South Korea, Taiwan, as well as ASEAN).

The Changing Roles of Navies

Ken Booth, in his *Navies and Foreign Policy*,¹⁶ suggests that the tasks of navies (or once again, more accurately, maritime forces) can be categorised under three basic functions: their policing, diplomatic and military roles. This is the framework used here in discussing how the roles of navies might change in the light of new strategic requirements.

With the policing role, navies are involved in the enforcement of the jurisdiction of the coastal state over its littoral waters which may extend, with the continental shelf regime, to a distance of 320 nautical miles offshore. There is a concomitant responsibility on the coastal state to provide a number of services within its littoral waters, to protect the maritime environment, and generally to maintain good order. All of this involves what Geoffrey Till has called the 'protection of the offshore estate'.¹⁷

Specific tasks associated with the role include maritime surveillance, search and rescue, fisheries protection, hydrographic surveying, marine scientific research, intercepting refugee boats, and combating piracy and smuggling. Although, in most instances, a navy in performing these tasks is acting in peacetime on behalf of another agency of government, it usually makes good sense that the navy should do this because it has the ships and expertise available relevant to the task, and invariably there is also some relationship with national security.

¹⁶ K. Booth, *Navies and Foreign Policy* (Croom Helm, London, 1977), especially pp.15-16.

¹⁷ G. Till, *Maritime Strategy in the Nuclear Age* (Macmillan, London, 2nd edn, 1984), p.203.

There are sound reasons for arguing that the policing role of navies may increase in the future. The higher level of offshore resource development, growing concerns about the maritime environment and the increasing incidence of drug smuggling, piracy and illegal migration are all factors here, as well as the wider control now being exercised by coastal states over littoral waters, both in a geographical and a jurisdictional sense. As one Canadian writer has noted :

... a new ocean regime has arisen based on extended national jurisdiction and dominated by coastal states. As a result, maritime sovereignty has become an issue of cardinal importance for most coastal states, and navies, in turn, have become increasingly central to state ocean policy.¹⁸

The United States and other major Western maritime powers lament the 'creeping jurisdiction' of coastal states, but it seems that this is a reality of our part of the world. Even Australia, for example, has exercised 'creeping jurisdiction' through the introduction of compulsory pilotage for the Torres Strait and Great Barrier Reef. After the recent spate of marine accidents in the Malacca and Singapore straits, it is possible that similar arrangements could be considered for those straits despite the strong objections likely from the United States and other maritime nations.

A wide spectrum of tasks is embraced by the diplomatic role of navies. Broadly the role involves navies being used as instruments of foreign policy, but the manifestation of the role can range from straightforward, rarely controversial activities to support foreign policy objectives, such as regional security cooperation (port visits, combined exercises, etc.) through to manipulative/coercive naval presence missions to influence the political calculations of other states in situations short of actual conflict. Multinational naval cooperation to maintain international order, including naval peacekeeping under the auspices of the UN, could be viewed as part of the diplomatic role of navies. A distinction is thus possible between 'coercive' naval diplomacy and 'cooperative' naval diplomacy.

¹⁸ S.C. Bertrand, 'After the Cold War : What Relevance a Navy?', *Canadian Forces College Review*, 1991, p.27.

The military role of navies has a peacetime dimension, as well as the obvious warfighting or conflict management dimension. The peacetime dimension covers both strategic nuclear deterrence and conventional deterrence involving the demonstration of naval skills and capabilities to deter attack or the threat of attack.

In conflict, the military role of navies is about the command of the sea, although there will always be clear limits on the ability of any nation to exercise the required level of sea command. The old maxim applies that the wartime role of navies is 'to secure control of those parts of the sea that the nation needs for its purposes at the time'.¹⁹ In other words, sea command and sea control will always be limited by considerations of time, purpose and geographic area. It should also be noted that sea command is not necessarily about winning engagements at sea. In activities such as protection of shipping, it is just as much about avoiding engagements at sea.

The tasks associated with the military role of navies can be classified by the sea assertion and sea denial approach mentioned above. Typical sea assertion missions comprise amphibious operations, naval presence missions, the protection of shipping and offshore territories, intelligence and surveillance in areas potentially under the control of the adversary, mine countermeasures and a spectrum of power projection activities to strike against the adversary (for example, naval gunfire support, sea-based air strike, interdiction of lines of communication). Sea assertion strike missions are to be distinguished from sea denial ones in that the former are usually conducted at greater distances from base than the latter, although they need not necessarily be in areas under the control of the adversary.

Sea denial operations involve preventing an adversary from using the sea for his own purposes. Typical sea denial operations include sovereignty protection, maritime patrol and response, maritime strike, anti-submarine warfare, and the shadowing and marking of an adversary's units in a constrained rules of engagement situation. Such operations are essentially defensive in character.

Sea denial is the principal warfighting function of regional navies. However, the RAN does have a clear need for sea assertion

¹⁹ J.A. Robertson, 'The Fundamentals of Maritime Strategy', *Journal of the Australian Naval Institute*, November 1978, p.25.

capabilities given the extent of our maritime surrounds, our dependence on long sea lines of communication (both coastal and overseas), and the security responsibility for offshore territories, particularly Cocos and Christmas islands.

The protection of shipping is a task that is often misunderstood. It involves the protection of ships and not the protection of so-called sea lines or sea lanes of communication. As descriptions of generic tasks, these latter phrases are acceptable, but it is a pity that they have come to be understood as the means of undertaking the tasks. Quite simply, it is a waste of scarce resources to protect areas of ocean as such: there has to be something there worth protecting. As Hill has pointed out in relation to Australia, 'the defence of a "line" is even more absurd in the vast ocean expanses surrounding Australia than it is in the more confined waters of the Eastern Atlantic'.²⁰ With the exception of focal areas that can be secured on a permanent or semi-permanent basis, shipping, both coastal and overseas is best protected by a moving 'zone of sea control' which can change on a day-by-day, or even hour-by-hour, basis.

What is the relative balance between the roles of navies and how might this be changing? Ken Booth has written recently that 'Navies do not have a great future, if "great" is meant in a Mahanian sense as expansive, shaping history, engaging in decisive battles, and providing a life of Nelsonic heroism'.²¹ He believes that while deterrence at sea will remain 'the bottom line of naval policy', power projection and coercive diplomacy will be of declining utility but cooperative naval diplomacy and constabulary functions will increase in importance.

Similarly, Till has written recently that less 'glamorous' roles of navies are likely to be areas of significant growth.²² He believes that constabulary duties, naval diplomacy and the sealift mission are all likely to become more important in the future. The sealift mission

²⁰ J.R. Hill, 'Australia's Maritime Interests and Defence: A UK View' in W.S.G. Bateman and M.W. Ward (eds), *Australia's Maritime Interests: Views from Overseas* (Australian Centre for Maritime Studies, Canberra, 1990), pp.82-3.

²¹ K. Booth, 'The Role of Navies in Peacetime: The Influence of Future History upon Sea Power', Paper presented to a Conference on Naval Power in the Pacific, Australian Defence Force Academy, Canberra, May 1991.

²² G. Till, 'A Post-Cold War Maritime Strategy for NATO', *Naval Forces*, Vol.XIII, No.III, 1992, pp.8-15.

enters consideration largely because of the experience of the Gulf War and the demonstrated dependence of allied operations on logistic support by sea. Certainly initial elements of air and land forces arrived very quickly in Saudi Arabia, but they could not have been sustained there without the sea lines of communication being open and secure against attack.

The UN success in the Gulf has led to proposals for the development of a more permanent standing UN naval force whose main roles would be peace enforcement, maritime policing and humanitarian aid.²³ Such a force could be formed under Chapter VII of the UN Charter which provides a framework for action with respect to threats to the peace, breaches of peace and acts of aggression.²⁴ Issues associated with a greater role for the United Nations in maintaining maritime security are under study in a number of places, including the University of Southampton's Project on Naval Peacekeeping, and the University of Cambridge's Global Security Programme. The fundamental considerations are that naval forces are particularly good in acting internationally and that warships usually work well together in multinational forces.

Perhaps in the longer term there will be a role for multinational naval cooperation in environmental preservation along the lines suggested by Gwyn Prins.²⁵ Even in the short term however, there may be scope for navies to be more involved in environmental monitoring following existing operational patterns and using existing equipment. The problem with this involvement is more one of coordination than of resources, but it would seem worthwhile overcoming it as the results could be invaluable, particularly for monitoring global warming.

Conclusion

A number of themes concerning the changing roles of navies have emerged in this paper. The first is the possibility that capabilities

²³ M. Pugh, 'Multinational Maritime Peacekeeping: Scope for Deep Blue Berets?', Paper presented at the Asian Peace Research Association Conference, Peace and Security in the Asia-Pacific Region, Christchurch NZ, 31 January-4 February, 1992.

²⁴ Gwyn Prins, 'The United Nations and Peace-keeping in the Post-Cold War World', *Bulletin of Peace Proposals*, Vol.22, No.2, 1991, pp.135-155.

²⁵ Prins and Stamp, *Top Guns and Toxic Whales*, p.149.

and procedures for the protection of shipping may once again return to prominence as a priority task for maritime forces in periods of tension or conflict. Apart from considerations of the security of our coastal and overseas shipping, Australia is likely to be led down this route by the increased movement towards regional security cooperation and the concern of regional countries for the security of their seaborne trade.

Over time, theories of maritime strategy have vacillated between an emphasis on military command of the sea (sea assertion and/or sea denial), power projection ashore or economic warfare as the basic maritime strategic rationale. After an emphasis during the Cold War on command of the sea to contain Soviet forces, the USN is now focusing on power projection ashore, but this is unlikely to be a major consideration for other navies. As we enter a period when national security and power and status in world affairs will be determined increasingly by economic success, it is not unlikely that there will be a swing back to economic factors as a principal determinant of naval roles. Within the Asia-Pacific region, there is already a significant economic dimension to maritime security, with navies being seen as necessary to support and protect economic activity.

The second conclusion is that the military role of navies may be becoming relatively less important with greater attention being paid to the diplomatic and policing roles. As Sir James Cable has observed, 'It would be a rash prophet who suggested that warships would not be needed in future wars, but a foolish Admiral whose case for keeping a navy depended solely on the likelihood of using it in war at sea'.²⁶ It is at the lower end of the conflict spectrum that maritime power will play the greatest role. Also, navies can contribute to the prevention of conflict and regional stability through the promotion of maritime confidence- and security-building measures.

Finally, the world is experiencing a changing concept of security which emphasises global and regional environmental concerns. This could lead to another changing role for navies but I hesitate to call it a 'new' role as, for example, the naval officers who explored the waters around Australia were also oceanographers and

²⁶ James Cable, *Navies in Violent Peace* (Macmillan, Basingstoke, 1989), p.28.

de facto marine scientists. It is worthy of note that the Royal Navy has already begun to investigate how it can incorporate environmental research into its missions.²⁷

While warfighting and conflict management will remain the fundamental rationale for defence forces, we are increasingly going to see new compromises emerging. This is already occurring in the US and the UK and one suspects that Australia will not be immune. To some extent, navies will be to the forefront with these changes simply because navies have always been much more involved in non-military tasks than the other two services.

DISCUSSION PART 1

In opening the first discussion period, Vice Admiral MacDougall noted how both the paper by Professor Davis and that by Commodore Bateman had gone some way to provoking thought about the need to respond to changing circumstances. While the paper by Professor Davis took strategy in a general sense, that by Commodore Bateman had implications specifically for navies, not only the RAN but also other navies in the region. The keynote address by Professor Mack was very relevant to the discussion of changing roles.

The forum proceedings subsequently ranged over a great diversity of issues but with a particular focus on the 'whys and wherefores' of regional naval developments. Participants discussed the relevance for Australia and the region of the views of Ken Booth and others regarding changing naval roles. However, a note of caution was sounded here in that these writings were primarily cast from a European perspective in a Cold War context. Regional navies were not necessarily placing a greater emphasis on the policing and diplomatic roles. In fact the opposite could well be the case with some navies, which had previously had just a sovereignty protection role but were now acquiring capabilities for high-intensity maritime conflict.

The prestige factor with the new equipment being acquired by regional states was an issue meriting some debate. Professor Mack had pointed out that there seemed to be more correlation between growth in domestic product and increased defence expenditure than there is between defence expenditure and threat perceptions. However, the converse view is that this is simply a function of economic growth and the ability to acquire the best hardware if it can be afforded.

There was general agreement that the issue needed to be kept in perspective. There had been no 'peace dividend' in the Asia-Pacific region and there should have been no expectation that there would be one. Regional defence forces, including those of Australia, have not been structured on requirements of superpower rivalry. There was an understandable trend towards modernising and upgrading the capabilities of regional defence forces. The Republic of Singapore Navy clearly demonstrated this trend with its move from basic patrol boats to multithreat-capable corvettes and mine warfare forces.

²⁷ Prins and Stamp, *Top Guns and Toxic Whales*, pp.146-151.

The 'peace dividend' could also be related to economic development. The hostility between the superpowers and the US presence in the region facilitated regional economic development. The Vietnam War, in particular, had benefited Malaysia and Singapore because it gave them the breathing space to develop stable government. The resultant economic growth now allowed them to put in place the defence forces they perceived necessary for national security.

The view was also expressed that the trends with arms acquisitions in the region may bear some relationship to the 'mimicking' behaviour of organisations discussed by Professor Davis in his paper. This factor could be particularly important in some parts of Asia where, despite the rhetoric of goodwill and regional resilience, some states are still deeply suspicious of each other. They are still 'business' competitors, although there is not necessarily an arms race as such.

A country may want more of a particular capability because its image is important rather than on the basis of rational analysis of threats and capabilities. There was thus a risk of 'irrational' competition. This suggested an alternative paradigm of applying business strategic thinking to the military strategic process or, as Professor Mack put it, 'conflict spirals and procurement'.

Professor Davis noted that there had not been much research on why mimicking behaviour occurs so often in strategy but a lot of it appeared to lie in the reward structure of organisations. This was demonstrated by the classic statement that 'You cannot be fired for buying IBM'. When you make a strategic choice in the face of uncertainty and ambiguity, several outcomes are possible. If you make the same choice as a whole series of other people, and all are wrong, then you will not be punished severely. If none is wrong, you will not be punished at all. However, if you are the only person who makes a bad decision, you are likely to be punished very severely.

There is a view that if this analogy is correct, then the defence postures of nation states are driven to a large extent by domestic imperatives (to enhance the image or credibility of leadership) and that in a sense we are really fooling ourselves when we move towards threat assessments. But there is a weakness in this argument - vulnerabilities must also be considered. Singapore, for example, is

particularly vulnerable to the disruption of seaborne trade and thus it makes sense to acquire mine-countermine capabilities.

There seems to be a wide diversity of explanations for different force structure developments in the region. The arms build-up on the Korean peninsula is clearly driven externally by the tension between the two Koreas. Some other developments appear to be the result of sensible appreciations, of matching particular requirements against particular environments and appreciations. Again Singapore, with its particular island state geography and vulnerabilities, is a case in point. It is perhaps understandable that Singapore should feel vulnerable, with its three million people sandwiched between seventeen million Malaysians and 180 million Indonesians.

In most instances regional naval planners seem able to produce good strategic justifications for the types of equipment being acquired. These justifications can be cast in broad strategic terms (primarily associated with China), or according to their different perspectives (as with Japan, as highlighted by Professor Mack). There are also some specific lower level issues, including resources and disputed maritime boundaries and territories. The affordability hypothesis (that countries can afford the capabilities they are seeking) is also quite strong. Also, they will not be diverted from these force development programmes by the rhetoric of arms control and strategic wisdom passed on from experience on the other side of the world.

However, these matters are largely in the eyes of the beholder and there are still some force structure developments in the region that seem to have no rational strategic purpose. The corruption factor also has to be considered. It is considered that the military has extraordinary influence in politics in some regional countries.

A consensus was apparent during the discussion that there are several maritime issues that are likely to become more important in the future. There is much potential for a clash of interests at sea over offshore resources and offshore maritime interests. The security of sea lines of communication is of increasing interest to Japan, South Korea and Taiwan while the 'straits' states of Malaysia, Indonesia and Singapore are increasingly concerned about the risks of marine pollution and the higher costs of ensuring the safety of navigation in their littoral waters. A stable maritime regime is of utmost importance

in the region, yet there are different perspectives on the Law of the Sea apparent between regional countries and the great maritime powers, particularly the US.

The workshop acknowledged that all of these considerations pointed to the importance of maritime confidence- and security-building initiatives in building a stable regional security environment in which countries do not perceive the need to acquire the sort of capabilities they are now planning to acquire. If all the force structure plans in the region are realised, the general area of the north-east Indian Ocean, the Bay of Bengal, the South and North China Sea and their approaches in the Western Pacific is going to be a more complex operating area for naval forces than it has been in the past. There will be more navies of consequence on the sea and they will have available more sophisticated equipment - not just ships and submarines but also maritime aircraft, both strike and surveillance.

However, there is a difficulty in promoting maritime confidence- and security-building measures. This lies in the sensitivity of regional countries to outside interference, particularly in matters that are clearly regarded as the sovereign prerogative of independent states. There is certainly a danger in appearing to be hypocritical, particularly when Australia itself appears to have been participating in a 'fire sale' of F-111s. While Australia has a role to play in the confidence-building process, it should not appear to be neo-colonial by adopting a condescending attitude to force structures of other countries. The general consensus of the workshop was that Australia should concentrate on areas where it has some established expertise, including maritime matters and force structure planning in a low-level threat environment.

Some specific consideration was also given to the possible implications for Australia of the apparent prestige factor is equipment acquisitions and regional defence expenditure trends. Firstly, as the prestige factor is related to the strong political influence exercised by some regional defence establishments, there is a possible message that, if Australia is to be taken seriously in regional security affairs, then it is necessary that it also maintain influential military forces. This is potentially an important part of our contribution to the promotion of a favourable regional strategic environment, which is supported by the cooperative diplomacy aspect of naval operations.

There is, however, some doubt as to the notion that having strong defence forces means that Australia will be taken more seriously in the region. Economic performance is a more important factor in the geo-strategic equation. On these grounds alone, Russia is no longer taken seriously in the region, and when Australia is considered, some doubt may exist as to whether it would make any difference if it had twice as many submarines, or three times as many frigates. What perhaps counts in terms of regional perceptions of Australia, is how well its economy is performing.

A related implication for Australia is whether it will be able to maintain its so-called 'technological edge' over regional defence forces. This is becoming much more difficult, particularly as Australia's economic performance falls behind that of regional countries. There is a view that suggests that a 'technological edge' is no longer a realistic or necessary objective for Australia. Indeed such considerations could be seen as underlining the need for Australia to think in terms of cooperative security.

There is also a risk that, in trying to maintain its so-called 'technological edge', we are in fact setting a standard for regional defence forces and precipitating an upwards spiral in military technology. A related problem is the idea that seeking a 'technological edge' is another example of the defence of Australia being a manifestation of what one workshop participant called 'our intellectual hostility to the region'. The belief was expressed that Australia is seen as an 'unpredictable factor in the region' and that, to interact more, it needs 'to get more maritime in outlook' and 'get away from the continental paranoia' implicit in defending the continent.

Using the business terminology adopted by Professor Davis, the ultimate competitor for the RAN is not found in the orders of battle of regional defence forces, or even the army or air force (in the context of competition for the scarce defence dollar) but rather the country's environment itself. For Australia, this is a vast expanse of water, which is permeable to a great range of threats including, increasingly, 'unconventional' ones such as drug smuggling and illegal immigration.

The paper by Professor Davis is unquestionably rich with analogy to the strategic planning process, particularly the idea of the corporate ethos, or the validity of the underlying assumptions. There are some themes here worthy of infinite development with possibly

far-reaching implications for the roles of the RAN. For example, we assume that the centre of gravity in the country still remains politically, economically and in every other sense in the south-east corner, when logically, in terms of the location of resources and energy, it should be more to the north.

This leads on to some other questions about the basic precepts of Australian defence planning, including the notion of the Western alliance and the idea that Australia's defence policy is one of self-reliance within a framework of alliances. There is a view that a closer relationship with Asia is impossible while Australia remains part of the so-called Western community. There is perhaps a need to be more proactive and to focus on opportunity. This leads to the observation that Australia needs to look harder at where the opportunities might lie, as well as at the nation's maritime devolvement as a proactive instrument of national policy rather than as a potential source of weakness and a means of combating threats. In this regard, the notion of the changing roles of navies could have particular relevance to Australia.

PART 2

THE RAN'S ROLE IN REGIONAL SECURITY

The concept of national security is a complex one, and one which has been the subject of much discussion in the past. It is a concept which has evolved over time, and is one which is constantly being re-examined and re-defined. The result is that the concept of national security is now a much broader one than it was in the past, and one which encompasses a wide range of issues and concerns.

The issues that are covered in this article are, in my view, of central importance to the concept of national security. They involve a strategic analysis which does not come naturally to most individuals, but which is essential to the development of individual portfolios. They need to be pursued in forums such as this, where people can come out into the open, playing fields and do a bit of unadorned strategic thinking. National security and strategic planning are subjects that are far too important and far too large to be the preserve of any single part of government, or indeed even of government alone.

When it was recently mentioned to the Chief of the Defence Force that we wanted to rename our rather cumbersome title of division from Defence Disarmament, Security and Nuclear Division to the National Security Division, he demurred a little, saying that he thought that he and the ADF could reasonably be said to be principal guardians of national security. His point was taken. In any case, we have decided to call ourselves the International Security Division instead. But had it been necessary we would have consulted vigorously with him any suggestion that national security is a matter purely for the ADF or the Department of Defence alone, or that it is a matter which should be left to the discretion of the government.

CHAPTER 4

REGIONAL SECURITY: AUSTRALIAN POLICY

John Dauth

In an audience that includes such notable experts on regional security policy as Paul Dibb, Andy Mack and Sam Bateman, it is rather difficult for a public servant, not inclined to advance novel analysis, outrageous propositions or new policy proposals for debate, to present government policy without it looking like an undergraduate primer. The result is that this chapter pursues the rather dreary option of reviewing recent history as a way of illustrating the point Australia has reached on this issue and where things seem to be headed in our region.

The issues that are covered in this workshop - and, in one sense, regional security is at the very heart of it - are issues of great national significance. They require a strategic analytical focus, which does not come naturally to most individuals burrowing away in individual foxholes in individual portfolios. They need to be pursued in forums such as this, where people can come out into the wider playing fields and do a bit of uninhibited strategic thinking. National security and strategic planning are subjects that are far too important and far too large to be the preserve of any single part of government, or indeed even of government alone.

When it was recently mentioned to the Chief of the Defence Force that we wanted to rename our rather clumsily titled division from Defence Disarmament, Security and Nuclear Division to the National Security Division, he demurred a little, saying that he thought that he and the ADF could reasonably be said to be principal guardians of national security. His point was taken. In any case, we have decided to call ourselves the International Security Division instead. But had it been necessary we would have contested vigorously with him any suggestion that national security is a matter purely for the ADF or the Department of Defence alone; just as, of course, approaches to regional security are not solely the preserve of

the Department of Foreign Affairs and Trade or even of its able and energetic minister.

In recent years we have seen some very important developments, even improvements, in government in the handling of the large issues involved in national security policy. To some degree this has been a function of personalities at the political level, where Ministers Evans, Beazley and Ray have a very proud record of cooperative and detailed dialogue. At a bureaucratic level, the government instituted, in August 1989, the Strategic Policy Coordination Group and both its formation and its subsequent operation represent a high-water mark in government in bureaucratic cooperation between the various major departments interested in national security issues.

Paul Dibb, both when he was in the Department of Defence and since he has left it, has made a singular contribution to strategic thinking at all levels in both the Departments of Defence and Foreign Affairs and Trade, where he has for the last year been running seminars very much along the lines of this workshop.

Asia-Pacific regional security has, of course, only recently become as much of a discrete policy issue as it is currently accepted to be. The reasons for this are obvious. First, the notion of an Asia-Pacific region is, in some senses, still relatively novel and still geographically rather undefined. In a Cold War world the security of East Asia and the Pacific was ensured by what, in effect, was a Pax Americana, even despite the United States' defeat in the Vietnam War. The end of the Cold War has changed the parameters of that order. But change has occurred also as much as a result of developments within the region itself as it has been as an immediate result of the end of the Cold War. Change in the region has been, as much as anything, economic change - growth of dramatic proportions, with some greater incipient assertiveness amongst the countries of, for example, Southeast Asia.

Economic growth has brought a number of more complex elements to the security circumstances of the countries of the region than was the case in the past. In these circumstances it has become, analytically at least, essential to regard security as a multidimensional phenomenon involving the protection of a variety of different national interests in a variety of different ways. This was articulated clearly by

Senator Evans in his regional security statement of December 1989, as illustrated by the following:

... the policy responses or instruments available to protect Australia's security are multidimensional. They go well beyond strictly military capabilities, essential though these are. They also embrace traditional diplomacy, politico-military capabilities (in the border-zone between defence and diplomacy), economic and trade relations, and development assistance. And they extend to immigration, education and training, cultural relations, information activities, and a number of other less obvious areas of government activity. The relative importance of this large variety of policy instruments will vary from situation to situation, but none exist in isolation, and all should be regarded as mutually reinforcing contributions to our security.¹

... Australia in the past has tended to perceive the relevance of South East Asia and the South Pacific to Australia's security in largely military terms. We now have the opportunity to reinforce our national security by utilising the many dimensions of our external policies in an informed, coordinated and vigorous way to participate in the shaping of the regional environment. Effectively implemented and presented, this multidimensional approach to regional security policy is the best way of maintaining our national security into the future.²

This sounds straightforward and indeed, with the passage of time, the analysis, which some found novel then, not only bears up well as an appropriate approach on our part to regional security, but would be widely accepted within the region.

There were some, however, who in December 1989 had serious doubts about what Senator Evans was saying and who

¹ *Australia's Regional Security*, Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade, December 1989 (Australian Government Publishing Service, Canberra, 1989), p.2.

² *ibid.*, p.46.

quarrelled with him about the wisdom of saying it publicly. It is not unfair to say that the most substantial difficulties related to the proposition that the United States would not continue forever to be the guarantor of security in the region. Perhaps, in deference to them, these criticisms were confused. They were based in part on the utterly erroneous assessments that the statement did not value the Alliance enough or that it was, by looking to the future, hastening its decline. Such perceptions were themselves a mixture of a refusal to intelligently anticipate the future and an odd myopia about security and Australia's part in Asia that has, at its heart, a preparedness to engage in rhetorical commitment to ideas of common or shared security, while not really believing in it at all and remaining psychologically dependent on the Alliance, the 'technological edge' and scepticism about the intentions of our neighbours.

In any case Senator Evans pressed on with his commitment both to producing a public Regional Security Statement and to casting it as complementary to the 1987 Defence White Paper. Indeed, he said his document would not have been possible without a clearly articulated defence policy and the two papers sit very comfortably alongside each other as documents which, taken together, articulate very well an approach to Australia's national security.

For Senator Evans the expenditure of energy in argument with doubters did not end there. Throughout 1990 he developed in his public speeches an approach that looked to a future in which multidimensionality was an accepted fact, and in which complexity of arrangements followed inevitably from a more complex region where the relative simplicity of the interlocking alliances of the past would be overtaken by history. Once again there were difficult arguments and this time they involved not just domestic critics but some in other governments who had misunderstood what he was saying or who had developed an impression of it from coloured press reporting.

Let us look at what he did say. In July 1990, in an address launching the Institute for Contemporary Asian Studies at Monash University, Senator Evans again looked forward to possible future regional security arrangements; and, with what was no more than a highly qualified throw-away line, set off a debate that was, perhaps, both ill informed and in some respects wasteful. The following two paragraphs from that speech illustrate this point:

While it is important, here as elsewhere, that we have a healthy appreciation of the limits of influence of a country of Australia's size, location and capacity, nor should we undervalue the utility of having our own ideas in the ring. I don't think that it is too early, in this respect, to be looking ahead to the kind of wholly new institutional processes that might be capable of evolving, in Asia just as in Europe, as a framework for addressing and resolving security problems. In Europe, wildly implausible as this must have seemed even just a year ago, the central institutional framework for pursuing the new common security has become the Conference on Security and Cooperation in Europe (CSCE), which comprises all the countries of Europe including the NATO and Warsaw Pact ones (with the solitary exception of Albania). Why should there not be developed a similar institutional framework - a 'CSCA' - for addressing the apparently intractable security issues which exist in Asia?

There are a number of negative responses which can quickly be given to that question: because Asia contains many different issues of contention and has many different 'fronts', unlike Europe where there has been a single East-West conflict; because Asia is a diverse and non-homogeneous region, with little of the sense of common cultural identity and common diplomatic tradition of Europe; and so on. But for all that, it is not unreasonable to hope and expect that new Europe-style patterns of cooperation between old adversaries will find their echo in this part of the world, and that imaginative new approaches to confidence-building and problem-solving can be found.³

This speech came shortly before the ASEAN Post Ministerial Conference of 1990, which was held in Jakarta. A very distinguished Australian journalist, Michael Richardson, was in Jakarta and he, like I,

³ Senator Gareth Evans, 'Australia is Catching up with its Geography', *The Monthly Record*, July 1990, pp.424-425.

was much struck by an entirely unscripted focus in one session in that meeting, on security issues in the region. It was not ASEAN delegates' habit, either amongst themselves or in their dialogue with their PMC colleagues, to focus on security issues; and the fact that a vigorous and spontaneous exchange occurred seemed to some of us to be something of a harbinger of things to come in the region. Richardson had taken the time to read Senator Evans's speech of a week before at Monash University, and had been very struck by it as well. He asked if he might publish extracts from it in the *International Herald Tribune* as an 'Op Ed' piece (on the page opposite to the editorial page). Richardson's enthusiasm is always encouraging and as Senator Evans's Senior Adviser it seemed to me that it was obviously sensible to agree. But the headline writer - over whom of course Richardson has no control - gave the piece the heading 'What Asia Needs is a Europe Style CSCA'. This was followed by: 'by Senator Gareth Evans'. Such advocacy, having read the extracts above, is not what Senator Evans was ever about. But that is not what many in Washington and Tokyo and other parts of the region heard. There followed a period of persistent misunderstanding; underpinned, perhaps, on the part of many, less by any genuine intellectual or practical concern about what Senator Evans was saying and more by a determination to prolong the status quo as long as possible.

Senator Evans returned to the theme of the future of regional security in a speech he delivered as the Inaugural Bob Hawke Lecture at the University of Texas in October 1990:

In Australia's judgment this situation calls, here as in Europe, for a common security approach with countries working to build multidimensional linkages of mutual benefit and interdependence, between old adversaries as well as between old friends. In the early stages, a sub-regional building block approach to security dialogue may be more effective than a region-wide approach. Australia's interests are mainly focussed on contributing to such dialogues around South East Asia and the South Pacific, although we also have a natural interest in security dialogues in North East Asia and the North Pacific.

While it is quite premature at this stage to contemplate any kind of specific new security architecture for Asia or the Asia-Pacific, it may be that one day some kind of all-embracing Conference on Security and Cooperation in Asia - built in some way on the still-evolving Helsinki CSCE model in Europe - will be seen as timely and appropriate. If it should be, it will be because a process of dialogue has begun to build confidence, and patterns of cooperation, around the Asia-Pacific region. If such a process is pursued, sooner or later a base will emerge on which more systematic security architecture can be built.⁴

It is, of course, true that, as Bill Hayden used to say, in diplomacy words are bullets, and words uttered by foreign ministers have a very particular impact. But they deserve to have their words read carefully and they are entitled not only to publicly develop their own thinking but to provoke thinking on the part of others. The suggestion that somehow Senator Evans was advocating precipitate change in regional arrangements is patently absurd.

Later that year there was an exchange between Senator Evans and Secretary of State Jim Baker, which reflected clear misunderstanding on the part of the Americans of what Senator Evans had been saying. The following are very brief quotes from both letters. (They can be cited so easily here because these letters, in a way which has proved to have been quite unhelpful to both sides, ended up appearing in the *Financial Review*.)⁵

Baker to Evans, 18 November 1990:

And I wanted to follow up on one of particular importance to both of us: the concept of a 'regional security dialogue' or a Helsinki-type process for Asia.

As you know, I have serious doubts about whether such a dialogue or process is really in either of our interests.

⁴ Senator Gareth Evans, 'Alliances and Change in the US Relationship', *The Monthly Record*, October 1990, pp.696-697.

⁵ 'Australian Security in Letter and Spirit', *Australian Financial Review*, 2 May 1991, p.12.

Evans to Baker, 16 December 1990:

In reading your comments on regional security, I think that, despite all our shared security interests both regionally and globally, we may still be talking somewhat at cross-purposes on this issue.

Australia's objectives are really quite modest, in fact a good deal more so than some other regional contributors to the discussion. Let me summarise what I have spelled out in greater detail elsewhere:

- (a) We are aiming to encourage what, in any case, seems to be a growing habit of dialogue on security issues among countries in our region: we see this as primarily a bilateral process, but existing institutions such as the ASEAN PMC will be useful forums for exchanges such as the one we had this year.
- (b) Over time, it may be that something will evolve out of this pattern of dialogue which will lead to the establishment of some sort of region-wide forum for security dialogue; but we recognise that it is likely to be seen as premature and inappropriate to seek simply to transplant European-style institutions into the Asia-Pacific region.

In this context, it is worth cross-referencing to Secretary of State Baker's article in the Winter edition of *Foreign Affairs* that year (only a couple of months after that exchange of letters). By then Baker was talking freely about the need for new security 'architecture' for the Asia-Pacific region in terms which were, in my view, very consistent with the multidimensional, multistranded dialogue approach being advocated by Senator Evans. If we consider these sentences alone, for example:

Asian security increasingly is derived from a flexible, ad hoc set of political and defense interactions.

Multilateral approaches to security are slowly emerging.⁶

The point here is not that American policy changed (although over time, perhaps, it has matured to embrace more fully a regional security dialogue headed towards a different order of things). The real point is that there never were the sharp differences in approach between us suggested by misinformed public comment.

This chapter has devoted a good deal of attention to a part of the recent political history of this issue, because while debate about what Senator Evans was or was not advocating was very misplaced, it nevertheless provoked real interest amongst many in the Asia-Pacific region. In Australia and in the United States, on the other hand, it rather unhelpfully obscured constructive thinking about the future on the part of too many people. Too often in the exchanges between US and Australian officials the question was rather falsely posed as being whether or not one was in favour of a 'CSCA' as the way forward to a secure Asia-Pacific region.

Any differences within the Australian government were settled pretty conclusively with a speech in May 1991 by the then Prime Minister Bob Hawke to the Asia Australia Institute. Mr Hawke also did a bit of imaginative anticipation of the future and rehearsed many of the issues Senator Evans had been exploring. The speech specifically acknowledged the work Senator Evans had done, and although there was no discussion in it of the rather narrow debate on precise architectural models for the future of security in the Asia-Pacific region, Mr Hawke articulated the thought that, for Australia, regional security was about security *in* and *with* our region rather than security *from* our region. The speech also clearly focused on the need, with the passage of time, for a new security *system* in our region to emerge. The following are key sentences from that speech:

Australians have traditionally feared Asia. The security they have sought has been security from Asia. But the time for that way of thinking has passed. Instead of seeking security from Asia, we should seek security in and with Asia. We should seek enhanced

⁶ James A Baker, III, 'America in Asia: Emerging Architecture for a Pacific Community', *Foreign Affairs*, Vol.70, No.5, 1991, p.5.

security through enmeshment in an Asian security system, as we have sought enhanced prosperity through enmeshment in Asia's economic system. We must think of ourselves as part of an Asian security system which is beginning, very slowly, to evolve to meet Asia's new strategic circumstances.⁷

Senator Evans continued to be active, as his intervention on the subject at the 1992 ASEAN PMC indicates. There he was advocating, in a businesslike and low-key way, some specific measures which could contribute to the growing pattern of dialogue in the region on security issues and which will, hopefully, contribute to a growing sense of confidence on the part of the countries of the region that regional security is a commodity, which can be nurtured and developed in a multiplicity of ways and which can be highly complementary to - and indeed ultimately to some degree saving of - the increasing expense of military planning.

Meanwhile, in the region itself, many had begun to pick up the threads of the debate which Senator Evans, along with others, had energised. Between 1990 and 1992 we saw something of a mini-explosion in what is usually called second-track diplomacy (a mixed focus of government officials and academics) on security issues, their multidimensionality and the need for dialogue on them. Large-scale seminars were held in Manila and Bangkok under the auspices of the Philippine and Thai governments and there were numerous other events that advanced the debate. At a very minimum, this spurt of activity over the last two years has elevated to the status of motherhood the desirability of security dialogue. At the ASEAN Heads of Government Meeting in January 1992, even ASEAN finally gave official blessing to security as a proper subject for their agenda, something that they had been reluctant to do for the whole of ASEAN's history. Their motives may not be entirely clear, but the impetus towards the development of a strengthened security system in the region is now well established.

Where it will all lead, one cannot be sure. It may lead to some pan-Asian regional security arrangement, setting and enforcing rules of behaviour, although, at one would have to say that this is a very

⁷ Prime Minister R.L. Hawke, 'Australia's Security in Asia', The Asia Lecture, The Asia-Australia Institute, University of New South Wales, Sydney, 24 May 1991.

very long way in the future. But the regional discussion is surprisingly vigorous, especially when one considers the scepticism that dominated most exchanges in 1990.

Consider what is currently on the books by way of a regional menu for the immediate future:

- Malaysian Defence Minister Najib has proposed an Asia-Pacific security officials conference;
- Japanese Prime Minister Miyazawa has suggested a 'two-track' approach that would involve subregional organisations and a broader Asia-Pacific forum linking the subregional elements;
- Chinese Foreign Minister Qian Qichen has announced that China favoured a 'multitiered and multichannelled mechanism for discussing security issues';
- the Singaporean foreign ministry has indicated that it is considering the scope for establishing a regular officials' forum on regional security along lines originally proposed by Japanese Foreign Minister Nakayama;
- the Thai foreign ministry has obtained support from the Ford Foundation to hold three seminars next year to examine regional security issues including, among other matters, the role of the UN;
- Indonesian Foreign Minister Alatas has given a major speech on regional security in which he endorsed a series of practical steps that are very close to the measures we have been advocating; and
- we have seen increasing evidence of a growing US appreciation of the role regional security processes can play in complementing a reduced US presence in the region.

Against all of this background and in the face of what is manifestly a quickening regional pace on regional security, how, you might well ask, would one characterise Australian objectives? A public servant who moves beyond quoting ministers on policy is always on dangerous ground, but let me put down a list of some of the

main elements, some of which involve complex problems and are probably unobtainable, at least in this century:

- a change in attitudes towards security, with regional governments moving to adopt a philosophy of security that draws from the European concept of *common security*;
- a set of interlocking processes for exchanges on security problems that give regional countries forums at which they can discuss contentious issues and thereby relieve some of the pressure that has built up within the different parties to particular disputes:
 - we tend to characterise this type of activity as 'dialogue', but in fact it extends beyond simply talking about problem;
- multilateral military programmes that both seek to address genuine security problems, such as piracy, and also encourage the trend towards thinking about defence matters in cooperative rather than confrontational terms;
- organisations that handle security issues at a subregional level; and ultimately, possibly,
- an Asia-Pacific-wide forum for addressing security issues and, in due course, establishing norms governing military activity in the region, and perhaps seeking to broker, even eventually enforce, solutions to regional problems:
 - particularly given recent European experience, the CSCA-type organisation is a 'hard sell' at this stage;
 - nonetheless, an inclusive organisation that brought all Asia-Pacific states together in a dedicated security forum could serve a useful purpose, providing a stage on which governments could let off steam and also serving as a mechanism that reinforced the belief that international disputes should not be settled by violent means; and
 - now is not the time, either internally within the Australian bureaucracy or more broadly in the region, to be advocating what would be seen as a revived 'CSCA'

proposal. But keeping the long-term possibility alive in our minds informs some of our approaches to incremental progress, which is all we are currently advocating.

This chapter has not devoted much space to seeking to prove that objectives such as these are actually good and useful things. Hopefully, these days, this can be assumed to a significant degree. Naturally, there can and should be a lively debate about how *much* such objectives serve Australia's ends; about exactly how such policy objectives sit in balance with the continuing need for secure and self-reliant defence; about how defence assets can or should be deployed to complement diplomatic activity designed to achieve such ends; and a whole host of other such questions.

It could be argued that a more imaginative approach to Australian regional security than has been characteristic of our planning for most of the years since World War II is now not just desirable, but essential. Objectives such as those outlined need to be addressed as serious contributions to a healthy debate about national security. To return to earlier themes, let us all do some intelligent anticipation of the future and let us do it together.

CHAPTER 5

THE RAN'S CONTRIBUTION TO REGIONAL SECURITY

Captain Bill Dovers

The Royal Australian Navy's contribution to regional security falls into three categories:

- support for Australia's overall diplomatic effort and foreign policy objectives;
- assistance to regional navies and maritime enforcement agencies; and
- development of confidence-building measures.

Some have suggested that there is a fourth category: that is a stabilising factor (an adjunct to the US military presence). Whilst there is no question about the stabilising role played by the superpower, it is doubtful whether the Australian Defence Force would be seen to be making a similar contribution, even though identified as a close ally of the United States.

It would be overstating the case to say that the RAN's role in the region is the cornerstone of Australia's foreign policy. However, the RAN does make a valuable contribution to the achievement of the government's foreign policy objectives and Australia's general image amongst its neighbours. This was acknowledged by the Minister for Foreign Affairs and Trade in his ministerial statement, *Australia's Regional Security*, in December 1989, in which he stated:

Special mention might be made of the diplomatic and public relations value of ships' visits. Once again, the high professionalism displayed by the RAN, and the good relations established with local communities (through sporting contacts and the community welfare projects undertaken by ships' companies) enhance Australia's overall standing and reputation in the

region and are valuable support to our diplomatic presence.¹

This statement, while gratifying, does not do full justice to the role that the RAN has played, both in supporting diplomatic efforts and in its contribution to the stability of Australia's relationships with at least two of its northern neighbours.

Port Visits

It must be acknowledged that port visits represent the most public face that the RAN presents within the region. RAN vessels range throughout Australia's area of primary strategic interest (that area defined in the 1987 Defence White Paper as including Southeast Asia, Indochina, the eastern Indian Ocean, and the Southwest Pacific).²

Although the focus of this activity is principally on Southeast Asia, ships do voyage beyond this area to countries such as Japan and South Korea in the north; India and Pakistan in the west; and French Polynesia to the east. Additionally, there is the RAN's continuing contribution to the multinational effort to enforce the United Nations Security Council resolutions against Iraq; and very occasionally ships journey to the far side of the globe (HMAS *Sydney* being the last warship to visit Europe, in 1990).

Notwithstanding the good work that ships' companies have achieved in the past, the RAN is striving to get more value from ship visits. There is now much better advanced liaison between the Maritime Headquarters, ships' commanding officers; and heads of missions, with the result that ships now arrive better prepared to support specific initiatives of the missions.

Navy-to-Navy Relationships

The less public aspects of the RAN's involvement in the region relate mainly to its relationships and combined activities with regional

¹ *Australia's Regional Security*, Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade, December 1989 (Australian Government Publishing Service, Canberra, 1989), p.19.

² *The Defence of Australia 1987* (Australian Government Publishing Service, Canberra, 1987), p.12.

navies, which include:

- bilateral and multinational exercises;
- cooperative operations;
- senior officer visits and personnel exchanges;
- dialogue on issues of common concern, through symposia and workshops;
- training; and
- common interest in hydrography and oceanography.

These will be addressed in turn, but first some more general comments. There are three broad areas in which the RAN normally operates: Southeast Asia, the Southwest Pacific and the Indian Ocean. Each is quite different geographically, culturally, and economically; and each attracts a different approach.

Naturally the strength and quality of the navy-to-navy relationships varies. The strongest is undoubtedly with Royal New Zealand Navy; but it would be followed by the relationships with the Malaysian, Indonesian and Singaporean navies. The greatest potential for improvement is probably with the Indian Navy, as it is the closest in structure and development to the RAN, and because the relationship is still in its formative stages.

The navy-to-navy relationships stood the test during periods when relationships between the Australian government and those of Malaysia and Indonesia were strained. Ship visits and the exercise programme continued, albeit at a slightly lower level, and these proved to be stabilising factors which demonstrated that the difficulties at the political level were temporary.

Combined Exercises

The exercise programme is the most tangible aspect of the navy-to-navy relationship. The RAN conducts bilateral exercises with all of the ASEAN navies, the Japanese Maritime Self-Defense Force and in late 1991, for the first time in many years, with the Indian Navy. RAN patrol boats also conduct simple exercises with those micro-states in the Southwest Pacific that have received vessels under the

Pacific Patrol Boat programme. The exercises vary in complexity, from simple seamanship and manoeuvring serials during passage exercises (PASSEXs) to reasonably complex warfare training serials. The most complex and currently only multilateral maritime exercise conducted in the Asian region is Exercise Starfish, which is conducted under the auspices of the Five Power Defence Arrangements (FPDA).

The RAN plans to conduct Exercise Kakadu I in the north Australian exercise areas in May 1993. Both Malaysia and Singapore are planning to send ships to participate, and Indonesia several observers. This is a significant step, not only in the development of the naval relationships but also in terms of regional stability and security, as it is a measure of the gradual increase in trust and confidence on the part of the ASEAN navies.

The significance of the step should not be underestimated. There has been considerable resistance within ASEAN to multilateral military exercises or agreements outside the auspices of FPDA. Additionally, ASEAN forces are wary of providing intelligence-gathering opportunities during exercise periods, and participation in exercise in Australian waters will strain their already tight operating budgets.

On the other hand, these exercises provide benefits to improved working relationships beyond the simple time spent at sea. Considerable effort and staff cooperation goes into planning each exercise and developing the supporting exercise manuals. Also, each exercise is preceded by a briefing period and is followed by a 'wash-up' session. The gradual but steady increase in the complexity and tempo of these exercises has done much to increase the professional expertise and confidence of the regional navies.

Cooperative Operations

Naval cooperation in operations is a more difficult and sensitive matter. This is principally because the operations most suited to cooperative effort have strong national sovereignty or jurisdictional overtones. Examples are illegal fishing, pollution, piracy (or sea robbery when committed within territorial waters), drug smuggling, and illegal immigration and refugees.

Although the RAN is not directly involved, moves towards multilateral naval cooperation are beginning to emerge in Southeast Asia and the Southwest Pacific. In Southeast Asia progress has been made on an anti-piracy agreement between Malaysia, Singapore and Indonesia and there has been considerable discussion on the establishment of a regional surveillance and safety regime. In the Southwest Pacific the signing of the Niue Treaty has provided the vehicle for bilateral agreements for cooperation between the signatories in enforcing their sovereignty over their exclusive economic zones.

There is greater scope in the short term for bilateral cooperation, and the ADF has now established an agreement with the Indonesian Armed Forces for the surveillance of the Timor Sea Joint Development Zone by RAN patrol boats, Royal Australian Air Force (RAAF) P-3C Orions, and units of the Indonesian Navy. This may well pave the way for other joint maritime activities, including the hydrographic survey of the joint development area.

Marine Science

Hydrography and oceanography are two areas where there already is a healthy exchange of information through international agreements. Due to national sensitivities over sovereignty on the one hand, and the vast task facing the RAN marine science force on the other, it is unlikely that RAN marine science vessels will work in cooperation with regional navies in their waters in the foreseeable future. However, there have already been some discussions between the RAN hydrographer and his Indonesian counterpart with regard to cooperation in establishing automated data bases and data handling systems, an area in which the RAN has developed a degree of expertise.

Training

Transfer of expertise and experience is achieved in a number of ways. The exercise programme is one, but the RAN also conducts a significant amount of formal training for regional navies at RAN establishments. This ranges from technical training for apprentices to various operational courses and staff training for officers. There is

some cost to the RAN in resources committed, and the expectations of the regional navies cannot always be met. However, in addition to being of direct benefit to these smaller navies, it provides an opportunity for interaction with RAN personnel and a better understanding of the Australian system and attitudes.

The RAN also provides more tailored assistance, such as helping the Malaysian Navy prepare for their introduction of a submarine service in the future. In the Southwest Pacific, consideration is being given to conducting workshops on surveillance and EEZ protection operations to allow Southwest Pacific nations to exchange knowledge and information on their experiences in sovereignty protection. A similar initiative is also under consideration for technical and maintenance aspects, to support those patrol operations.

The RAN already provides operation and technical advisers to each of the Southwest Pacific countries that have participated in the Pacific Patrol Boat project, to assist them to establish their administrative and command organisations and to operate the boats effectively.

These initiatives take time to produce sustained improvements in the local organisations, but the more immediate spin-off is in the recognition that Australia is trying to assist them to be more independent. The Pacific Patrol Boat programme, RAAF surveillance, and the training and advice of the RAN complement the efforts of these small nations to protect their principal resource through the Forum Fishing Agency.

In Southeast Asia the RAN is now trying to elevate the navy-to-navy relationships, from the point where the RAN is seen as a provider and partial 'father figure', to one of equal partnership with a two-way flow of information. This is more than a symbolic gesture, for these navies do have experience and knowledge from which the RAN could benefit.

Senior Officers' Visits and Personnel Exchanges

An important aspect of the navy-to-navy relationships is the good personal relationships that exist between the chiefs of navy and other senior officers. These have assisted in engendering trust, and have facilitated a number of recent initiatives, such as the junior officer

exchange with the Indonesian Navy. There are already a small number of long-term personnel exchanges between the RAN and the Malaysian Navy, and more are under consideration with other ASEAN navies. Short-term personnel exchanges between ships involved in exercises are now a fairly common occurrence.

Confidence-building Measures

The Maritime Studies Program, of which Commodore Sam Bateman is the head, has been active in the region, attending a number of international symposia and conducting workshops on maritime issues, including confidence-building measures (CBMs). Possibly the most significant initiative taken by the RAN in this area was the Western Pacific Naval Symposium (WPNS). This is a biennial conference between the chiefs of thirteen Western Pacific navies, the third of which was held in Hawaii in early November 1992. The WPNS has shown considerable potential for extending the dialogue between the navies, as well as helping to develop personal relationships between the senior officers attending.

In July 1992, the concept was extended to the working (captain/commander) level, with the first WPNS workshop being convened at HMAS *Watson* in Sydney. It was specifically tasked with examining ways of exchanging maritime information of mutual interest, and resulted in a refreshingly frank exchange of views. Though clearly not a decision-making body, it demonstrated the potential benefits from dialogue at this level.

In addition to their primary purpose, nearly all of these activities conducted by the RAN fall into the category of confidence building. They may not all be recognisable under the usual CBM name tag, but nevertheless they do contribute.

A recent foreign affairs paper on CBMs highlighted the differences in the Australian approach to this subject and that of our ASEAN nations, whose military forces continue to base their doctrine on the concept of deterrence through strength. Amongst other things, the paper concluded that there was unlikely to be substantial progress on formal transparency CBMs on a multilateral basis for the next three to four years. Also that for progress to be made at the political level, it would be important for ADF senior officers to build up a basis for trust

with their ASEAN counterparts and assist them in making the conceptual shift towards the principles of common security.

This is something for the ADF as a whole, but the RAN has already made significant contributions to the process, the most important being the additional dialogue and the early steps towards greater transparency with such measures as the considerably expanded exchange of information; increased sea-riders and observers during exercises; and personnel exchanges.

In the future, cooperation may extend to joint venture equipment acquisitions. For example, Malaysia has flagged the potential for cooperation in our respective offshore patrol vessel programmes. The major effort, though, will be to improve and extend the dialogue, as this seems the best way to lower the barriers and move to more cooperative relationships. These could conceivably lead to greater bilateral, or multilateral cooperation across a wide range of activities, such as piracy, pollution, illegal immigrants or refugees and drug smuggling.

In the meantime, the RAN will continue its assistance to these younger navies as a demonstration of its commitment, which will hopefully assist in Australia's ultimate acceptance as part of the region.

CHAPTER 6

REGIONAL SECURITY: AN ALTERNATIVE VIEW

Dr Graeme Cheeseman

It is becoming very difficult to present an alternative view on security these days. The mainstream opinion in Australia seems to be embracing more and more what was considered alternative, and even subversive, only a few years ago. So rather than try to present an alternative view or perhaps even a new defence of mainstream thinking, this chapter will attempt to reiterate some of the problems and concerns associated with the so-called 'new and emerging roles of the ADF'. In connection with this, a problem facing analysts who sit outside the system is that although they may obtain access to the final policy documents, these rarely indicate the level and substance of debate that inform the decisions taken. They can never be quite sure as to:

- whether the alternative views have been considered, or
- if they have been, why they have been dismissed.

As highlighted in previous chapters, Australia is giving increased emphasis in its defence and security policies to regional military cooperation and control, and lately to deterrence. This was evident in Gareth Evans' 1989 regional security statement, and in *Australia's Strategic Planning in the 1990s* (ASP 90), or at least in the unclassified version that was released to the public.¹ It is also a marked characteristic of the Opposition's alternative defence posture which was articulated in their document 'A Strong Australia: Rebuilding Australia's Defence'.²

¹ *Australia's Regional Security*, Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade, December 1989 (Australian Government Publishing Service, Canberra, 1989); *Australia's Strategic Planning in the 1990s*, 27 November 1989 (Defence Departmental Publication, Canberra, September 1992).

² Office of the Shadow Minister for Defence, 'A Strong Australia: Rebuilding Australia's Defence', Canberra, October 1992.

It is important that we understand some of the negative, or potentially negative, sides of these policy proposals. This chapter will begin by rehearsing some of the general criticisms covered earlier by Andy Mack; it will then address a number of potential problems and dilemmas specifically associated with confidence- and security-building measures.

General Concerns

As discussed by Andy Mack in chapter 1, Australia needs to be sure that its evolving military and political-military activities do not constrain or undermine its broader security objectives - to become part of Asia and maintain a stable and positive regional environment. Destabilisation could occur if Australia threatened its neighbours, and caused them to arm unduly, to spend more on defence, and to increase the regional arms dynamic that is operating already. Since Australia is seeking to maintain a technological edge over others in the region, it would simply create an extra 'rod for its own back' by encouraging the region to upgrade its military capabilities, thereby forcing Australia itself to spend still more on defence, which could pose severe problems in the future.

A second potential problem is that Australia's actions, directly or in concert with others (perhaps around the Five Power Defence Arrangements) could worry other countries to the extent that they might seek external involvement as a hedge against potential alliances. Australia's own fears could thus become a self-fulfilling prophecy.

Thirdly, there is the problem, again covered by Andy Mack, of the 'dark side' of deterrence. During a future political crisis or low-level military conflict with a neighbour, the presence of deterrent forces could actually cause escalation of conflict, or become destabilising rather than stabilising factors. Australia needs to keep that in mind in its operational and force structure planning.

Australia's regional defence activities should not detract from other non-military policy levers by diverting resources or attention away from aid or other development programmes, by skewing the priorities within national security policies, by foisting on smaller micro-states, in particular, capabilities which they cannot afford. Australia must be mindful of the risk of creating in neighbouring

states security mind-sets that are contrary to those states' political and cultural traditions, and in this sense destabilising. It must also be mindful of not allying itself with repressive military governments or élites, or their policies. Bougainville presents this kind of dilemma. Australia cannot play an objective or a conflict-mediating role because it is seen by the Bougainvillians as being on the side of Papua New Guinea.

Increasing emphasis on the projection of military power could also divert resources and attention away from the defence of Australia. It can be argued that this is already occurring. It can be seen not only in government policy, but also in opposition policy, where the older notion of self-defence is giving way to a kind of defence of the region. Some have suggested this may be a return to a new form of forward defence. Others argue that this is not the case. But attention is moving away from the defence of Australia itself. This could skew our force structure planning away from defensive equipment, and not meet Australia's real security needs.

It might be argued that Australia should look towards the extended use of naval forces in regional cooperative activities, rather than non naval-forces (the kind of middle-level role that Sam Bateman mentioned in his chapter). However, by increasing its connections, directly and indirectly, with other countries in the region, Australia increases the chance of becoming involved in an armed conflict between particular nations and their neighbours. This could well be a conflict that is very serious for the belligerents involved, but does not have much regional value. Like it or not, Australia might become involved, either because it has sold them weapons, or because some of the countries share regional security arrangements with Australia.

On the question of the South Pacific, there are some specific problems associated with the tendency that has been developing in Australia's policy to be prepared to intervene militarily in the South Pacific. This is a clear trend over the last few years. Such a policy could act as an incentive for dissident groups, or governments in the Pacific, to test Australia and to gain publicity. They would have nothing to lose, but Australia has a lot to lose. A military interventionist policy unnecessarily places the lives of Australian service men and women at risk, runs the risk of escalation, and may not be the best choice, particularly if the same result can be achieved

through quiet diplomacy and the use of civil assets. A company of the ADF parachuting into Bougainville or Fiji would give all sorts of signals to other states, and would have the potential to cast Australia as a partisan player, or even a pariah state. Australia must be careful of being perceived as a remote, external policing power and not part of the region.

Confidence- and Security-building Measures

While there is a clear role for confidence- and security-building measures in Australia's policies, there may be some shortcomings and potential dangers with the way Australia is approaching the issue. Many CSBMs, as other contributors have mentioned, stem from European experience. There, they were essentially aimed at crisis management and especially reassurance against surprise attack. These particular results are generally not required in Asia, with the possible exception of the Korean peninsula. Such CSBMs could turn out also to be self-fulfilling, since they encourage states to look for threats, for possible areas of instability that do not now exist but could develop.

In addition, while CSBMs tend to constrain the exercise of military power, they do not prevent its accumulation, or limit its extent. For various reasons, nations continue to arm and modernise their forces. Both demand and supply-side forces are operating in the Asia-Pacific, encouraging states to gradually modernise and increase the range and capability of their armed forces. Yet, for different reasons, states agree not to use their forces in certain ways: these are the confidence-building measures, or confidence measures. But if the political circumstances changed and the incentives for CSBMs disappeared, then the military forces would still be there and could either be used or form part of a threatening or escalatory process, or 'conflict spiral'.

This would suggest that, as a minimum, CSBMs have to be complimented by arms control measures, aimed at constraining or preferably reversing the underlying arms dynamic in the Asia-Pacific region. It should be noted that Australia's policies are contradictory in this regard. It agrees with this process in certain areas: nuclear proliferation, chemical weapons, missile technology, control regimes and so on. It is very interested in these particular arms control regimes,

but not in preventing the spread of other conventional arms or capabilities. That, of course, has to do with maintaining its technological edge while recognising that it cannot defend itself against nuclear or long-range missile forces. Australia is not prepared to negotiate away its perceived 'technological edge'. That attitude must be re-examined.

CSBMs also need to be complimented by arms control measures that deal with structural change in armed forces. It is necessary to try to limit the potentially destabilising elements of force structure planning, to encourage a shift from broadly offensively structured forces and postures to more defensively oriented ones, and to address more the 'dark side' of deterrence (perhaps by pursuing defensive deterrence rather than offensive deterrence).

A more important problem, however, is that the 'building block' approach to confidence building favoured by the defence establishment focuses almost entirely on procedural and structural issues, with insufficient attention given to the basic purpose of the exercise. This purpose is essentially the transformation of the belief structures of the senior decision makers (political and military) in the various countries involved about the nature of threat posed by other possibly antagonistic, or formally antagonistic, states. What is required is a shift from a basic assumption of hostile intentions to an assumption of non-hostile intentions; a move from the anarchic system of individual warring states towards a security community of nations, who agree to cooperate together to deal with common problems and consider it inconceivable that they would threaten each other militarily, that ultimately it is not in their interests to go to war. This is the notion underlying common security.

As was highlighted in Andy Mack's chapter, there is a growing opportunity within the Asia-Pacific region for this kind of paradigm shift, prompted by increasing economic interdependence and cooperation between countries, and a recognition that they need to cooperate together in the future. It is also seen in the environmental security domain, where there are environmental security problems that effect everyone equally, and where individual states are incapable of dealing with them. Indeed, the unfettered actions of individual states in both the economic and environmental domains can actually contribute to the common threat. This is another version of the defence

dilemma, and is recognised increasingly within the non-military security élites of states, but unfortunately it has not yet altered the mind-set of the military.

The end of the Cold War has helped, in that it has revitalised the role of the United Nations in cooperative security endeavours. Arguably, the Gulf War provided an example of that role. However, the basic problem remains that the underlying objective of CSBMs, the shift in the basis of security thinking, is outside or conflicts with the traditional military security approach, which is to worry about where the threats are coming from. This pattern can be detected in the defence and security postures of Australia and its neighbours.

Thus while everyone agrees to talk about common security, they continue to give priority to self-development and self-defence. That is the old order thinking. Within that old order thinking, CSBMs, like arms control activities, are seen as part of self-defence. They are used to collect intelligence about others, to maintain the disparities, or technological edges, over others. They are about maintaining favourable balances and so on, and are used to justify existing or planned equipment inventories. They are used to control or inform the élite preferences of allies or neighbours, and to ensure that the intellectual underpinning of the old thinking is retained.

CSBMs, then, are too important to be left to the military. They should be planned and controlled by some higher structure or organisation, both nationally and regionally. In parallel with the procedures of CSBMs, which are important within themselves, there should be a process in which all of the countries in the region (or perhaps, initially, subregions) sit down and talk about what concerns them most and how they can work together to reduce or eliminate these concerns.

One of the arguments of those who are proponents of regional maritime and other political-military activity is that what Australia is doing is making the best use of forces that have been developed for self-defence: Australia has all these forces that are needed for self-defence, and it makes sense to use them to influence the region. There is a certain amount of logic in that view, provided of course that some of the other concerns mentioned earlier in this chapter are taken into account. But the view begs larger questions of the relevance of existing

forces for self-defence and, in Australia's case, whether or not our current forces are best structured for the old and emerging roles.

I would contend that, in large part, Australia's existing forces are used to reassure, not others, but itself. They are an extension of the ego investments of the official security establishment or, if the feminists are right, other parts of it. Certain elements of the current force structure could be dismantled without undermining existing defence security objectives. In fact, if the theory of the 'dark side' of deterrence is right, such a move might even improve security. There are a number of alternative approaches for restructuring the ADF, although this paper will propose but one.

The alternate proposed is that the ADF be reorganised into two components. Firstly, a small permanent force charged with dealing with existing and foreseen problems and threats to Australia's security. This force would comprise a single permanent joint force operational command, perhaps maritime command, and a single integrated support command. Maritime command would have within it all of Australia's existing surveillance assets and a kind of military coast guard. Essentially, it would perform the first-level task that Sam Bateman highlighted in his chapter. Perhaps it would need some limited air interdiction (but not F-A18s or F-111s) and a few other forces used for specialist tasks such as peacekeeping - or perhaps the ADF should consist of peacekeepers only, able also to deal with disaster relief, anti-terrorism, etc.

The second component would comprise a planning cell, and a reserve base latent force, tasked with preparing for more remote contingencies, such as military attacks or threats to Australia. The cell would be required to produce new ideas and strategic concepts for the defence of Australia in the 1990s and beyond, ideas that would be driven by 'new' as well as 'old' order thinking.

The rest of Australia's equipment inventory could be mothballed, or maintained in store, awaiting the results of the policy review. The current major defence facilities could be either sold off or converted back into bare bases. Russell Hill could be demolished. The new building that was developed for the Defence Signals Directorate (DSD), with its electrified fences all round, could be used as a refuge for the victims of domestic violence. Optimally, DSD should move into the community where it might learn more. Beyond that though, and

more fundamentally and more importantly, Australia's security planners (political, defence, foreign policy and others) would be required to put their minds to meeting Australia's regional security objectives through non-military means. They would be allocated money from defence to come up with some innovative approaches to meeting the objective of maintaining a secure and stable environment in a non-military way.

I would suggest that, over the longer term, this proposal offers a better chance of stability and security than continuing to send our F-A18s to Butterworth or elsewhere. But if there is a major downsizing of forces, is there still a role in regional security for Australia's residual maritime forces? The answer is yes, and it would probably not be much different to what they are doing now. Under a new security paradigm, there would still be a role for maritime surveillance; for maritime cooperation between Australia and its neighbours in the policing and management of existing resources, and anti-piracy activities; for training and exercising, both in Australia and in the region; and for continuing confidence- and security-building measures. Also, some measure of self-defence capacity would need to be maintained - but without the offensive deterrence element.

DISCUSSION PART 2

The papers presented by John Dauth, Bill Dovers and Graeme Cheeseman set the scene for a vibrant discussion on the relationship between the defence of Australia and regional security. Clearly the RAN's role in regional security depends on what Australia is trying to achieve within the region. If it really is security with Asia rather than against Asia, then there are far-reaching implications for the navy, which has a key role in regional cooperation.

While there is strong commitment in Australia to long-term regional security, it is also necessary to proceed cautiously and avoid prejudicing the fine balance that has been struck by the government between regional security objectives and the need to maintain adequate self-reliant national defence. The statement by Senator Evans, that the 1987 Defence White Paper had liberated Australian foreign policy by creating an environment in which Australian foreign policy makers could concentrate on regional issues and stop thinking about alliance management, is perhaps of significance to security planners.

Nevertheless, the relationship with the United States has to be considered. There is a view that Australia is as dependent as ever on US assistance, but a general feeling that in the emerging strategic circumstances harder questions must be asked about the reliability of such assistance. Our self-reliant capability is improving with the Anzac ships and submarine-building programmes, as well as over-the-horizon radar, the Geraldton facility for the Defence Signals Directorate and indigenous software development capabilities.

Dr Cheeseman's view, that active involvement by Australia in regional security is incompatible with Australian self-defence, was not well supported by the forum. There was also considerable scepticism that Australia, or any other regional country, would contemplate cutting back military capability along the lines suggested by Dr Cheeseman.

Some complementarity is perceived between regional security and the policy of defence in depth, in that the former could be interpreted as defence in depth, on a grander strategic scale. However, there is a view that regional security objectives could just as well be achieved by non-military means, particularly as the military

side of security seems to be decreasing in importance and the key to future regional security might lie more with comprehensive security - economic security, environmental security and so on. These are clear common security interests, but these common interests are not necessarily a force for stability. Economic interdependence is sometimes seen in this light but, conversely, this may also be a destabilising force, as can be seen in the tension between the United States and Japan.

The extensive debate in the literature recently, as to what constitutes security in the post-Cold War era, also needs to be taken into consideration. The traditional notion of security is the maintenance of the territorial integrity, and sometimes the political integrity, of states. Ultimately this comes down to protecting the citizens of the state, but there is a paradox as the greatest threat to the citizens may actually come from the state itself, through political violence and suppression. Additionally, there are many threats that ignore national boundaries and affect all countries equally: AIDS, global warming and environmental pollution are obvious examples of transnational problems.

Areas of common interest are important. The security of sea lines of communication (SLOCs) is one such interest, which may be assuming greater significance. Along with their economic growth, nations are becoming more interdependent and this means they are more concerned about the potential for the disruption of seaborne trade. SLOCs may come to be seen as an extension of national sovereignty: if economic survival depends on a given volume of trade passing through a given destination by given seaborne means, then ultimately SLOC security is a sovereign interest which may be shared between nations. However, there is a view that this interest may be best protected through economic and political action, with no need for quasi-military structures.

The oceans are an important area of shared interest between nations. Rarely can a maritime interest be seen in purely national terms. There is also an important link between economic interests and good order at sea. The efficient exploitation of offshore resources, the conduct of fishing activities and the expeditious flow of seaborne trade are all economic activities that depend upon a stable regional maritime regime. The workshop noted the potential of maritime issues (such as

surveillance, marine safety and the protection of SLOCs) as grounds for regional cooperation.

The extensive coastal and archipelagic state claims in the region complicate the achievement of a stable maritime regime. Due to their proximity to major international waterways, Malaysia, Indonesia and Singapore gain significant strategic leverage relative to countries such as India, China and Japan. On grounds of marine safety and reducing the risks of pollution, they may seek, on a selective basis, to prevent or control the passage of shipping along these waterways, including possibly the introduction of a financial levy on ships using the straits. This could be seen by some countries to be contrary to international law, although the law is still insufficiently clear on some of these issues.

There was considerable discussion of the notion of cooperative security and the distinction between this and the concept of security cooperation. The latter invariably implies an alliance based on some common perception of an external threat. Cooperative security is a more inclusive concept, which recognises that, while there may be very real tensions and many unresolved problems between states, these are not such that countries will go to war over them. The key question is what sort of cooperative security mechanism can be put in place to prevent tensions escalating into arms races and open conflict. This is very different to alliance thinking, which implies a common goal against a common enemy.

The fundamental problem with the concept of cooperative security is that of reassurance versus deterrence, and the reality that the mind-set in the region is still very much towards deterrence. The region may need more reassurance while retaining some residual deterrence. However, while some may argue that too much deterrence undermines reassurance, too much reassurance constitutes appeasement and undermines fighting capability. The workshop noted that these considerations underpinned the basic importance of confidence and security building and the possible utility of naval forces in establishing reassurance without foreclosing on deterrence.

Discussion also focused on the prerequisites for cooperative security and what role there could be for the navy. There is some scepticism of whether any successful mechanism for dispute resolution and collective action exists between nations. The United Nations

Charter sounds good in theory but may not provide results without the use of armed force. The Gulf War is not a good example, because of the scale and complexity of operations and because there is unlikely to be a 'villain' again as perfect for international action as Saddam Hussein. However, the United Nations appears to be learning fast and developing extensive knowledge of dispute resolution.

A related issue is the question of international intervention in the internal affairs of a state whose actions may have become intolerable to its neighbours or the wider international community. With the growth of transnational problems and revisionist ideas of the role of the United Nations and other multinational organisations, intervention may be becoming more acceptable than it has been in the past.

There are many possible implications of these trends for naval forces. Any increased likelihood of peacekeeping tasks, as well as the overall concept of cooperative regional security, could come to have some impact on naval force structures. Forces designed to go overseas to impose the international will upon a recalcitrant state or to maintain peace between a pair of squabbling countries would need a higher level of capability than purely defensive or isolationist forces. The problem is that, in the end, there is always the risk of having to fight - and then overwhelming force is needed.

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There are many possible implications of these trends for naval forces. An increased likelihood of progressive tasks as well as the overall concept of cooperative regional security could come to have some impact on naval force structures. Forces designed to ensure a minimum of impact on the international system will need a higher level of capability than purely defensive or isolationist forces. The problem is that in the end there is always the risk of having to fight and the overwhelming force is needed.

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CHAPTER 7

AUSTRALIA'S DEFENCE STRATEGY

PART 3

MARITIME STRATEGY AND THE DEFENCE OF AUSTRALIA

- related patterns and
- the strategic context.

If we accept these, and there is no reason why we should not, then the key question that we who are involved in defence thinking have to ask ourselves is how do we see these concepts impinging on the way we do business? The answer to the first, whether we have an irrevocable commitment, must be an unequivocal yes. We have locked our defence planning into the submarines, the Anzac frigates, the FFGs, and Project Indefatigable. These are projects worth about \$40 billion, and cancelling any contracts associated with them is not going to happen even if government financial guidance wobbles.

As to the second concept, whether we have a coherent pattern, with consistency across a whole range of decisions, the answer is probably a little less firm. We do, however, have a coherent doctrine with regard to the defence of Australia. While there is naturally debate as to how one should order the priorities of that policy, the policy is largely agreed, and it is the concepts of operations that are more debatable. Certainly, the balance between our commitment to the defence of Australia and our regional security role is an issue in the overall security debate. But the two major force structure elements - that is, the abiding features of our geography and our detailed knowledge of the military capabilities of regional countries - remain at the centre of what drives our force structure. Added to this is the intelligence mechanisms used to determine the sort of warning signs we judge we would have for major assault on our territory, and the short warnings we would have for what we call credible contingencies.

CHAPTER 7

AUSTRALIA'S DEFENCE STRATEGY

Professor Paul Dibb

In his chapter, Professor Davis has raised three very important management concepts that affect any organisation:

- an irreversible commitment,
- a coherent pattern, and
- the strategic mission.

If we accept these, and there is no reason why we should not, then the key question that we who are involved in defence thinking have to ask ourselves is: how do we see these concepts impinging on the way we do business? The answer to the first, whether we have an irreversible commitment, must be an unequivocal yes. We have locked our defence planning into the submarines, the Anzac frigates, the FFGs, and Project Jindalee. These are projects worth about \$A10 billion, and cancelling any contracts associated with them is not going to happen even if government financial guidance varies.

As to the second concept, whether we have a coherent pattern, with consistency across a whole range of decisions, the answer is probably a little less firm. We do, however, have a coherent doctrine with regard to the defence of Australia. While there is naturally debate as to how one should order the priorities of that policy, the policy is largely agreed, and it is the concepts of operations that are more debatable. Certainly, the balance between our commitment to the defence of Australia and our regional security role is an issue in the overall security debate. But the two major force structure elements - that is, the abiding features of our geography and our detailed knowledge of the military capabilities of regional countries - remain at the centre of what drives our force structure. Added to this is the intelligence mechanisms used to determine the sort of warning signs we judge we would have for major assault on our territory, and the short warnings we would have for what we call credible contingencies.

The third concept must ultimately relate to how, when and where we will protect the nation's security from threat. As to how, this will undoubtedly relate to what we perceive as the level of threat and there would appear to be now general acceptance that it will more likely be low level than high level. As to the question of when, the answer must be that it is more likely to be a relatively short warning - if political circumstances change - than a longer warning. Finally as to where, it will undoubtedly be the sea-air gap to the north and north-west rather than in Tasmania.

There is, however, the question often raised by others involved in the security debate about the intertwining of Australia's diplomatic and security roles. Indeed we are not alone in considering such issues. The British Foreign Secretary, Douglas Hurd, in a speech on 3 October 1992, talked about how diplomatic and security policy in the new world order 'will have to run more closely together'.¹ Basically, in considering this in the Australian context it must be structured around three key areas: first, the defence of Australia; secondly, the question of where the Australia-United States alliance is going; and thirdly, Australia's regional commitments.

The Defence of Australia

In programming terms, the White Paper of 1987 envisaged capital expenditure of \$A25 billion over the following decade.² Navy's share of that is very substantial, in the order of \$A9 billion already on submarines and surface combatants. The department is heavily locked in to these commitments and there is not a lot of room to manoeuvre for any government, at least in the next three years.

The Force Structure Review of May 1991 indicated that, if sustained one per cent growth of the defence budget occurred, nearly all the 1987 White Paper priorities (the capital equipment spend of \$A25 billion) could be attained. Additionally, it indicated that with sustained zero growth only about three-quarters of the White Paper

¹ Rt Hon. Douglas Hurd, 'Foreign Policy and International Security', *RUSI Journal*, December 1992, pp.1-4.

² *The Defence of Australia 1987*, Presented to Parliament by the Minister for Defence, the Honourable Kim C. Beazley, MP, March 1987 (Australian Government Publishing Service, Canberra, 1987), pp.105-109.

priorities could be attained.³ The defence budget has been on a zero growth path for four years, and is now entering the fifth year for all intents and purposes. What is not generally recognised, but is certainly recognised by the service chiefs, is that savings out of the commercial support programme, and some other programmes identified in the Force Structure Review, are locked into the defence budget at zero growth. Those savings have already been taken. That is a very serious discipline. It makes the attainment of all the targets of the White Paper extremely difficult. It is imperative that the efficiencies and savings from areas such as the commercial support programme remain on target.

If a minus one per cent budget is sustained over the rest of the 1990s, which clearly is a risk given general-public attitudes about the new world order and the so-called 'peace dividend', then the White Paper priorities will not be met. With such financial constraints, only 45 per cent of the White Paper's capital targets could be attained. These are important facts to have in mind, because they indicate the seriousness of the financial discipline that the department faces.

Looking at the future, there will be a move towards more 'jointery' and a move in my view (although perhaps not in everybody's view) towards an integrated Defence Department, which is now foreseeable, given the changes in management style and the care with which senior personnel are now chosen.

Examining the fundamental military role for the defence of Australia, the priorities are all too familiar. Or are they? What are the key priorities for force structure of the 1990s, as we start to finish the new construction submarine, get well into the Anzac ships, finish Project Jindalee, upgrade the F-111s and the P-3s? Given that we are most likely, at best, to have zero growth in the coming years, which White Paper priorities should be redefined?

In the latter half of 1992 I have been working with the Department of Defence, writing a major paper on strategic priorities for Australian defence industry. One cannot write that without having a view on the strategic international issues that should drive industry. The general consensus is that the first-order priority for our defence

³ Department of Defence, *Force Structure Review*, Report to the Minister for Defence, Canberra, May 1991, pp.38-41.

industry is to strengthen the combat capability of the Australian Defence Force. In the remainder of the 1990s, as we move away from the big 'metal-bashing' projects, priority must go to intelligence and surveillance, command and control, combat data systems and integrated logistics. Those areas are crucial to maintaining Australia's margin of technological edge, which will be increasingly difficult to sustain as the 1990s progress.

Studies have shown that by the year 2000 Australia will still have a technological margin, but with less and less reason for complacency. This edge will not be in the weapons platforms so much. Clearly, with platforms like F-16s and Harpoon-firing surface ships in use throughout the region, the margin is going to close quite rapidly. It is Australia's demonstrable superiority in intelligence and surveillance systems, backed up by its move towards high-quality command and control systems, in which information is fused in real time from highly advanced intelligence and surveillance capabilities, which will matter. Increasingly those intelligence and surveillance capabilities should be indigenously Australian.

Secondly, there should be less reliance on allies for intelligence and surveillance data. Within the concept of self-reliance, it is important that in the 1990s Australia moves steadily and progressively toward an indigenous intelligence and surveillance capability. There are some problems in achieving this, particularly with respect to overhead systems, but new advances in satellite technology promise to reduce costs in the late 1990s, to a position where we can at least give some consideration to having indigenous Australian military satellites.

The other point we need to remember is that defence, unlike other areas of public policy, has to think in extremely long time frames. In terms of force structure, the DDGs will be over thirty-five years old when Australia commences paying them off from the year 2000. There is talk of extending the F-111s to as close to 40 years that it makes no difference. With this in mind and with all due respect to some views that the world is moving to a more peaceful situation, these are not the sorts of decisions that can be gambled on, in trying to develop a force structure for the defence of Australia. It simply cannot be done by chopping and changing defence policy. One can re-jig, certainly within long-range warning time, some force elements. One can acquire more

strike capability. But basically one has to be very steady about developing a force structure that is threat free.

If we consider the sort of views that Professor Mack raised in his chapter about reassurance verses deterrence, and we should note that indeed Australia basically has a defensive posture, one can wonder who would really want to see Australia do away with the strike capability, both in F-111s and submarines. It is a capability incomparable anywhere in the region.

In terms of what might be called the diplomatic and constabulary roles of the ADF, it is true that increasingly (and particularly for navy) it will be moving into those types of functions. Yet as Captain Dovers highlighted in his chapter, the RAN is already doing a great deal. Undoubtedly the RAN is going to be asked to do more, and the question must be, how is it going to do it? Given that defence's budget at zero growth is extremely tight, and tying up ships is a cost option, if the ADF is moving more to the diplomatic and constabulary roles, where does that put the submarine force, which has extreme limitations in that regard? It also has implications as to how the Fremantle replacements - the offshore patrol vessels - should be designed.

It has implications for how navy should plan for the realisation of the 16 frigates/destroyers and 12 offshore patrol vessels that were identified in the Force Structure Review. It is fairly obvious that when you add the figures up and look at taking the DDGs out and replacing the first of the US-built FFGs, it is going to be difficult for navy to achieve more than 12 to 14, which is a significant gap. There is a good strategic argument that says: if government of either political persuasion is serious about getting closer to the region, while at the same time increasing navy's diplomatic and constabulary roles, it is not going to be able to achieve those goals with the small number of surface vessels that are foreseeable. The figure of 16 major surface combatants is important; so is the Offshore Patrol Boat programme, which may have to be brought forward. This naturally raises serious programming issues. What will be dropped?

Turning to some less serious issues, but ones that remain relevant to any strategic concept for the defence of Australia, there is firstly the question of the sea-air gap, which will remain a significant and enduring feature driving both force structure and levels of

readiness. The Chief of Naval Staff has asked if it is too narrowly defined and whether we can speak more broadly of the maritime approaches. Naturally one cannot just draw a line through the land mass of the archipelago to our north, as some would have it, but on the other hand it is not feasible to talk about defending the entire length and breadth of Australia's maritime approaches, as that then could distort the force structure. By this I mean that it would have a significant force structure impact if the geographical definition of our 'maritime approaches' was open-ended. A great part of the 1986 report, *Review of Australia's Defence Capabilities*,⁴ was to bring discipline to the use of geography in the defence debate. This does have an impact on the force structure.

On the question of sea lines of communication, one should not forget about the remoteness of the likelihood of interdiction of international sea lines of communication; a more pressing concern must be with the vulnerability of focal points. With regard to anti-submarine warfare (ASW), this is a difficult priority. Undoubtedly if those skills associated with fighting the ASW battle are lost, they are very difficult to replace. A good example is this: when our American friends tell us that the Chinese order of battle is obsolete, one should observe that it is obsolete by America's standards, but if China were to use force in the South China Sea, including its large number of very noisy, old Russian diesel-electric submarines, which ASEAN navy has the ability to detect those submarines? The answer is Singapore, a bit, and nobody else.

However, again, we have to be careful in not overreacting to the numbers of submarines we think *might* be brought into regional orders of battle. We know that Indonesia has two 209s and it is looking for some more and that Malaysia is looking at acquiring a submarine capability. As to India, obviously that is something Australia needs to monitor, especially with the introduction of Kilo class submarines. We need, however, to remind ourselves of how long it has taken India to build the first of the class of that submarine (eight years). Australia is doing a lot better than that so far.

⁴ *Review of Australia's Defence Capabilities*, Report to the Minister for Defence by Mr Paul Dibb, March 1986 (Australian Government Publishing Service, Canberra, 1986).

So while one can be sympathetic to the maintenance of ASW capabilities, the intelligence officer's caution makes one wary about the evidence as to how many submarines are *actually* going to be introduced into the region. In addition to the needs of ASW detection, there is the interest on the surveillance side. How can Australia develop surveillance capacities, including perhaps capabilities such as Kariwara?

On the question of the west coast navy, one can ask what the strategic reasoning is for such a move. The answer surely is that we clearly need a naval capacity based in the west, to protect our western and north-western approaches and key focal areas. As to submarine operations, western basing is clearly more optimal in terms of transit times than basing on the east coast.

Returning now to the subject of the defence of Australia, there are some areas where not enough work has been done. It is all too easy to get carried away on regional security, and to forget the enduring discipline of the defence of Australia. One can argue that we still do not have enough knowledge of our own waters, including for sub-surface operations. They are clearly different. Secondly, we do not have enough understanding of low-level, and so-called escalated low-level, contingencies. What happens if the contingency begins at the escalated level rather than in a nice theoretical way, progressing from low level up to escalated? Do we have a sufficient understanding of our capacities to react to that sort of scenario? We might need to give greater attention to the terminology surrounding 'escalated low-level conflict'. There also still does not seem to be much real progress in developing concepts of operations in all three services. There has been disappointing progress in that area.

Finally, with regard to the expansion base study, which should be ready in early 1993, there is not enough understanding of what might be some of the *similarities* between escalated low-level conflict and more substantial conflict. The threat will still be north about, there will still be a sea-air gap problem. There is still the issue of what is the biggest sort of lodgement force that one would comprehend in more substantial conflict, and if it is less than a division that the army might have to face, that has some very considerable implications for army's expansion plans. A final point of force structure is that relating to the helicopter support ship. For South Pacific contingencies it is necessary,

and if it can be acquired for a reasonable cost we should have it. If we had to evacuate large numbers of Australians from South Pacific locations, we would need such a capability in the force-in-being.

The United States Alliance

The United States is an important element in Australia's defence policy. It is important in the sense of the tangible benefits we get with regard to intelligence, weapons systems, and logistics resupply (there is a commitment to logistics resupply, but there is also a qualifying clause in that agreement about the national interest, which is of concern).

The important point to note is that changes in the United States' strategic posture, not least under the Clinton administration, may mean that we will see larger, more rapid cuts to the defence budget than Bush envisaged. We will see a quicker move out of our region. By that it is not contended that the United States is leaving, but that when one reads the Clinton policy, and one reads statements by Les Aspin, who clearly is an influential adviser, then there is a move away from the forward projection of military power to the projection of power from the US mainland. This will be a very significant change to US force posturing. Additionally Richard Holbrooke,⁵ who was Assistant Secretary of State for East Asian and Pacific Affairs with the previous Democratic administration, states that by the late 1990s there will be no US military presence in the Asia-Pacific region (including Korea and Japan). We shall have to wait and see who President Clinton appoints to key positions in the Pentagon and the State Department and hope that at least some of them will know something about the Asia-Pacific region.

The issue must be whether the American alliance will become of declining utility to Australia in the 1990s because of decreasing American interests. Will it need reinvigorating? If so, what will be American interests after the Cold War that will allow us to reinvigorate the alliance? No matter what the United States now says, what mattered to them in the past was Australia's role with regard to

⁵ Richard Holbrooke, 'Japan and the United States: Ending the Unequal Partnership', *Foreign Affairs*, Vol.70, No.5, Winter 1991/92, pp.41-57.

the global competition with the Soviet Union, and that indeed is what determined their force structure in our part of the world.

There are clear implications here for navy. Of the three services, the RAN is the closest in terms of ties to the United States. If the sort of pessimistic views put above became reality, then there would be implications for capabilities and exercises and the US presence in this region. We certainly need to work with the new US administration to impress upon them the importance of a continuing US military engagement in our part of the world.

Regional Security Policies

This chapter will not spend too much time on this third plank of Australia's defence platform, except for a couple of issues that should be raised. One is with regard to the South Pacific. While certainly there have been a number of situations in recent years where it has been on alert, one cannot accept the notion that Australia has a policy of intervention. It has a policy that is two-fold. One aspect is to evacuate its citizens if they are in harm's way, and that is a clear and recognised military role in international law. The other aspect is that if Australia were to be asked by a democratically elected government to come to its assistance, in the event that it was being threatened, then clearly a government of the day in Australia would require that option, and that will influence the force structure. That does bring us back to the helicopter support ship. It also brings us back to getting more mobility into army.

As to Southeast Asia, it is inevitable, in this post-Cold War era that medium-sized countries, such as Australia and most of the ASEAN countries, will come to share more in common. These countries (unlike Japan, or South Korea, or Taiwan, or India, or Pakistan, which flank them on the north-east and on the north-west) are not big military spenders. Increasingly in the 1990s, as technology develops, all these countries will find it difficult to afford the high costs of modern platforms. For example, the doubling in real cost between the Mirage and the F-18 is symptomatic of high-cost technology. The same applies comparing the Iroquois helicopter and the Black Hawk - about double the cost to acquire, about double the cost to operate. That is going to make it difficult for any of these countries to sustain increases in force structure. Indeed, replacement

platforms will generally be in lesser numbers, particularly aircraft. Who believes that Australia can afford a replacement for the F-18, or the F-111? What will they cost in now dollar terms? A hundred million dollars a copy?

Regional nations are going to find it hard, not only to acquire new platforms, but also to operate them and absorb them into orders of battle. Here Australia may have a prime role as a regional maintenance centre, with a regional capacity to assist others having similar problems with these types of high-technology systems. This applies also with regard to the increase in naval capabilities within regional countries. They, like Australia, will want to have a naval presence, recognising that naval forces are more flexible than air forces or armies. That suggests, that we need to look not only at swapping ideas of doctrine, force structuring and programming, but also at more exchange of intelligence and surveillance information - recognising that there are limits in sensitive areas. Certainly there should be more exercises and staff college training, and maybe moves towards joint-production ventures in the naval area.

Recognising how difficult the latter would be, perhaps we need to give more thought to some issues raised recently by the Indonesian foreign minister. He specifically spoke about some concrete measures with regard to confidence building, noting that the frequency and size of military exercises could be reduced and made less provocative, *inter alia*, by allowing representatives of non-participating countries to be present as observers. Secondly, he noted that some existing agreements, such as those covering incidents at sea between the United States and Russia and between Russia and the United Kingdom, could be expanded to include at least Japan and China, while eventually they could be developed into multilateral instruments. Finally, he has proposed greater transparency in military arrangements pertaining to the region, which could be effected through the regular exchange of data among the major powers on their respective military budgets, doctrines and future force projections.

All of this can be done. Based on the visits I made to Indonesia, Singapore, Malaysia and Thailand in the last year on behalf of the Departments of Foreign Affairs and Trade and Defence, I have never seen a period in the last 20 years when Australia has been more

acceptable in terms of defence cooperation, and when countries in the region have been more willing to look towards Australia.

Finally, there is a need for some bold new thoughts in the defence area in the next few years. There are challenges about the future of the alliance system and how far we can go in practical policy terms and practical military terms with the region. There is, however, also a need to maintain coherence; that is, to maintain the central intellectual discipline that surrounds the defence of Australia.

CHAPTER 8

AN EAST COAST PERSPECTIVE

Dr William Tow

At a time when the Australian Defence Force is redirecting its geopolitical orientation and force structure from a predominantly 'eastern' orientation to a northern and western direction, analysis of regional security issues from 'an east coast perspective' may initially appear to be peripheral or outdated. In fact, Australia's east coast and west coast strategies are unavoidably intertwined. As noted by the Labor government's 1989 Strategic Basis paper, Australia and the economically dynamic, culturally diverse, and highly populous Southeast Asian archipelago together serve as the gateway to the world's key oil routes from the Middle East and the Indian Ocean. While Australia is the economic and communications centre of the Indo-Pacific passage's southern sector, the fact that its small population and industrial infrastructure are mostly concentrated in the south-eastern corner of a large and remote island-continent still makes it vulnerable to blockades or selected incursions by a determined adversary.¹

Australia is a medium-sized regional power. It is accustomed to playing a regional strategic role proportionally more important than its geographic detachment and its national resource base would ordinarily allow. It is, nonetheless, exposed to forces of regional and global change over which it has little control but which could greatly affect its relative influence and prosperity. As an island-continent, it depends upon unimpeded sea lanes for the exporting of raw materials and agricultural products to distant markets throughout the Asia-Pacific. Its historical reliance upon 'great and powerful friends' to help underwrite its own security can be attributed largely to its inability to secure indigenously the south-north sea lines of communication upon which so much of Australia's economic well-being depends: the west coast route stretching from the Indian Ocean through the straits and seas of Indonesia, the Philippines, and

northward to Japan and the east coast route from Tasmania and the Coral Sea through the straits and seas of Papua New Guinea and the Solomons to the North Pacific.² As long as Japan and the North Pacific's other great industrial economies are as predominant in Australia's trading relations as is now the case, the 'east coast' maritime security question will remain integral to Australian national security calculations. Given Australia's unwillingness or inability to expend the resources necessary to defend its trading lifelines on its own, it will be confronted with the need to rely upon the assistance of external powers to ensure its maritime security which, in turn, will necessitate de facto modifications to any Australian defence posture that would emphasise strategic self-reliance.

In this connection, several issues merit assessment. First, the United States is the only maritime power presently capable of projecting sufficient strategic reach to cover the south-north SLOCs vital to Australia's east coast security. Moreover, while the United States is a Pacific power, US forces also comprise a key element in the successful defence of Australia's north and north-west strategic flanks. To what extent American and Australian post-Cold War strategic objectives converge or digress in the 1990s and beyond is critical to Australia's future ability to function effectively as a viable Asia-Pacific economic and security actor. Second, Australia's 'east coast' threat environment needs to be reassessed as international security politics shift from global bipolar competition between two superpowers to a world shaped more by intra-regional crisis and conflict resolution. Third, an evaluation must be made as to whether current Australian naval and defence policy facilitates or impedes stability in the east coast area of operations.

Australian-American Strategic Interests: An 'East Coast' Perspective

The security interests of the United States and Australia are generally compatible but are not by any means identical. US objectives were most recently outlined in the report, *A Strategic Framework for the Asian Pacific Rim* - more commonly known as the East Asia Strategy Initiative: Part II (EASI II) - submitted to Congress in July 1992 (the

¹ *Australia's Strategic Planning in the 1990s*, 27 November 1989 (Defence Departmental Publication, Canberra, September 1992), p.5.

² Robert A. Brand, 'An American View of Australia's Maritime Interests' in W.S.G. Bateman and M.W. Ward (eds), *Australia's Maritime Interests: Views from Overseas* (Australian Centre for Maritime Studies, Canberra, 1990), p.55.

first such report was submitted in April 1990).³ Australian interests were outlined in the Labor government's 1987 Defence White Paper and reiterated in its Strategic Basis Paper prepared two years later.⁴ Both countries want to promote and maintain regional peace and stability. Both endorse measures to introduce greater arms control into the region. The United States desires greater allied defence burden-sharing and this appears to coincide with Australia's stated objective of 'developing capabilities for the independent defence of Australia and its interests'. Finally, each ally endorses specific measures such as guaranteeing the security of regional SLOCs and the continued forward presence of sufficient US forces in the region to provide insurance against what Australian defence officials characterise as future 'uncertainties attendant upon the rate and nature of political, economic, and social development in our region, and possible shifts in the centres of power, inevitably ... impact[ing] on our strategic interests'.⁵

American-Australian bilateral security relations, however, are affected by the countries' different viewpoints. Australia has a justifiable concern that the United States' security objectives may not include intense US strategic concerns about Australia. Put somewhat differently, Australia focuses 'exceptional attention to the behaviour of a superpower whose own global reach results in proportionally slight focus on Australia'.⁶ From Canberra's perspective, China's ongoing efforts to strengthen, modernise and project its naval and air power and Japan's long-term military potential underscore the need to keep the US strategically engaged in areas to Australia's north. Recent US port and basing access agreements reached with Singapore and informal arrangements with Malaysia and Indonesia, to conduct small-scale exercises and to use ship repair facilities at Lumut and Surabaya,

³ US Department of Defense, *A Strategic Framework for the Asian Pacific Rim: Report to Congress*, Washington DC, July 1992, pp.12-14.

⁴ *Australia's Strategic Planning in the 1990s*, pp.2-3.

⁵ *ibid.*, p.42. Also see 'The Australia-United States Ministerial Talks', *United States Information Service (USIS) Wireless File EPF405*, 1 October 1992, p.4.

⁶ Henry Albinski, 'Australia and the United States' in F.A. Mediansky (ed.), *Australia in a Changing World: New Foreign Policy Directions* (Maxwell Macmillan, Sydney, 1992), p.180.

respectively, are reassuring to Australian security planners in the aftermath of US forces withdrawing from the Philippines.⁷

US national security objectives in the Asia-Pacific understandably evolve around establishing and maintaining a regional balance of power which is favourable, first and foremost, to Washington. In this framework, Australia is important as one alliance partner in a network of US bilateral alliances still operating in the region for support of a continued American forward presence there. It is a relatively minor player, however, if compared to Japan, China, South Korea, or even ASEAN. American defence officials, for example, have labelled the US-Japan security relationship as the 'key to [US] security strategy' in Asia, even while acknowledging that Japanese power could some day be destabilising in the region.⁸ Other key US regional security objectives include defending key lines of communication that connect the continental United States with the major industrial and marketing centres of Northeast Asia; accessing the Southeast Asian subregion as a rear support area for US military operations in the Persian Gulf and Indian Ocean; and minimising conflict probabilities in Korea, in South Asia, and in Indochina, where crisis escalation could precipitate great-power confrontation.⁹ While

⁷ See Jeffrey D. Young, *US Military Interaction with Southeast Asian Countries* (Congressional Research Service, Library of Congress, Washington DC, 27 February 1992); 'Pact for KL to Service U.S. Ships "Will Boost Navy Ties"', *Straits Times* (Weekly Overseas Edition), 18 April 1992, p.10; 'Malaysia and U.S. to Raise Status of Joint Exercises', *Straits Times* (Weekly Overseas Edition), 15 February 1992, p.10; Michael Richardson 'Indonesia to Step up Military Ties with U.S.', *International Herald Tribune*, 29 February-1 March 1992, pp.1 & 4; and Bob Drogin and Jim Mann, 'U.S. Forces Recharting the Pacific', *Los Angeles Times*, 15 October 1991, pp.1,4,14 & 18.

⁸ *A Strategic Framework for the Asian Pacific Rim*, p.8; Charles R. Larson, 'Geo-political Trends in the Pacific', *Vital Speeches of the Day*, Vol.58, No.15 (15 May 1992), p.458; and Patrick E. Tyler, 'Pentagon's New World Order: US to Reign Supreme', *International Herald Tribune*, 9 March 1992, pp.1-2, which reports that an initial US Department of Defense Policy Guidance Statement must remain 'sensitive to the potentially destabilising effects' if American allies there such as Japan or Korea take on enhanced roles as regional powers. A subsequent draft was released in May, which modified this language, urging Asian allies only to be 'prudent' in increasing their defence capabilities. See Barton Gellman, 'For Pentagon, Thwarting New Rivals Is No Longer Primary Aim', *International Herald Tribune*, 25 May 1992, pp.1 & 6.

⁹ These objectives are weighed in a comprehensive report prepared by the RAND Corporation for the US Assistant Secretary of Defense (International Security Affairs) to identify and assess a range of US force posture alternatives that could shape or respond to the Asia-Pacific security environment over the next decade.

Australia can and does play a *supporting* role in allowing the US to realise these objectives, US security planners do not envision it as a central component in achieving future US regional security priorities.¹⁰

This raises the question of precisely how committed the United States would be to defending Australia's security interests if its own strategic position in the region was not directly threatened. If US naval and maritime commercial units could still transverse Indo-Pacific sea lanes relatively unencumbered by prospects of interdiction, if Japan or the Korean peninsula were not under siege or undertaking massive armament programmes, and if Russia and China were entertaining cooperative relations with Washington, why would defending Australia's region of direct military interest (RDMI) still be a vital long-term geopolitical concern to American security policy managers?¹¹ A concomitant issue is what role the United States would expect the ADF to undertake if a future Pacific conflict did materialise requiring substantial American military involvement to underwrite Australia's survival.

The question of why the United States should defend Australia was faced by American defence planners from the outset of the Cold War. From a strategic vantage point, they have tended to view the Southwest Pacific as an appendage of a more critical Southeast Asian theatre of operations. While appreciating that Australia's incorporation into the Western alliance system allowed for the conduct of operations by combined US-allied forces in the

The report was influential in determining the eventual content of EASI II. See James A. Winnefeld, Jonathan D. Pollack, Kevin N. Lewis, Lynn D. Pullen, John Y. Schrader, and Michael D. Swaine, *A New Strategy and Fewer Forces: The Pacific Dimension*, R-4089/2-USDP (RAND, Santa Monica CA, 1992), especially pp.42-80.

¹⁰ While the Five Power Defence Arrangements were cited in *A New Strategy and Fewer Forces* as a possible foundation for expanded ASEAN-wide defence cooperation, the report cited Australia only once as a potential defence collaborator in an expanded ASEAN multilateral security arrangement (p.30) and made virtually no mention of the bilateral US-Australian defence relationship as a central interest in US regional strategy.

¹¹ Australia's region of direct military interest includes Australia, its territories and proximate ocean areas, Indonesia, Papua New Guinea, New Zealand, and other nearby countries of the Southwest Pacific. See Air Power Studies Centre, *Royal Australian Air Force Air Power Manual* (Air Power Studies Centre, RAAF Base Fairbairn, ACT, August 1990), pp.60-61. The incorporation of Indonesia is somewhat controversial, given that successive Australian governments have often viewed that country as Australia's most likely security threat and that the idea of Australians dying for the preservation of Indonesia's sovereignty appears, at best,

Southwest Pacific, a joint US State-Defence Department working group concluded in July 1952 that the 'global remoteness' of the area made it 'highly unlikely' that Australia or New Zealand would bear the brunt of initial enemy strikes. Consequently, the group concluded, '... the defence of Australia and New Zealand is properly related to the successful defence of South East Asia with which CINCPAC [Commander-in-Chief, Pacific area] is vitally concerned'.¹² Five years later a Joint Chiefs of Staff study on global strategic planning relegated Australia's importance to providing an anchorage, off its north-west coast, for US forces operating in Southeast Asia and the Indian Ocean.¹³ The growing Soviet naval threat to US operations in Southeast Asia and the Indian Ocean during the late 1970s and early 1980s compelled Washington to rely upon Australia and New Zealand to provide much of the allied sea communications security for the Southwest Pacific. Yet the question of how important the Southwest Pacific really was to US global strategy and SLOC control remained largely unanswered. More clear was the fact that American planning for a global or region-wide Asia-Pacific war against the Soviet Union and/or China throughout much of the postwar era tended to consign ANZUS-related scenarios to a lower order priority.

Australian policy makers have long accepted that their defence relations with the United States - its 'great and powerful friend' - was one of fundamental dependency, but no other candidate apart from Washington was available with the proper cultural affinity and sufficient military power to underwrite Australia's forward defence strategy. Indeed, critics of the way Australian-American relations have evolved cite examples where Australian vulnerability within this relationship led to the Australians ingratiating themselves with the Americans at every opportunity. Immediately following the first ANZUS Ministerial Conference (in early August 1952), for example, the Australian foreign minister approached American diplomats about the United States rekindling its immediate postwar interest in using

questionable.

¹² Negotiating Paper Prepared for ANZUS Council Meeting by the Special State-Defense Working Group, 'Machinery for Military Consultation in Regard to ANZUS Council', Washington DC, 30 July 1952, as reprinted in *Foreign Relations of the United States 1952-1954*, Vol.12, Part 1 (United States Government Printing Office, Washington DC, 1984), p.168.

¹³ Thomas-Durell Young, *Australian, New Zealand, and United States Security Relations, 1951-1986* (Westview Press, Boulder CO, 1992), p.39.

Manus in the Admiralty Islands group as a basing complex. Initial American efforts to gain continued basing rights there (it was used extensively during World War II) were rebuffed by Canberra because of the United States' refusal to allow Australia to use other American bases in the South Pacific. American officials commenting on Casey's initiative believed the Australians were now desperate to involve the United States in new security commitments extended to Papua New Guinea.¹⁴ Subsequent episodes of Australia attempting to sustain the interest and commitment of its senior ANZUS defence partner through the more than four decades that alliance has been in existence have been well documented elsewhere.¹⁵

More important to contemplate is how little things have changed for Australia in the 1990s. The defence-in-depth strategy introduced by the Hawke government's 1987 defence White Paper has been challenged by the federal opposition and by independent analysts as unsustainable, given Australia's lack of funds for procuring the weapons systems necessary to support it and given its tacit assumption (as one of its detractors has recently characterised it) that, if all else fails, 'some higher authority [the United States] will always be prepared and able to act as our ultimate security guarantor'.¹⁶ The coalition opposition parties' October 1992 defence policy statement, 'A Strong Australia ...', has continued this trend by stating that '... It remains in the interest both of Australia and the wider region to encourage the United States to maintain a strong forward-based military presence in the region'.¹⁷ Reminiscent of Richard Casey's Manus Island diplomacy, the coalition is prepared to offer increased

¹⁴ Memorandum of Conversation, by the Ambassador at Large (Jessup), 8 August 1952, reprinted in *Foreign Relations of the United States 1952-1954*, Vol.12, Part 1, p.203. Background on the original Manus dispute is offered by Tom Frame, *Pacific Partners: A History of Australian-American Naval Relations* (Hodder & Stoughton, Sydney, 1992), pp.79-82; and John J. Dedman, 'Encounter Over Manus', *Australian Outlook*, Vol.20, No.2, August 1966, pp.142-151.

¹⁵ Perhaps the best-known account of this factor remains Alan Renouf, *The Frightened Country* (Macmillan, Melbourne, 1979); see also Glen StJ. Barclay, *Friends in High Places: Australian-American Diplomatic Relations since 1945* (Oxford University Press, Melbourne, 1985).

¹⁶ Graeme Cheeseman, 'From Forward Defence to Self-Reliance: Changes and Continuities in Australian Defence Policy 1965-90', *Australian Journal of Political Science*, Vol.26, No.3, November 1991, pp.444-445.

¹⁷ Federal Liberal Party/National Party Coalition, Office of the Shadow Minister for Defence, 'A Strong Australia: Rebuilding Australia's Defence', Canberra, October 1992, p.35.

port access to the US Navy and use of the aircraft electronic warfare range at Delamere to compensate for its loss of the Philippines basing complexes, and to emulate the US-Singapore Memorandum of Understanding (MOU) by extending to the United States greater access to Australian industrial facilities for support and maintenance of US ships transiting the region. A coalition government would be prepared to maintain and extend the Australian-American component of ANZUS where a mutual benefit in doing so was perceived.¹⁸

Neither the government nor opposition have presented any real evidence that such 'mutual benefits' are considered as indispensable national security assets by those tailoring Washington's global strategy. Even those American analysts most sensitive to the security benefits of ANZUS admit that most Americans remain unaware of Australia's strategic position. Throughout the history of the alliance, 'Australian officialdom occasionally had a tendency to assume that the special relationship between Australia and the United States was even greater than it really was'.¹⁹

Certainly the United States regards its defence ties with Australia as an integral part of its bilateral defence network; Australia is seen as a willing contributor to the Western defence burden by providing the US access to defence facilities that contribute to command, control, communications, and intelligence (C³I) in important ways and by participating in global peacekeeping ventures as its limited resources will permit; and as a valued customer for American weapons systems and technology.²⁰ Australian-American inter-service ties have acquired a unique camaraderie and working relationship over the years via joint military exercises, exchange programmes, and other forms of cooperation.

Yet all of these positive facets of the alliance are aspects of the relationship as it has functioned rather than conceptual justifications of

¹⁸ *ibid.*, pp.35-36.

¹⁹ Lt Col Frank P. Donnini, USAF, *ANZUS in Revision: Changing Defense Features of Australia and New Zealand in the Mid-1980s* (Air University Press, Maxwell Air Force Base, Alabama, February 1991), p.18. Also see Brand, 'An American View ...', p.51.

²⁰ Brand, 'An American View ...', pp.12-17. Also see the remarks of US Secretary of Defense Dick Cheney at the Australian Defence Association Symposium Seminar on The United States and Security in the Western Pacific, Melbourne, 2 May 1992, as reprinted by the *USIS Official Text*, 5 May 1992, pp.5-6.

why the relationship accords with the vital and mutual national security interests of the parties involved. Nations do not go to war out of gratitude to their allies but because their own survival or critical power base is considered to be at stake. The Truman administration understood this when it endeavoured to justify the ANZUS Treaty to the United States Senate some forty years ago; treaty alliances would not be allowed to usurp that body's authority to commit the United States to war, and ANZUS would only guarantee an American promise to consult with Australia in the event that the latter was attacked or threatened with attack.

Why the US would actually defend Australia and what it would expect Australia to do as part of any such defence effort thus need to be addressed independently from Australian expectations and American rhetoric about enduring alliance relations. US national security interests would be directly threatened by any one of the following scenarios:

- Australia itself is neutralised or subjugated by hostile regional forces, which subsequently act to interdict US and allied shipping;
- regional hegemonic competition between China, Japan, and perhaps India or the rise of a powerful ethnic or theocratic revolutionary movement in the greater Malay archipelago leads to the geopolitical subjugation of Southeast Asia by anti-Western forces, leaving Australia as a key front-line ally by default; or
- a substantial number of island-states in the Southwest Pacific become subjugated by anti-Western political forces, requiring joint Australian-American efforts to oppose an opportunistic regional adversary, which opts to ally with those island states.

If any of these contingencies transpired, it appears reasonable that the United States would expect the ADF to utilise any warning time available to it prior to the outbreak of hostilities with maximum effectiveness and to cooperate with US forces in quelling air and naval attacks against Australia's mainland or its offshore territories. The ADF, moreover, would be expected to help implement subsequent offensive action against the adversary; to support US carrier task forces and other elements of power projection needed to seize and retain

control of key regional/subregional SLOCs; and to ensure that Australia remained supportive of American strategic objectives and force presence in the Indo-Pacific for the duration of any such conflict. In turn, the ADF, and especially the RAN, should continue to enjoy access to American military decision making and technology which allows Australian services to maintain higher levels of readiness and proficiency than could otherwise be the case, given traditional levels of Australian defence expenditures.²¹ With these expectations, by emphasising the complementary components of the Australian and American fleets, the US Navy could justify CINCPAC's continued involvement in the Southwest Pacific and eastern Indian Ocean subregions to an American Congress increasingly prone to calculate future strategic commitments in terms of perceived allied propensities for defence burden sharing.²²

The Changing East Coast Threat Environment

Australia's contiguous strategic interests from an 'east coast' perspective can be summarised as:

- security of the Australian continent and its sovereign territories;
- preservation of sovereign rights over Australia's fishing zones and continental shelf;
- freedom of access to and movement between sea and air lines of communication in the Pacific region;
- security of Papua New Guinea, New Zealand, and neighbouring states of the Southwest Pacific;
- security from hostile acts designed to extract political concessions from Australia, which could erode its ability to assist its Pacific allies in quelling destabilising strategic developments and lead to an intensification of its own vulnerability in escalated regional conflict situations.²³

²¹ Frame, *Pacific Partners*, p.166.

²² *ibid.*, p.167.

²³ *The Air Power Manual*, pp.60, 62-63.

Several threat contingencies that could undermine the security of Australia's east coast may surface during the 1990s. Indonesia, however, is probably not one of these. As the Australian government's 1989 Strategic Basis Paper correctly argued, barring the highly improbable scenario of the Indonesian armed forces losing its power base to radical nationalists intent upon expanding Indonesia's regional hegemony, motives for Indonesia threatening Australia are singularly lacking. Indonesia views Australia as a positive strategic asset, keeping 'the region to its south as a security strategic flank ...' and will 'continue to join with Australia in initiatives, which are mutually supportive in their strategic effect ...'.²⁴

There is, however, a more plausible contingency. An accelerated American strategic withdrawal from the Pacific could create a power vacuum in the Asia-Pacific, with dangerous ramifications. Isolated from its postwar American military ties, Japan, in particular, could rearm independently and massively. China and India could intensify their already substantial efforts to project region-wide naval offensive power. Such trends could involve other Asia-Pacific states, including Australia, in a region-wide arms race where any acquisition of offensive-capable military systems by one state would be perceived as a threatening act.²⁵ The procurement of advanced strike aircraft or ballistic missiles would be regarded as especially provocative. Such weapons systems could directly threaten Australian territory in ways previously not thought possible, especially if an expansionist power were to gain access to bases proximate to Australian shores. Indeed, the coalition defence policy statement concludes that the firepower and strategic reach of these systems in the hands of hostile forces could tilt the Asia-Pacific strategic balance against Australia's favour and render current assumptions of Australia having a seven-to-ten-year warning period for adjusting to such a shift invalid.²⁶

24 *Australia's Strategic Planning in the 1990s*, pp. 9-10. For a corroborating analysis see Harold Crouch, 'Indonesia and the Security of Australia and Papua New Guinea' in Desmond Ball and Cathy Downes (eds), *Security and Defence: Pacific and Global Perspectives* (Allen & Unwin, Sydney, 1990), pp.389-391.

25 This argument is advanced by Andrew Mack and Desmond Ball, 'The Military Build-up in the Asia-Pacific', *The Pacific Review*, Vol.5, No.3, 1992, pp.206-207.

26 'A Strong Australia', pp.6-7.

Other threat contingencies relate to Australia's ability to influence and control the effects of political and economic change in the South Pacific on its own security. Although the era of 'strategic denial' in the South Pacific and ANZUS preoccupation with Cold War geopolitics applying to that subregion is now history, Australia retains a critical interest in ensuring that internal political crises which intermittently threaten the stability of the independent Pacific island states do not 'spill over' to directly affect its own security. In September 1988, Senator Evans announced a new Australian policy approach which he termed 'constructive commitment'. It emphasised Australia's willingness to work in partnership with the Pacific island states to promote regional stability through economic development and 'shared perceptions of strategic and security interests'.²⁷ With the election of a conservative New Zealand government to power in October 1991, Australia has also moved to increase the interoperability of the ADF and its New Zealand counterpart through the Anzac frigates programme and other initiatives for defence industrial cooperation, to regularise and upgrade ministerial defence consultations, and to gradually restore at least some limited US-New Zealand defence ties, all under the rubric of 'closer defence relations'(CDR).²⁸ By doing this, Canberra hopes to at least partially mend the rupture to the ANZUS alliance caused by the US-New Zealand anti-nuclear dispute.

The major threat to Australia that could emanate from the South Pacific during the 1990s is that the island states in this subregion, which constitute the primary geographic barrier between Australia and the United States, could become geo-politically hostile, allowing larger powers with adversarial intentions access to their territories, which could threaten Australian air and sea lifelines. The complete loss of New Zealand to the Western alliance; increased political instability in Papua New Guinea, Fiji, New Caledonia, or Vanuatu; or insensitivity by the ANZUS powers to the resource and development problems of the island states are all factors that could

27 Gareth Evans and Bruce Grant, *Australia's Foreign Relations in the World of the 1990s* (Melbourne University Press, Melbourne, 1990), pp.163-164; and Greg Fry, *Australia's South Pacific Policy: From 'Strategic Denial' To 'Constructive Commitment'*, Working Papers No.8/1991 (Department of International Relations, Australian National University, Canberra, October 1991), pp.17-18.

28 Henry Albinski, 'Perspectives on Australian-New Zealand Closer Defence Relations', *Defender*, Vol.IX, No.2, Winter 1992, pp.20-23.

substantially transform the strategic equation against Australia's interests in maintaining uninhibited access to its critical North American lifeline. The primary US strategic concern is that the South Pacific would be the primary alternate route to the Indian Ocean if the Indonesian archipelagic straits and Strait of Malacca were interdicted at the outset of region-wide or global hostilities. The relevant geopolitical calculus was enunciated by the late John Dorrance:

... U.S.[alliance] obligations could be triggered by an attack on Australian forces responding to an island-state contingency. In that context, it is essential to bear in mind that the island states have a geopolitical relationship to Australia and New Zealand similar to that of the Caribbean with the United States, but even more so. The island states are astride their lines of communication with the United States, Japan, and other areas to the north, and dominate strategic approaches to Australia and New Zealand.²⁹

Notwithstanding the current Australian government's stated intentions of working in partnership with Pacific island countries to promote regional stability, the fundamental reality is that both Australia and the United States will relate to the subregion in ways that put their own economic and strategic interests ahead of any perceived obligation to the island states. It is clear that the increased assertiveness of island leaderships in seeking greater concessions from the ANZUS powers, and more regional influence, will be effective only so long as they do not impede upon the United States' and Australia's strategic access to the South Pacific or interfere with American efforts to operate militarily there in ways which underwrite Australia's own security.

In this context, it is likely that Australia will refrain from pressuring the United States to ratify the South Pacific Nuclear Free Zone Treaty. Canberra has every interest in allowing the US to finesse its regional strategy gradually and in ways that still allow inevitably

²⁹ John C. Dorrance, 'U.S. Strategic and Security Interests and Objectives in Australia, New Zealand, and the Pacific Islands', in John C. Dorrance *et al.*, *The South Pacific: Emerging Security Issues and U.S. Policy*, Special Report for the Institute for Foreign Policy Analysis Inc. (Brassey's, Washington DC, 1990), p.22.

smaller American force levels operating in the Pacific to project sufficient deterrence to effectively supplement Australia's own limited maritime surveillance and blue water combat capabilities.

Unless they elicited support from a hostile external power, there is no prospect that even the larger and more resource-rich Melanesian island-states (such as Fiji, Vanuatu, or even an independent Kanak republic in what is now New Caledonia) would be capable of projecting sufficient levels of military power to threaten Australia for the remainder of this century. However, low-level raiding or terrorist operations could be dispatched against Australia's coastal or offshore regions by sea or air if supported by extra-regional financing or logistical assistance. Such operations, of course, would have to overcome the rugged and hazardous conditions often prevailing along Australia's coastline. Nevertheless, as Ross Babbage has observed, '... once in the coastal environment, numerous potential population and infrastructure targets would be readily at hand and several large rivers provide the potential for small craft to penetrate well inland'.³⁰ The reality that limited military pressure could be brought to bear against Australia's under-defended shores if a serious deterioration of political relations were to occur between Canberra and a 'radicalised' state or group of states in the South Pacific cannot be ignored by responsible Australian defence planners. Sea mines could be implanted at key coastal junctures to reinforce the demands of those intent on extracting concessions from Australian authorities. Violations of Australian exclusive economic zones by fishermen operating illegally within their confines, illegal immigration, drug running, and piracy committed against Australian commercial vessels are other contingencies which need to be taken into account in an 'east coast context'.

Beyond such low-level threats, could a more conventional strategic crisis emerge in the South Pacific which could threaten to involve Australia in a substantial conflict there? The example cited most often is a deterioration of Indonesian-Papuan New Guinean relations, leading to the probability of Indonesian forces invading its much smaller eastern neighbour and invoking Australian intervention on behalf of Papua New Guinea. Even under circumstances of the

³⁰ Ross Babbage, 'Australian Defence Strategies' in Ball and Downes (eds), *Security and Defence*, p.213.

worst possible political tension between Jakarta and Port Moresby, it is doubtful that future Indonesian governments would regard the strategic benefits of invading and occupying Papua New Guinea as outweighing the costs. Indonesia would not only risk a war with Australia but would incur the wrath of its two most important great power supporters and economic conduits, the United States and Japan.

It is equally difficult to imagine which regional or extra-regional power would want to become enmeshed in the ethnic disputes of Fiji or New Caledonia (if the French withdraw from that beleaguered island) or involved with the radical politics of various elements of Vanuatu's ruling Vanua'aku Pati (Our Land Party). India may some day view Fiji's large Indian population as providing a natural eastern strategic outpost for supporting its growing naval presence in Southeast Asia, but the costs for New Delhi of moving to establish any such capability at present appear to be too great. Japan's historical strategic interest in Micronesia and northern Melanesia might be revived, but only if the US basing pullout in the Philippines is a forerunner to a comprehensive American retreat from its postwar basing network. Under such circumstances, it appears likely that Australia and Japan would have every interest in coordinating transparency measures to accompany Japanese naval activities there, in the same way that Japan has been so careful to communicate its intentions to ASEAN regarding the dispatch of its minesweepers to the Persian Gulf.³¹

³¹ However, a recent suggestion by the Australian Minister for Defence Senator Robert Ray that Japan and Australia work more closely together on defence issues was greeted derisively by Australian war veterans and others concerned about Japan's long-term strategic intentions in the Asia-Pacific. Nonetheless, various respected Australian defence analysts warn that if the United States continues to retract its military presence from the Pacific, Australians will need to become attuned to the advantages of upgraded defence cooperation with Tokyo. See, for example, the remarks of Major-General Paul Cullen (Ret'd), advocating an Australian-Japanese military alliance in an address commemorating the 50th anniversary of Australian forces' defeat of the Japanese Imperial Army along the Kokoda Track in Papua New Guinea, as reported by Jim Morrison, 'Kokoda Veteran Urges Alliance with Japan', *Australian*, 3 November 1992, p.3. On Japanese efforts to reassure ASEAN re its mine-sweeping operations in the Persian Gulf, see The International Institute for Strategic Studies, *Strategic Survey 1991-1992* (Brassey's, London, May 1992), pp.127-128.

Defending Australia's East/North-east Approaches

The Australian Ten-Year Defence Plan implemented in the May 1991 Force Structure Review has emphasised procurement and deployment of systems designed to 'underscore the strategic focus on northern and western operations by extending western basing for the Navy and northern basing for further Army units, and by enhancing the forward deployment capacity of the Air Force'.³² Among the Hawke/Keating government's policy objectives are to strengthen the country's maritime patrol and response capability; to upgrade air defence within its maritime areas and for protection of its shipping, offshore territories and resources; and to build up quick response capabilities for future South Pacific contingencies involving Australian nationals or friendly governments.

Critics point out that none of these objectives can be realised in an east coast context when all six of the Collins class submarines are to be based at HMAS *Stirling* near Fremantle, and when the momentum for destroyer/frigate deployment is shifting to the west as well.³³ In essence, the current government is betting that its relative contraction of defence assets can best be managed by reallocating what is left to the Indo-Pacific bridge area - an area historically most undefended and strategically most contiguous to the Southeast Asian choke points and the world's oil routes. It is evidently assumed that the United States will still have enough military power left in the region to act as caretaker of the east coast approaches and that the South Pacific region will remain comparatively benign, thus sustaining uninterrupted Australian access to the western hemisphere.

The extent to which this operative premise is fully valid has been questioned at least implicitly by the coalition defence policy statement, when it accuses the government's security policies of being too 'reactive' and insufficiently 'creative' as it attempts to implement its 'defence-in-depth' strategy.³⁴ It decries what it views as the loss of momentum in the Defence Cooperation Programme at a time when a visible draw-down of US military power is underway in the Pacific at

³² Parliamentary Statement by the Minister for Defence, Senator Robert Ray, 30 May 1991, reprinted in *Defence Report 1990-1991* (Australian Government Publishing Service, Canberra, 1991), p.10.

³³ Brigadier P.J. Greville, 'Defence Policy Petrified', *Asia-Pacific Defence Reporter*, Vol.18, No.6/7, December 1991/January 1992, p.190.

³⁴ 'A Strong Australia', p.55.

large.³⁵ It attacks the government's lack of defence contacts with Fiji since the May 1987 military coup in that country, contending that Canberra's 'all-or-nothing' political stance adopted toward Suva resulted in the lack of maritime surveillance over a massive area of the South Pacific for five years, until defence relations were restored in mid-1992.³⁶ In effect, one can compare the critics' warnings about reactive defence on the cheap with Sun Tze's postulates advanced several millennia ago: know and admit your own vulnerabilities as well as those of your adversary before exploiting your strengths and his weaknesses. By doing so, you may not even have to fight a war.

But the coalition's prescriptions for rectifying the government's alleged malaise appear to gloss over the dangers of adopting a more aggressive defence posture in the absence of sufficient force or financial assets. In providing for a 'direct defence', by proposing to fit Collins submarines with stand-off launching systems, F-111s with refuelling capabilities, and the ADF with greater overall strike capabilities, the opposition may have lost sight of the value of integrating one's existing strategic assets more effectively with allies to achieve credible deterrence. In an 'east coast' context, this includes strengthening interoperability with New Zealand's offshore forces through more joint exercises and shared equipment programmes and through the implementation of negotiated subregional or regional security measures.

At what points in future regional crisis should Pacific forces intervene, as opposed to pursuing continued consultation and negotiation? How could existing quasi-security fora such as the South Pacific Forum or more explicit defence architectures such as the Five Power Defence Arrangements be incorporated into an updated post-Cold War regional security framework? While Foreign Minister Evans and independent analysts have recently sought to deal with these questions to an increasing extent, their defence policy-making counterparts in Canberra have been more circumspect in publicly addressing such issues.³⁷ The Timor Gap between Australia and

³⁵ *ibid.*, p.26.

³⁶ *ibid.*, p.30.

³⁷ Evans and Grant, *Australia's Foreign Relations*, pp. 179-180, addressing the Pacific Patrol Boat project; Desmond Ball, *Building Blocks for Regional Security: An Australian Perspective on Confidence and Security Building Measures (CSBMs) in the Asia/Pacific Region*, Canberra Papers on Strategy and Defence No.83 (Strategic and

Indonesia, for example, has been cited as a possible model for subregional confidence building and strategic reassurance because of its potential as a 'zone of cooperation' where joint maritime surveillance operations could be implemented.³⁸ The development of Jindalee Operational Radar Network (JORN), procurement of airborne early warning and control (AEW&C) aircraft, and the acquisition of new surface surveillance radar via P-3C modernisation need to be integrated to strike a proper balance between coverage of Indo-Pacific choke points and South Pacific SLOCs. The coalition defence statement appears to be sensitive to the potential of these kinds of creative alternatives.³⁹

Ultimately, the success of any Australian effort to adjust its 'east coast strategy' to the post-Cold War security context will depend upon what levels of strategic commitment and presence the United States will sustain in the Southwest and South Pacific areas. Even if Australia overcomes its own budgetary constraints and proves to be a role model for allied defence burden sharing, Washington's new strategic priorities will be driven by the need to reconcile threat assessments and limited American strategic resources. Intermittent US efforts to encourage Australia to adopt more independent foreign policy and defence postures during the early 1960s and again during the Whitlam government's reign some ten years later can be interpreted as a signal that circumstances could evolve in which US national security interests would not automatically lead to an unconditional American defence of the ANZUS region.⁴⁰

Following the Persian Gulf conflict, both the US secretary of defence and the commander-in-chief of US Pacific forces have assured Australia that the United States remains committed to defending the Federated States of Micronesia and the Republic of the Marshall Islands under the Compacts of Free Association, and to the security of

Defence Studies Centre, Australian National University, Canberra, 1991); Philip Methven, *The Five Power Defence Arrangements and Military Cooperation among the ASEAN States*, Canberra Papers on Strategy and Defence No.92 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1992).

³⁸ Ball, *Building Blocks for Regional Security*, pp.50-58.

³⁹ *The Structure of Australian Defence*, pp.73-76.

⁴⁰ In January 1961 the US National Security Council (NSC), no doubt cognisant of intensifying crisis in Berlin and the Caribbean, recommended that Australia and New Zealand modify their dependence on US military power in their own subregion of concern. See NSC 6109, 16 January 1961 and as cited in Young,

democratic allies such as Australia in the Pacific region.⁴¹ But no US official has opted to respond explicitly to the Dibb Report's scepticism about the manageability and desirability of the 1951 Radford-Collins agreement on joint maritime surveillance and patrols as it extends Australia's area of responsibility from the Pacific into the Indian Ocean. Dibb felt that the geographic scope of ANZUS reconnaissance, escort, and anti-submarine warfare (ASW) missions envisioned by the agreement was out of proportion to Australia's national security interest during times of crisis.

The end of the American basing presence in the Philippines probably contracted the US zone of coverage under Radford-Collins, which has traditionally extended from Hawaii directly south, past Kiribati, and intersected both with New Zealand's zone near the Cook Islands and with French Polynesia.⁴² More pre-positioning of supplies, longer fuel ranges, and lower maintenance costs produced by more efficient computerisation of on-board systems should partially compensate for reduced quantitative strength and forward presence of US naval forces in the Pacific. But projected cuts in patrol planes and other elements of ASW and, more importantly, the incoming Clinton administration's announced plans to cut the American carrier force from 12 to 10 could have a major impact on surveillance, ASW, and tactical airpower support for amphibious operations in the Pacific.⁴³

Conclusion

In the early 1990s, Australian security planners, along with their American, ASEAN, New Zealand, and South Pacific island counterparts, are faced with the task of assessing the continued relevance of their defence relations in the light of the monumental

41 *Australian, New Zealand, and United States Security Relations*, pp.198, 207 (n.49). See 'Text: Secretary of Defense Dick Cheney on the Nine Network's "Sunday" program', *USIS Official Text*, 4 May 1992; and Admiral Larson's interview with Michael Richardson, reprinted as 'Too Committed to Withdraw from Asia', *Asia-Pacific Defence Reporter*, Vol.19, No.1, August/September 1992, p.33.

42 'Too Committed to Withdraw from Asia', pp.63-64.

43 See the comments of Ken Adelman, former director of the US Arms Control and Disarmament Agency, evaluating the Clinton defence posture, as reported by Jacquelyn S. Porth, 'Presidential Candidates Share Similar Views on Defence', *USIS Wireless File EPF302*, 21 October 1992, p.3. For a pro-carrier argument, consult Norman Friedman, 'Seapower' in Joseph Kruzal (ed.), *American Defense Annual* (Lexington, New York, 1992), pp.95-107.

strategic changes under way in the Asia-Pacific region. The United States could maintain its strategic interests and continue deploying a substantial force presence in the Indo-Pacific choke points even if no immediate regional security threat materialises. The incoming Clinton administration's political survival, however, will largely depend upon its ability to discriminate and prioritise its international security commitments in ways designed to reinforce the rebuilding of the American economy. The most likely result of this is that Washington will maintain no more than a low-key 'over-the-horizon' naval and air support capability in the region. At the same time, US collective defence strategy will be less 'global' in context and more region-sensitive to its Asia-Pacific allies' local concerns.

Over the long term, however, alliance cohesion is maintained only to the extent that a commonly perceived mutual threat to its members provides a rationale for sustaining the alliance. Australia's challenge is to keep Washington interested in coordinating an 'east coast agenda'. The challenge is even more daunting given the Americans' recent disillusionment with New Zealand's inability to modify its anti-nuclear legislation, in the aftermath of the Bush announcement concerning the withdrawal of US tactical nuclear weapons in the Asia-Pacific theatre of operations.

The implementation of security consultations between Australia, the United States, and other appropriate parties to define common security interests is the best first step that can be taken to forge a new and more meaningful east coast strategy. The Asia Pacific Economic Cooperation group may eventually be the most appropriate collaborative forum. Initially, however, Australia will need to take the lead in convening a smaller and more geographically concentrated group of states to review common security interests, linking such interests to Australia's east coast security problems. The South Pacific Forum would appear to be the most immediately relevant grouping, with the United States participating in the same spirit of constructive dialogue and cooperation demonstrated by President Bush during his October 1990 meeting with Forum leaders in Honolulu. Indonesia should also participate directly in any such discussions from the outset.

These consultations should allow the Australian government (Labor or Coalition) to test its evolving security interests and the

assumptions underlying ongoing defence programmes against the perceptions and responses of those who share Australia's concerns that regional power vacuums and arms races should be avoided and that regional economic and political development should progress devoid of conflict. Maximising information exchanges could lead to the minimising of costly duplication in defence cooperation efforts in such areas as intelligence gathering, surveillance, and peacekeeping. It should also lead to the forging of a more cohesive approach toward cultivating democracy, human rights, environmental progress, and economic development, which the Clinton administration is likely to emphasise in its foreign policy approach, and the concomitant long-term reduction in Australian and Pacific island state vulnerability to illegal immigration, terrorism, piracy, and other low-level threats, which could otherwise be intensified by neglect.

Australia's future security may be more costly to achieve, but may also be both more real and more subject to Australian control and direction. Apart from consultations with its neighbours, Australia must confront the challenge of overcoming its historical dependence on great and powerful friends to consistently underwrite its survival. Australian naval and defence strategy must be tailored more in accordance with what Australia is - a medium power whose security is important to its ASEAN and South Pacific neighbours as a political and economic force which needs to be accommodated, and to more distant Asian powers as a natural resource centre, but which is not all that important to the core equations driving American and Eurasian geopolitics. Coming to terms with this cold reality may be a most difficult task for many Australians accustomed to envisioning the Commonwealth or ANZUS ties as the central basis for conducting international security relations. By coming to terms with it as rapidly and objectively as possible, however, they will make better decisions about what type of defence is best suited to their national security imperatives and ultimately improve their country's prospects for surviving and prospering in what is proving to be a not-so-benign 'new world order'.

CHAPTER 9

A WEST COAST PERSPECTIVE

Associate Professor Robert Bruce

Cognitive Failure

One important lesson about policy, which has been reaffirmed by the collapse of the Communist regimes in Eastern Europe and Russia, is that without adequate feedback and modification policy can become an increasingly rigid and inappropriate response to changing circumstances. Professor Jeremy Davis has described in his chapter how organisations need an effective strategy to survive and prosper, and strategy is dependent upon an accurate understanding of the surrounding environment to which it is a response. The fundamental problem in firms that are failing, he noted, is cognitive failure, in which the belief system of the decision makers is slowly slipping out of a fit with the surrounding environment.

The danger of cognitive failure confronts Australian defence. Ideas about the international environment upon which defence policy rests are increasingly slipping out of fit with the realities of the changing, increasingly complex and multidimensional international environment. Defence policy is a logical response to ideas about the international environment that are incomplete, that do not include important aspects of that environment relevant to security. This results in inappropriate responses to the actual situation Australia confronts. Inappropriate policies are at best a waste of scarce resources and opportunities, while at worst they may be counterproductive and produce unintended and undesirable consequences. Therefore high priority needs to be given to gaining an accurate understanding of the current international environment and where it is heading. An effective strategy for defence cannot be formulated and sustained on the basis of incomplete and inaccurate ideas about this environment. This chapter will discuss one aspect (the Indian Ocean region) of the international environment and will comment briefly on policy conclusions to be drawn from its assessment.

Defence in International Politics

To understand how this chapter approaches the problem of Australian security, assesses defence policy, and evaluates developments in the Indian Ocean, it is necessary to understand that it is done from the perspective of a political scientist, who sees the problem of military defence as being a part of the larger subject of political relations between states. Security is seen in the context of the interaction process of states, in relational terms. Thus, Australia's security problems and defence policy must be considered within this larger international, and changing, political context. To focus too narrowly on military capabilities is to engage in incomplete analysis, with a serious consequence: an important premise (accurate ideas about the nature of the changing international environment) is missing from the defence policy equation and, consequently, the policy conclusions drawn are flawed. If one rectifies this crucial omission by adding an accurate assessment of current international politics, then defence policy conclusions need to be altered. Thus, it is vital to understand the basics of international politics, because defence policy should flow from this understanding.

Those who do not consider Australian defence in the context of international politics, for example, miss Australia's principal contribution to peace and security. When assessments of Australia's contribution to international security are made, too often the answer is seen in terms of the strength of Australia's military forces. Australia's principal, though often overlooked, contribution to international peace and security is not military but political, in being a strong state.

International politics is characterised by a lack of a central authority; it is a decentralised system. It can potentially range from being very chaotic and violent to being ordered. Strong states, such as Australia, where there is a high degree of consensus on values and a legitimate government able to exercise authority throughout the state, contribute to international order.¹ When areas of the world are listed as violent trouble spots, particularly dangerous because of their mix of domestic strife fuelled by outside powers attempting to gain influence, Australia is not listed. This omission is important. Australia is a

¹ I am not implying that all is necessarily well within Australia, that there are no problems of injustice. In this chapter, I am only concerned with Australia's contribution to international security.

continent that might otherwise have been marked by the violence that characterises, say, the former Yugoslavia or Lebanon, but is an area of order. The importance of this should not be underestimated, though it is often overlooked in a too narrow focus on military capabilities.

For an accurate understanding of international politics, which is a prerequisite to an effective defence policy, one must go back to the basics. The implications of the decentralised international political system are profound. First, states have to depend on themselves for their own protection. Much energy and vast resources are expended by states in trying to prepare for or avert the possibility of military actions against them by other states.

Second, the security of each state depends in part on what other states do. Barry Buzan has noted that 'the dynamics of national security are highly relational and interdependent between states'.² If Australia's defence policy is taken out of context, out of the interactions of states in international politics, for example, the extent to which Australian military capabilities may be part of other states' security problems is underestimated.

Third, the interactive process can produce unintended consequences. 'Because the behaviour of states is interconnected, their goals conflict, and none of them is strong enough to control all the others, states' actions often produce unintended consequences', Robert Jervis has explained. 'Behaviour frequently yields results that are opposite from, or at a tangent to, those sought and predicted'.³ The unintended collective effect of individual states attempting to enhance their security by increasing their military forces may lead to increased tension and perhaps even inadvertent war. 'Even a system in which all states seek only their own defence', Barry Buzan has claimed, 'will tend to produce competitive accumulations of military strength'.⁴ Therefore the unintended collective effect of each state attempting to enhance its own security may be to increase tension between states.

² Barry Buzan, 'Is International Security Possible?' in Ken Booth (ed.), *New Thinking about Strategy and International Security* (Harper Collins Academic, London, 1991), p.34.

³ Robert Jervis, 'Systems Theories and Diplomatic History' in Paul Gordon Lauren (ed.), *Diplomacy: New Approaches in History, Theory, and Policy* (Free Press, New York, 1979), p.216.

⁴ Barry Buzan, *An Introduction to Strategic Studies: Military Technology and International Relations* (Macmillan, London, 1987), p.78.

But political relations between states greatly affect the extent to which the security dilemma is in play. Where states are friends, or even allies, each may consider the other state's military forces non-threatening, perhaps even as contributing to the security of both states. From this perspective, which places defence policy into its international political context, what can be seen in the Indian Ocean?

Order in the Indian Ocean

Significantly, the general maritime environment in the Indian Ocean is characterised by order. With the recent exception of the Persian Gulf area (during both the Iran-Iraq war and the US-led coalition-Iraq war), order prevails in the Indian Ocean. 'Normal conflicts of interest, at sea as on land', observes Michael Howard, 'are an inevitable part of international politics and so long as they can be settled by peaceful means they can be subsumed under the rubric of "order"'.⁵ Conditions on the Indian Ocean, in which local naval forces operate, differ from conditions on land, in which armies operate. Although the Indian Ocean area has often been characterised as replete with trouble spots, most of the conflict and wars between or within littoral states have been on land and over issues on land - as exemplified by the Iran-Iraq war in the Persian Gulf, which started and was fought primarily on land over non-ocean-based issues. Order, not disorder, now prevails in the Indian Ocean; Australia's security is best served by this.

Yet, at the same time, naval capabilities of many Indian Ocean littoral states are increasing. What is the significance of these developing naval capabilities for order in the ocean in the future? Will they lead, for example, to increased tension, perhaps even war, that disrupts the order in the ocean? Reinforcing order are a number of factors, six of which are discussed below, that reduce the likelihood that growing naval capabilities will lead to disruption of that order.

- States with naval forces in the Indian Ocean have interests there that are better served by order than by disruption of that order by war. Order, though it may not remove a threat to

⁵ Michael Howard, 'Order and Conflict at Sea in the 1980s' in Jonathan Alford (ed.), *Sea Power and Influence: Old Issues and New Challenges* (Gower for the International Institute for Strategic Studies, Farnborough, 1980), p.76.

interests, serves those interests better than war that may destroy them.

- Increases in naval forces of littoral states can be attributed to efforts by states to enhance the security of their interests by arms build-up and arms maintenance.⁶ Arms build-up on the Indian Ocean has involved increasing naval forces from a level of capabilities considered by decision makers to be too low to carry out assigned responsibilities to a higher and more appropriate level of capabilities. Some increases have resulted from decisions that navies should perform new duties they have been ill equipped to perform. With new state responsibilities (for instance, maintaining order and establishing sovereignty in the new exclusive economic zones) naval forces of littoral states have been built up. Some of the increases have resulted from arms maintenance, which involves upgrading to more technologically advanced armaments, in order to try to keep up with the general technological level of naval forces on the ocean. Both arms build-up and arms maintenance are consistent with the intention of states to enhance the security of their interests on the Indian Ocean.
- In most cases, naval forces will be limited by restraints imposed by competition with other military forces within states. In contrast to Australia, many Indian Ocean states are weak states, and weak states have as their primary security focus internal, not external, developments. As a result, military forces may be equipped to serve the purpose of protecting regimes in their struggles for political survival and, consequently, maritime forces may have low priority in budgets. With most security threats perceived as coming from land, not from the Indian Ocean, navies must compete (often unsuccessfully) for scarce resources with other branches of the armed forces. These non-naval branches have three advantages: more political clout, better capability to respond to external threats from land, and greater usefulness to regimes in quelling domestic disturbances and challenges. For these reasons, navies 'will continue to be relatively

⁶ For a discussion of these terms see Buzan, *An Introduction to Strategic Studies*.

unimportant in the overall scheme of things for all Indian Ocean littoral states. More resources go into armies and air forces'.⁷ And, of course, many states simply do not have the resources to spend much on maritime capabilities.

- Political relations between many states that are increasing their naval capabilities are good. Each may not consider the others' increasing naval capabilities as threatening.
- In many cases where political relations are not good between states, the distance between them is so great that, given their low level of maritime capabilities, neither can harm the other anyway. 'The force required by either side', observes James Cable, 'tends to be directly proportional to the distance between the base and the scene of action; the force available to be inversely proportional'.⁸ In other words, weak navies are strongest closest to home; they get weaker with increasing distance from their own coastal waters. The long-term prospects for many littoral states creating navies capable of projecting military power are poor.
- Any state considering starting a war on the Indian Ocean may be dissuaded by the potentially high costs involved. Potentially high costs must include possible US naval and diplomatic assistance to a state under threat of attack from another littoral state's more powerful navy. After all, US interests in the ocean are served by order rather than the disruption of that order. This may act as a deterrent. Thus, any state's disruption of the maritime order would occur within a multilateral context which reinforces that order. As Cohen has noted, 'any conflict that might spill over into international waters runs the risk of offending the great maritime powers, particularly the United States. These states have substantial interests in the free flow of shipping, and possess both the wherewithal to protect shipping and the will to do so'.⁹

⁷ Ken Booth and William L. Dowdy, 'Structure and Strategy in Indian Ocean Naval Developments', in William L. Dowdy and Russell B. Trood (eds), *The Indian Ocean: Perspectives on a Strategic Arena* (Duke University Press, Durham NC, 1985), p.93.

⁸ James Cable, *Diplomacy at Sea* (Macmillan, London, 1985), p.40.

⁹ Eliot A. Cohen, 'Distant Battles: Modern War in the Third World', *International Security*, Vol.10, No.4, Spring 1988, p.152.

Significance of Indian Military Capabilities for Australian Defence

Will Indian military developments during the next ten years adversely affect the Australian security? They will not; India still has limited capability to project force very far from India, and mainland Australia is out of reach of India's limited power-projection capabilities and will remain so during the next ten years.

Let us assume, however, that within the next ten years India develops power-projection capabilities sufficient to attack continental Australia. Those hypothetical force projection capabilities need to be put into perspective. Even if India had force-projection capabilities, India would still not be a threat. Why?

First, India sees threats from Pakistan and China, and probably would have little interest in tackling Australia as well. The bilateral security relationship between India and Australia must be seen also as part of the multilateral context of international relations, in which India's relationships with Pakistan and China must be considered also. Australia and India operate in different security complexes.¹⁰ Eliot Cohen has claimed that 'in many parts of the world, regional politics and, hence, regional warfare will have as their pivots the mutual hostility of two states, about which all else will revolve'.¹¹ 'Most contemporary security issues arise out of political rivalries in specific regions', Joseph Nye and Sean Lynn-Jones have contended.¹² Neither country has the other as its primary target of international conflict. Both India and Australia have other security concerns, upon which they focus attention and limited resources.

Second, India has so many internal security concerns that it would have little time or resources to attack Australia. Australia looks outward to find threats to its security; in contrast India looks both inward and outward to find threats. If India were to attack another country as a strategy to distract attention from the government

¹⁰ For a discussion of security complexes, see Barry Buzan, 'A Framework for Regional Analysis' in Barry Buzan and Gowher Rizvi (eds), *South Asian Insecurity and the Great Powers* (Macmillan, Houndsmills, 1986), pp.3-33.

¹¹ Cohen, 'Distant Battles', p.146.

¹² Joseph S. Nye Jr and Sean M. Lynn-Jones, 'International Security Studies: A Report of a Conference on the State of the Field', *International Security*, Vol.12, No.4, Spring 1988, p.23.

as a source of discontent and to rally support for the government, then it is highly unlikely it would be Australia that it attacked.

Third, we need to ask for what political ends would India use those hypothetical force-projection capabilities against Australia? What Indian political objectives would warrant the violent use of military means? It is useful to look briefly at different sources of conflict in international politics as identified by Richard Ned Lebow, and then at how they are or are not manifested in the Australian-Indian security relationship in ways that might lead India to use its hypothetical force-projection capabilities against Australia.

Real conflicts are a mixture, to varying degrees, of three ideal types, called by Lebow 'pure hostility', 'clash of interest', and 'misunderstanding'.¹³ Pure hostility, fortunately, does not exist in the Australian-Indian security relationship. The relationship may have been marked by indifference, but that is surely better than long-standing animosity punctuated by periods of acute hostility and even war. We need to see the obvious: the hatreds are not there. Conflicts of interests are a natural part of international politics, to be expected given the nature of the international system and scarcity. But so are shared interests. The Senate Standing Committee on Foreign Affairs, Defence and Trade's report on relations between Australia and India, for example, attacked the minority view expressed in the hearings that India might attack shipping, and correctly pointed out that India also had an interest in safe shipping.¹⁴ So do other states. This reinforces a point made earlier. We need to see the bilateral Indian-Australian security relationship in the multilateral context of international security. There are no conflicts of interest that are likely to result in either India or Australia using military force against the other. Although misunderstandings may arise, perhaps over Indian development of nuclear weapons and missiles, these are of a different intensity to misunderstandings in South Asia. It is important for Australia to realise that growing Indian military capabilities are not driven by an Indian desire to threaten Australia, but are, among other

¹³ Richard Ned Lebow, 'A Research Agenda for Peace and Security Studies', *PS* (Newsletter of the American Political Science Association), Vol.20, No.2, Spring 1987, p.253.

¹⁴ Senate Standing Committee on Foreign Affairs, Defence, and Trade, *Australia-India Relations: Trade and Security* (Australian Government Publishing Service, Canberra, July 1990), pp.91-92.

things, a response to Indian perceptions of threat, particularly in South Asia, and to Indian political, technological and economic factors that have nothing to do with the existence of Australia.

The comments above have assumed that India would have sufficient power-projection capabilities in the 1990s to attack the Australian mainland. The conclusion is that even if India did have such capabilities, Australia's security would not be substantially threatened. It is important to recall, however, that in fact Australia is beyond the reach of India's limited power-projection capabilities and will remain so during the next ten years, that Australia is outside India's area of strategic concern, and that conflicts between India and Australia are manageable by diplomacy even if India were to gain power-projection capabilities. Given these considerations, the appropriate Australian policy response is diplomatic activity to reduce misunderstandings, to clarify and ameliorate where possible conflicts of interest, and to work together with India on international issues where the countries' interests coincide, to enhance elements of order in the international system that benefit Australian national security.

Conclusion

The prevailing condition in the Indian Ocean is order, not war. Where there is war on land, the source of the problem is often complicated and one needs to change the behaviour of the parties involved. But in the Indian Ocean, order is the prevailing condition. This means that the nature of the problem, and hence the appropriate task, is different. The task is to reinforce behaviour. And as we know from our study of international relations - and from raising small children - it is easier to reinforce than to change behaviour. The tasks are different. In the Indian Ocean, the task of Australian policy is to reinforce the existing order.

This raises the question of the best way to reinforce order in the Indian Ocean. 'Military capabilities, doctrines and postures should be so organised as to maximise mutual rather than unilateral security', Ken Booth has argued. 'As a result, reciprocity, defensiveness, transparency, crisis stability, arms restraint and confidence-building are emphasised, while at the same time offensive capabilities, surprise attack potential and escalation and retaliation strategies are eliminated

as far as possible'.¹⁵ Because defence is part of international politics, a 'total package of tools' to ensure Australian security is appropriate. We need to see defence policy in a broader sense than as just military capabilities. Efforts by the Department of Foreign Affairs and Trade to prevent crises between Australia and other states, for example, are part of defence. So too are efforts at confidence- and security-building measures. Both might be considered as contributions to the ultimate forward defence policy; that is, attempts at the political level to prevent potential threats to Australian security from materialising and requiring a military response.

CHAPTER 10

THE NAVAL VIEW

Rear Admiral Rob Walls

This chapter presents a view not only of where the RAN fits into maritime strategy, both now and in the future, but also about where it fits into the evolving strategy for the defence of Australia. It is the maritime flavour that sets the scene and is the base from which it all derives. In presenting the naval view this paper covers three central premises:

- the importance of the operational/practical perspective;
- the need to develop and follow tight priorities in the allocation of resources; and
- the ultimate priority to be accorded the warfighting role (including relevant exercises, training, etc.).

The views presented are those which one develops from Maritime Headquarters (MHQ), although I have a dilemma in defining the view from my office. The problem is that in the past I have had the opportunity to view these issues from the perspective that others use; what could be called an abstract way of looking at what is involved in Australia's maritime defence. But I now have a perspective that is operational and practical - and that makes one very cognisant of the limited resources involved. It is amazing how this tends to focus one's thoughts. For example, the time line at Maritime Headquarters is a much shorter one than the one which I have had the pleasure of using in Canberra. None the less, the adage still applies that the more uncertain the future, the more imperative is the need to anticipate it. The daily challenges, the turbidity of the world that we live in, in particular in Southeast Asia and the South Pacific, gives much focus to MHQ's planning processes.

One of the problems that I have with Australia's strategy is that I see a great need for extensive and accurate forecasting, the use of analysis to gain an understanding of what is happening on a continuing basis. In projecting potential developments, we have to

¹⁵ Ken Booth, 'War, Security and Strategy: Toward a Doctrine for Stable Peace' in Ken Booth (ed.), *New Thinking about Strategy and International Security* (Harper Collins Academic, London, 1991), p.344.

recognise that it is extraordinarily difficult to forecast accurately. In Maritime Command now we have a set of tools, which are most useful, and we certainly have a good deal of data coming in on a routine basis. This is the result of that surveillance and intelligence-collection process that Paul Dibb spoke of in his chapter. But our predictions continue to be uncertain. In setting some limits to the ways we might look at things, two important factors apply. The first is the geographic proximity of the archipelagic chain to the north and the associated sea-air gap, or the nature of that part of the maritime approaches that lie to the north. Secondly, there is the limited strategic reach of current and projected regional military capabilities. This analysis also starts with one assumption, which is the absurdity, for now, of any notion of Australia being invaded. The focus in planning within Maritime Command is on the development of the skills and the capabilities that we perceive we need to develop. Here I specifically refer to requirements such as surveillance. Where do we do it? What are the prerequisites for effective patrol and response? Our emphasis is on looking at capabilities like electronic warfare, surface warfare and, not least of all, anti-submarine warfare.

In considering notions such as intelligence, interdiction, or search and strike capabilities, we also look at mobility and the navy's ability to sustain its operations capabilities, such as sea lift and possibly even amphibious operations. This leads us to the question - what is the strategic concept that goes with them? In terms of the defence of Australia, it is to meet the adversary in the sea-air gap and maritime approaches. What does this mean? It means understanding the breadth of Australia's geographic area of operations, and taking into account environmental limitations, including the weather. What this indicates is that the navy needs a mix of offensive and defensive capabilities, but it also leads from where I sit to importance being placed upon successful weapon firing, or the ability to produce results with the weapons we have.

The final factor in the strategic concept would be the ability to sustain forces at long distances, far from logistics and infrastructure support. Again we have to look at environmental factors and their impact on support.

What is the purpose of this concept? It is only one part of the process, one aspect in the overall strategic approach to the security of

the nation. Other chapters have touched on the concepts of low-level conflict and escalated low-level conflict. Perhaps it is necessary to examine more fully what flows from those sorts of contingencies, like the protection of shipping from harassment. We at Maritime Command have naturally to concern ourselves with the resources that are available to deal with matters such as harassment (and the obverse, which is the harassment of resources). Related matters include other sovereignty issues, the protection of Australian territories and islands off shore, protection of remote settlements and, particularly from my perspective, protection of infrastructure.

There is an important political dimension involved with civilians and settlements, and the quality of community life that goes with them. At MHQ we are particularly concerned with the potential for sea/air incursions and their likely effects. Yet when we look at the problem of what we have termed 'lifestyle protection', that lifestyle is more than just social activity. It also involves commercial activity, air traffic and thus ultimately the security of focal points and the protection of shipping and air traffic. This all must ultimately lead, as Australia's maritime strategy develops, to a gradual shift in the roles that we perform.

Some projections of events that might come to pass, or activities that we ought to be considering, have been presented in earlier chapters. My perception is that we are already focusing on those sorts of activities and roles. Of course there are problems with being on the leading edge of policy and its development: it can lead to a conflict of priorities for implementation that threatens the balance that needs to be struck in activities. This is particularly so with respect to resources and how they are being used, and what training is being achieved.

Take, for example, the policing and diplomatic roles, raised in earlier chapters. The navy is today engaged in both these roles. Activities are proceeding in the Gulf region and in the northern Red Sea, and there are similar activities in the South China Sea. What we need to keep in mind is the possibility for escalation out of those roles. Most importantly, this can be a fairly quick shift, potentially into the warfighting role, requiring the ability to perform effectively using capabilities that may or may not have had priority in training. In the maritime environment, there is a close relationship between, on the

one hand, the diplomatic and policing roles of military forces and, on the other, the warfighting role.

This leads to another important aspect of Australia's strategic concept - the importance of exercising, which has implications for how well one is able to implement the concept and develop the strategy. Exercises such as those Australia conducts in the Southeast Asian region, under the auspices of multilateral arrangements such as the Five Power Defence Arrangements, or bilateral arrangements such as those with Indonesia, Singapore or Malaysia, are of vital importance to its strategy. Perhaps the most important, though, would be exercises conducted with the United States, be it on a bilateral or multilateral basis, such as RIMPAC.

In terms of the nation's overall security, it is my perception that the navy contributes most to the success of the implementation and development of what is, essentially, a maritime strategy. In terms of regional engagement in Southeast Asia, the RAN is the one part of the defence force that achieves practical results on a continuing basis. This is not to denigrate the contributions of the army or the air force, but if one goes around Southeast Asia, and talks to people, be they in defence, political or diplomatic circles, in Jakarta, Singapore or Kuala Lumpur, one will find that the Royal Australian Navy has a known and effective relationship with those countries. Army and air force contacts with those countries have not developed to the point where those services have the influence and the level of interaction with their opposite numbers that the navy currently enjoys.

This means that the navy's regional role is a sound justification for having significant naval forces, to bring credibility to our national policies and our national posture. This highlights the growing significance of the diplomatic role described by Senator Evans in his 1989 regional security statement, and more recently in his book on Australian foreign policy.¹

Of particular significance, as I have found during my travels in the last twelve months, is the wide range of potential disputes (over

¹ *Australia's Regional Security*, Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade, December 1989 (Australian Government Publishing Service, Canberra, 1989); and Gareth Evans and Bruce Grant, *Australia's Foreign Relations in the World of the 1990s* (Melbourne University Press, Melbourne, 1990).

such matters as sovereignty issues, resource extraction or freedom of navigation) lurking beneath the surface of relationships. This suggests that navy's capabilities for keeping the peace could be more important than the combat role that it could perform in other circumstances: in the near term it might be more influential as a peacekeeper than as a combat arm of the ADF.

How this is handled has to some extent been covered in Captain Dovers' chapter. Training and exercises have already been touched upon, but there are a number of other activities that could prove useful in looking at a perspective for the future. Solania patrols in the South Pacific have media publicity today, but there are all sorts of surveillance activities, the navy could perform as part of a maritime strategy, and as a distinctly maritime activity, which regional countries would find useful - resource protection being an obvious example.

It would be in Australia's interest to do more innovative work on building a favourable strategic environment. The RAN is expanding its hydrographic survey and assistance activities and doing much to encourage the development of regional security arrangements. Andy Mack's chapter raised some interesting points on cooperative security arrangements as part of reassurance strategies. Yet already we have some practical examples, where we are at least right on the edge of doing those sorts of things, if not already implementing them. I have in mind the long list of CSBMs that people such as Sam Bateman and Des Ball were talking about in 1991.² Many would be surprised as to how far navy has gone with those, including zones of cooperation in the South China Sea, regional maritime surveillance and safety regimes, regional avoidance of incidents at sea regimes, a sovereignty surveillance regime for the South Pacific, a regional security assessment centre in the South Pacific, naval arms control for the Pacific, environmental security regimes, transparency through exercising, publishing of security policy documents, military officer exchanges, and the development of common weapon systems procurement policies.

It is important that Maritime Headquarters makes a constructive and positive contribution to the debate on issues such as

² Desmond Ball and Commodore Sam Bateman, *An Australian Perspective on Maritime CSBMs in the Asia-Pacific Region*, Working Paper 234 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1991).

peacekeeping and confidence building, as well as to the implementation of relevant activities. There may be more opportunities in the future for military and maritime peacekeeping in the region. This is certainly a notion that is gaining some attention, particularly in academic circles. Enforcement, including blockade, is an activity to which we in the RAN are becoming more accustomed. Maritime policing is a role we are thinking about in the sense of developing further skills and capabilities, and there are humanitarian activities as well. Senator Evans pointed out, in his regional security statement in 1989, the need to be able to counter terrorist operations. The navy has not in practice been involved in that to any substantial degree, apart from precautionary measures, but it does have such a capability.

A navy must never forget that its ultimate task is that of combat - to fight and win engagements at sea. To look at combat activities is to look at a warfighting role, and the prognosis is that the RAN is probably doing better than ever in terms of developing relevant skills and professionalism for this role. This ought to be the ultimate focus of what it does in terms of national defence. Yet internally it has a potential to 'haemorrhage'. Reduced activity periods in the fleet have a severe impact on training and performance, especially affecting the development of skills and experience. Notwithstanding this, the strength of our maritime body of skills and capabilities is growing day by day. The web of interconnecting tissue is becoming stronger and more elastic, but perhaps it needs more than the fuel of carbohydrate and protein for the sinews of war. It also needs the vitamins of conceptual policy development and the associated analytical skills that have been discussed in these proceedings.

Turning to how the RAN is perceived in the region, I believe that it has considerable credibility. The present approaches, attitudes and requests that Australia has from nations and navies in the South Pacific and in Southeast Asia indicate that while it might be gradually losing its technological advantage, it is at the same time building what I call its 'intellectual property'. Australian capabilities and performance are becoming more respected. Other nations are seeking more access to them, as they themselves get access to better technology and become more informed about particular capabilities. So there is an 'up side' that goes with the reduction of the technological gap. Australia, I

think, ought to be quite careful about how it uses, develops and provides access to its intellectual property, to other navies and other nations, in times to come.

Briefly turning towards the future, I would like to cover some of the points raised in other chapters. Paul Dibb talked about 16 to 17 surface combatants. It should be self-evident that the Maritime Commander would consider that is not enough. If Australia is only going to be able to afford 14, then the policy makers in Navy Office had better start moving right now. Here again, there has been a shift in our approach to force structuring. If there is to be a greater influence from places like Maritime Command than there used to be in how Australia goes about developing its force structure, then navy may do better in the future.

On the question of submarines, it would seem to be one of two choices: four plus two, west and east, or they all go the west. From my perspective at this stage, going to the west has considerable benefits. I can see good operational and strategic reasons why this should be the choice. Replacements for the Fremantle patrol boats probably need to be given more priority. The only point I would make about the offshore patrol vessel is that we have found with our Fremantle operations that the present boats are not long enough, and we have a sea-keeping problem with them; their replacements ought to be able to range safely in the cyclone season into the South Pacific, and out into the Indian Ocean, and in winter into the Southern Ocean.

The need to build up environmental knowledge should also be given a lot more emphasis. We in Maritime Command are only too conscious of the influence that environmental knowledge has, not just on operations in periods of conflict, but also on our routine peacetime activities, particularly those which are conducted further afield in the South Pacific or off the Cocos and Christmas islands.

It has been suggested that navy is a little slow in the development of concepts of operations. That might be because people tend to develop those concepts in Canberra. If the opportunity for the development of the concepts was turned more towards the field, to the operational headquarters, with the appropriate staff, then I think we might be able to do more about getting them moving along.

On the question of capabilities to go with the strategy and these strategic concepts that have been discussed, undoubtedly we need to do more about surveillance and intelligence. In navy at the present time, we are putting much effort into expanding our capacity for intelligence analysis and improving our surveillance capabilities. However, good intelligence and surveillance information is not an end in itself and we need to develop our patrol and response capabilities. We are also putting much more emphasis on electronic warfare than we have in the past.

In conclusion, I should mention that I am fascinated by the continuing Asian interest in the training and expertise available in the RAN. I am also interested in the possibilities for joint procurement, being conscious though of the point I made earlier concerning intellectual property. There is an extraordinary amount we can achieve in terms of contributing to regional security. There is, too, a great amount of goodwill towards the RAN in countries such as Indonesia, Singapore and Malaysia for the way we go about our maritime security business. This heralds well for the future.

DISCUSSION PART 3

Despite the planned maritime strategic focus of this discussion period, most attention was paid firstly, to the current programming difficulties with the defence budget in Australia and secondly, to the implications for Australia of the likely draw-down in US forces in the Asia-Pacific region. These two issues are seen as those having the greatest impact on Australian defence and strategic policy in the 1990s.

Programming difficulties suggested a need to adjust strategic policy and to concentrate on capabilities and activities that are achievable within projected budgetary limits. There has been a significant shortfall in the resources required to fund the capital acquisition programme of the 1987 White Paper. This has raised questions as to which items should be either deferred or dropped out altogether, although, in some cases, we are locked into new equipment projects with a project lifetime of nearly two decades. Relevant issues are ones of cost escalation and cost premium, but neither seems dramatically significant with either the Anzac ships or the submarines.

The deletion of specific capabilities in their entirety would always be difficult, although this should be preferred rather than 'salami slicing' - the paring away of a number of capabilities. The latter approach results in a distorted force structure that does not reflect changes in strategic circumstances. Which capabilities should be dropped is naturally highly contentious. It impinges on single-service cultures, particularly when capabilities such as airborne early warning and control, a possible single fighter/attack capability for air force and the army's divisional structure are considered.

The likely draw-down in US forces in the region was relevant to the discussion because of the implication that Australia may have to take on some of what the US has been doing. However, there are different perspectives on this draw-down. It may not be as precipitous as first seemed possible and there could be a transition period during which regional security could become more institutionalised. In any case it is all relative; the US will still have significant forces to deploy into the region.

The perceptions of regional countries regarding the US commitment to the region are important. The view that there is lack of

US commitment is one of the factors driving the military build-up in the region. Part of the problem is that the United States is having difficulty clarifying its role and objectives in the region. Economic factors are relevant here, especially the large US trade deficit with some East Asian countries, trade friction and residual US resentment over Asian economic growth and prosperity.

In the security context, there have been metaphors of the 'balancing wheel' and the 'hub and spokes'. These imply a series of bilateral relationships with the United States as the single partner in every one, thus avoiding the risk of having allies 'gang up' against it on particular issues. However, this is beginning to change and it is apparent that there is now increased US willingness to be involved in multilateral arrangements.

Australia is one country that Southeast Asian countries would like to see do more in terms of regional security. The greatest impact would be on the RAN and RAAF, as they have capabilities that are more deployable and are not available in regional defence forces. However, this edge over regional defence forces is partly dependent on the US relationship, being acquired through exercising with US forces, maintaining interoperability, intelligence and equipment acquisition.

With regard to Australia's acceptability in the region, there are seen to be negative and positive aspects of Australia's relationship with the United States. On the one hand, regional countries regard it favourably because it is a means of involving the United States in the region and feeding in US expertise. It is a special advantage that Australia possesses. But on the other hand, there is the basic sensitivity in the region to external interference and the view that Australia is still too close to the United States. One view is that Australia's progress in the region may have suffered because it launched initiatives and then wished to involve the United States in them despite the wishes of the region. This was particularly the case in economic forums.

In conclusion, the workshop noted that these considerations raised the notion once again of increasing dilemmas of reconciling self-reliance with both the US relationship and regional commitments. There are important implications here for both maritime strategy and force structure.

PART 4

A STRATEGIC CONCEPT FOR THE RAN

CHAPTER 11

SELF-INTEREST AND A STRATEGIC CONCEPT FOR THE RAN

Lieutenants Jason Sears and Ric Leahy

Some may ask what two young lieutenants, supply officers at that, know about maritime strategy. The point is, just who should contribute to the development of a maritime strategic concept in Australia? This workshop is testament to the fact that the RAN believes that it is a task that should involve people from a wider group than the navy, or its senior ranks.

It seems to us that it is self-interest that drives the development of strategy. To introduce this thesis of self-interest, we start from what we have light-heartedly termed the Collingwood principle, not named after that famous Royal Navy figure, but after the Collingwood football team, or more particularly their supporters, and their perceived inability to see beyond the achievements of their own team. Too often in the navy we leave rational debate behind, and become one-eyed supporters of our own interests, unable to escape from self-imposed tunnel vision.

This chapter is aimed at highlighting a junior officer's view of the roles that various Australian interest or pressure groups have had, and perhaps more interestingly will have, in the formulation of a maritime strategic concept. There are a number of interest groups that appear to have some effect, either directly or indirectly, upon the development of maritime strategy. These include the Department of Foreign Affairs and Trade; Greenpeace and other environmentalists; industry, in particular defence industry; political parties; the media; academia; and finally the Department of Defence.

A Maritime Strategic Concept

Samuel Huntington's definition of the role of a military service and its statement in a strategic concept has been cited in the

Introduction to this book.¹ Australia's national policy, with respect to defence, is spelt out each year in the Defence Report presented to parliament by the minister for defence. The most recent report stated that:

The mission of the Defence organisation is to protect and promote the security of Australia and its people against armed attack and other military pressure.²

The report stressed that defence was really a form of insurance for the nation against future uncertainty and only one of the instruments of policy, (which also included diplomatic, economic, commercial and social strategies) available to government in maintaining a positive security and strategic environment.

The navy's contribution to these policy objectives is to provide maritime forces capable of:

- conducting effective maritime operations in pursuit of Australia's security interests using regular and reserve forces; and
- expanding in a timely manner against warning of more substantial conflict.³

The report describes the importance of maritime operations in the defence of Australia and emphasises the need for the RAN to have the ability to patrol and undertake surveillance of Australia's immediate sea approaches. It also notes that the RAN is developing its capabilities, through joint and combined exercises, to establish, support and maintain operations in Australia's area of primary strategic interest.

In all, this strategic concept could be argued to be a rather ambitious one. The RAN is a force of some 15,000 uniformed personnel operating only eleven major surface combatants (with two of these tied

¹ See Samuel P. Huntington, 'National Policy and the Transoceanic Navy', *United States Naval Institute Proceedings*, Vol.80 No.5, May 1954, p.483.

² *Defence Report 1990-1991* (Australian Government Publishing Service, Canberra, 1991), p.5.

³ *ibid.*, p.45.

up alongside for training purposes and others undergoing periodic maintenance), five submarines and eighteen reserve and regular patrol boats. It has, however, responsibility for helping police a potential exclusive economic zone the size of Australia's landmass,⁴ having to plan on the basis of remote levels of contingencies and no foreseeable major threat⁵ (in effect force structuring against uncertainty),⁶ and also being used in diplomatic and deterrent roles over a vast area of primary strategic interest covering Southeast Asia, the eastern Indian Ocean and the Southwest Pacific.⁷ But this strategic concept is the official one which in theory, even if it may fail in resource terms, supports Australia's policy. As this chapter will attempt to demonstrate, it was not determined in a vacuum, but was the result of a number of interactions between interested parties - the Collingwood principle at work.

Foreign Affairs

National policy and strategic concepts must be responsive to changes in international relations and foreign affairs.

Defence of Australia 1987 stressed self-reliance as Australia's first priority, which led many to talk about a 'fortress Australia' approach to defence. More recently, however, the foreign minister has spoken of the need for comprehensive engagement with countries in the Southeast Asian region and of constructive commitment to the Southwest Pacific,⁸ while the prime minister has been very vocal in stressing the need for Australia to become more closely aligned to the growing economies of Asia. Navy has used these statements as further justification for its 'blue water' forces and their diplomatic role.

⁴ *Oceans of Wealth*, A Report by the Review Committee on Maritime Industries, Science and Technology (Australian Government Publishing Service, Canberra, 1989), p.3.

⁵ *Defence of Australia 1987*, Department of Defence White Paper (Australian Government Publishing Service, Canberra, 1987), pp.23-33.

⁶ VADM I.D.G. MacDougall, 'Interview', *United States Naval Institute Proceedings*, Vol.118, No.10, October 1992, p.34.

⁷ *Defence of Australia 1987*, p.10.

⁸ *Australia's Regional Security*, Ministerial Statement by Senator The Hon. Gareth Evans, QC, Minister for Foreign Affairs and Trade, December 1989 (Australian Government Publishing Service, Canberra, 1989), p.44.

This process works both ways, with navy also being able to influence government.⁹

Greenpeace and Environmentalists

Various environmental groups, of which Greenpeace is arguably the most vocal, have a significant influence on public opinion and therefore a significant indirect influence upon the navy. The development of Australia's maritime strategic concept needs to take into account such issues as the recently declared nuclear-free zones, and the difficulties that nuclear-capable US ships have in visiting our region, and even in visiting Australian ports.

Environmental pressure is not only related to the nuclear issue. Importantly, in the past decade environmental groups have come to exert a strong influence over domestic politics and the navy has also been affected. For example, the navy is in the process of developing its own environmental plan - 'A Blueprint for a Green Navy'. The navy is developing environmental guidelines that are really only a reflection of the concerns and environmental developments in wider Australian society.

A concern is that environmental issues can begin to play a role in strategic thinking that is out of all relation to their importance. The example that springs immediately to mind is the postponement of the proposed move of the fleet base to Jervis Bay. Intrinsic to the development of two-ocean basing, proposed in the 1987 White Paper, was the consolidation of eastern Australia's fleet facilities at one location, selected at Jervis Bay. While there is still some uncertainty as to exactly why the move was postponed/cancelled, the role played by a vocal environmentalist lobby was perhaps significant in influencing

⁹ See Desmond Ball and W.S.G. Bateman, 'An Australian Perspective on Maritime CSBMs in the Asia-Pacific Region', Paper presented to the Workshop on Naval Confidence and Security Building Regimes for the Asia-Pacific Region, organised by the Peace Research Centre, Australian National University and Institute for Strategic and International Studies, Kuala Lumpur, Malaysia, 8-10 July 1991. Ball and Bateman have since published separately and given a number of different presentations on this topic. Compare to statements such as: Senator Gareth Evans, 'Australia's Regional Security Environment', Address to the Conference on Strategic Studies in a Changing World, Strategic and Defence Studies Centre, Australian National University, Canberra, 31 July 1991; and Hon. R.J. Hawke, 'Australia's Security in Asia', The Asia Lecture, The Australia-Asia Institute, University of New South Wales, Sydney, 24 May 1991.

the decisions made. By highlighting a number of issues, including Aboriginal sacred sites and various species nearing extinction, the environmentalists would appear to some extent to have successfully influenced the Hawke government to decide that the fleet base development was not in its interest.

This example indicates how members of a relatively small interest group can wield influence out of all proportion to their standing in the community, to affect the development of Australian maritime strategy. We need to be aware that groups such as these may outmanoeuvre the navy in the future by influencing enough of the general public, but more significantly enough of the politicians, to change their decisions. This may occur with the future exploitation of sea resources in such places as the Timor Sea.

Government decisions such as that about Jervis Bay highlight the effect of political influence or political expediency upon maritime strategy. The government of the day will often opt for a short-term objective, achievable during its three-year term in office, which may be at odds with the requirements of a strategic stance, which by definition is a long-term view.

Defence Industry

Industry in general also has some influence over the development of maritime strategy. There are numerous examples in history of nations going to war to protect their resource interests, and Australian involvement in the Gulf War was, in part, due to this type of influence. Closer to home, however, is the example of the pressure that CRA is bringing to bear on the government of Papua New Guinea to resolve the difficulties in Bougainville. We do not know all the political and economic machinations that occur in such situations, but it would be naive to believe that large corporations do not exert some influence over policy makers when it comes to the development of national defence strategy.

The future development of Australia's off-shore resources will no doubt put some large multinational corporations in positions of great influence with the government of the day. Fortunately, the navy is well aware of this, and already has action in hand to develop a strategic concept that takes the protection of these interests into

account. What navy needs to be mindful of, however, is that the influence such developments have over its maritime strategy is justified in terms of the greater responsibilities they bring to the defence of the nation.

Commercial interests are also influential when it comes to force restructuring. Private enterprise is a strong pressure group when it comes to shifting infantry battalions, armoured regiments, etc. In the navy's case, the development of HMAS *Stirling*, in particular the ability to refit ships in the west, was an obvious boon to local industry.

If industry in general has the power to influence the development of maritime strategy, then it should come as no surprise to learn that defence-related industry is even more influential. The ADF's journey down the road of self-reliance is significant in this respect. Australia's ability to provide for itself, particularly when it comes to constructing long lead-time items like warships, is a major priority for defence. If we take the two best examples in the navy at the moment, the construction of the Collins class submarines and the Anzac frigates, we find that in this financial year the navy plans to spend almost \$A1.16 billion. Statistics put together by the Industrial Supplies Office Network indicate that for every million dollars in imports that we replace with local goods, we create 35 jobs and return \$A446,000 to the government in revenue.¹⁰ Putting these two factors together, the RAN has helped to create some 40,000 jobs, and has 'earned' the government almost \$A520 million. (While there is some uncertainty as to the basis of these figures put together by the Industrial Supplies Office Network, even if these figures are out by a factor of two the navy's contribution to the industrial well-being of the country remains significant.) Employment and revenue figures are very important to the government, to which jobs mean economic recovery, and ultimately holding office. That need not concern the navy currently, because its needs are being met. However, it should not lose sight of the fact that in the future the circumstances may be quite different, and its maritime strategic position may be compromised by political/industrial issues.

Defence industries also bring pressure through marketing techniques, and this can affect the development of maritime strategy.

¹⁰ Purchase Australia Office, 'Purchasing Australia: Assisting Australian Suppliers to Sell to Government', *Government Equipment News*, Vol.12, No.9, October 1992, p.4.

Who has not opened up a defence magazine, seen an advertisement for a new weapon, for example, and thought 'Gee we could do with that'? Navy needs to be certain that it is developing its strategic concept first and its force structure second, not the other way around.

By briefly examining the two interest groups already discussed, one can note how often their interests will be diametrically opposed. The press is used as the outlet for their views, where we will often find contradictory arguments suggesting either that Australia faces no realistic threat, or that the level of threat is expanding. At the risk of over-simplification, the environmentalists, particularly those who advocate disarmament, are keen to disband or at least reduce expenditure on the services. The military industrial complex, on the other hand, will encourage expansion at every opportunity, particularly if it involves Australian industry. This is the environment in which political parties must decide on a strategy that best serves the country's interests.

Political Parties

The security of the nation remains the prime responsibility of government and, most importantly, there are still some votes in it. At the moment, however, it would appear that Australia's basic defence policy must be right. The coalition's policy paper, 'A Strong Australia', reaffirms the Labor government's 1987 White Paper priorities for the defence of Australia, with the armed services also contributing to a stable regional security environment.¹¹

To create some 'product differentiation', the coalition promises to consider 'new toys', such as the Tomahawk cruise missile to provide for greater deterrence, and believes that it is possible to spend more on training and operational activities by cutting administrative costs, while also funnelling savings back into consolidated revenue.¹²

The figures do not add up, but neither have Labor's. Many of the 1987 White Paper's promises have had to be reviewed because the

¹¹ Office of the Minister for Defence, 'The Government's Response to the Coalition's Defence Policy', Canberra, October 1992, App.1.

¹² Federal Liberal Party-National Party Coalition, Office of the Shadow Minister for Defence, 'A Strong Australia: Rebuilding Australia's Defence', Canberra, October 1992.

expected growth in funding has not materialised and, despite the efficiencies proposed in the Force Structure Review and given the nation's current economic difficulties and the guaranteed minimum 0.5 per cent real fall in the 1993-94 defence budget, the Force Structure Review's proposals will not be met either.

Financial constraint, the next election, the need to create jobs and a myriad of welfare and other responsibilities will surely weigh heavier on the minds of politicians at the moment than does defence. This is an important point, as government will often neglect its responsibility to the people for the defence of the nation in order to solve more pressing, politically sensitive, short-term problems.

Media

Naval officers and military personnel in general are suspicious of the media. Our greatest fear is perhaps not having our views misrepresented by the media but, heaven forbid, letting slip the truth!

The major role that the media plays in influencing maritime strategy is in acting as a mouthpiece for other interest groups. For example, despite the Returned Services League (RSL)'s direct access to ministers, its greatest influence within the community comes from playing its media 'wild card'. We need look no further than the immigration debate to see this process at work. In addition, however, we would argue that in many respects the media tend to become a pressure group in themselves. Defence correspondents like Frank Cranston of the *Canberra Times*, David Jenkins of the *Sydney Morning Herald*, and James Morrison of the *Australian* are keen to voice their opinions; this is one of the joys of living in a democracy.

Its unease when the media is around tends to work against the navy: it often only addresses the media when something has gone wrong (another bastardisation scandal, an accidental death, etc.). The navy makes a fundamental tactical error, because it is then forced to meet the press on their terms, not on grounds of its own choosing. Although the RAN's public relations effort is better than it was, it should attempt to use the media more to encourage open and thoughtful debate on defence issues. Media commentators may have valid contributions to make on issues such as personnel wastage, for example. Most importantly, the media needs to be used aggressively to

obtain public support for the navy's maritime strategic doctrine. The public need to know what the navy has decided to do, and why. It is critical that we adequately justify navy's allocation of defence expenditure. Now more than ever it is imperative for the navy and defence in general to 'sell themselves' to the public, and there is no better way to do this than by convincing the public that our strategy is in their interest. As Admiral T.H. Moorer and Alvin Cottrell argue:

Military Power cannot be understood or defended unless it is harnessed to purpose - and purpose can only be defined in the context of comprehensive strategy.¹³

Academia

What role do academics have in developing a maritime strategic concept? It appears to be only recently that academics have had a significant input into the development of a national defence strategy. The influence of the former Minister for Defence, the Honourable Kim Beazley, no doubt had a lot to do with this. The involvement of the academic community can only be regarded as a positive factor, simply because academics bring so much extra knowledge to bear on subjects that military minds have rarely had the opportunity to study: the study of foreign countries, and of diplomacy in general, are examples. The establishment of the Strategic and Defence Studies Centre at the Australian National University, the Australian Defence Studies Centre at the Australian Defence Force Academy, and other units in universities throughout Australia can only be regarded as a plus for the development of strategic thinking. The standard of informed debate could only profit from such developments.

The involvement of the academic community is critical for the development of a cogent maritime strategic concept for the RAN. This workshop is testament to this fact. But is the RAN going far enough? For far too long it has been the general opinion that tactics are the province of the military, and strategy the province of statesman. We need to go much further when debating issues as important as the

¹³ Admiral T.H. Moorer & A. Cottrell, quoted in G. Till, *Maritime Strategy and the Nuclear Age* (Macmillan, London, 2nd edn, 1984), p.59.

defence of the country, and get as many of the interest groups involved as we can.

The Military

It is interesting to note the way that academics are believed to develop concepts in a manner usually considered to be removed from vested interests, because in the past navy has often gone about it in a very different way. Instead of working from the 'macro' level we tend to see a piece of equipment, decide that we would like it and then develop a strategic justification for it. An example is perhaps the helicopter support ship, which in navy is referred to as a training ship. Navy's justification is that with regional security and maritime confidence- and security-building measures becoming increasingly topical and important, a training ship that would encourage defence cooperation by providing regional training opportunities should be given greater priority. Of course, if it could also carry helicopters this would be an added bonus (and would it not keep all those aviators, who felt that the navy had been castrated when it lost the old carrier *Melbourne*, just a little happier?).

Of course, it is not only the Australian navy that suffers from this problem. Writing of the post-World War II restructuring of the United States Navy, John B. Hattendorf argued that theoretical issues became clouded over, in

the bureaucratic debates inside the Navy which involved various groups with vested interests in specific types of ships and weapons, and inside the Defence Department which involved the Navy's position in relation to the other Services. These issues were essentially political, although strategic reasons were often used to obscure their actual political character.¹⁴

Still, navies are inherently flexible and Australia should be trying to get the most out of its defence assets by using them for non-defence purposes also. It might be that navy simply has to enunciate

¹⁴ John B. Hattendorf, 'American Thinking on Naval Strategy, 1945-80', quoted in Till, *Maritime Strategy and the Nuclear Age*, p.59.

this better. Or is it changing its approach of force structuring and then finding a strategy to suit?

Navy now has its own strategic 'think tank', the Maritime Studies Program, which is opening up the service to a new range of ideas from both the Australian and international defence and academic communities. It is also developing a competent public relations organisation to take these thoughts out into the wider community and convince the public of the need for a navy. Force structuring is now occurring in HQADF at a defence level. These are all signs that the balance is changing, and the navy is now asking what the nation demands of it and how it can best fulfil that objective.

In conclusion, this is a junior officers' perspective which, rightly or wrongly, has attempted to present a picture of self-interest driving our national and maritime policies. This is not necessarily a bad thing. It was our intention to pose the question as to just who should be responsible for the development of a maritime strategy for the RAN. It would appear that Australia has the mix of government, military, academic, industry, environmentalist, and so on, pretty right. What we must be aware of, however, is the influence that pressure groups and self-interest can have when something as important as a maritime strategic concept is being formulated.

CHAPTER 12

THE RAN ENGAGED AND COMMITTED FURTHER AFIELD

Commanders Warwick Gately and Dick Sherwood

Dr Samuel P. Huntington's description of the strategic concept of a military service, as the articulation of 'how, when and where' that service expects to protect the nation against some threat to its security, has already been cited. It should also be noted that Huntington went on to write that a military service capable of meeting one threat to national security loses its reason for existence when the threat weakens or disappears and that, in order to continue to exist, it must develop a new strategic concept related to some other security threat.¹

The important points about these aspects of Huntington's thesis are the articulation of the concept, and the need to be mindful of the effect a changing strategic environment can have on the relevance or otherwise of the organisation's strategic concept. This reinforces Professor Davis' comments about the inherent danger of organisations developing concepts that are embedded within the upper echelons of the organisation but are neither easily nor often articulated; these organisations consequently face the danger, over time, of drifting out of synchronism with reality.

These points are important, because some involved in the debate about Australia's national security argue that there is no threat to Australia, or at least no military threat, and in its narrowest interpretation articulated defence policy would tend to support this.² On this basis, and in light of Huntington's thesis, one could perhaps then wonder how we in the RAN can justify military capabilities. Of course others argue just as articulately that the existence of a threat is not needed to justify what is essentially an insurance policy. But

¹ Samuel P. Huntington, 'National Policy and the Transoceanic Navy', *United States Naval Institute Proceedings*, Vol.80, No.5, May 1954, pp.483-484.

² *Australia's Strategic Planning in the 1990s (ASP 90)*, endorsed by government on 27 November 1989 and released to the public in September 1992, notes at paragraph 6.23 that as a planning document it does not identify a specific military threat to Australia in the foreseeable future.

perhaps there is a threat basis for the formulation of a strategic concept for the RAN, in that the concept is based around what ASP 90 described as the significant uncertainties concerning the shape of Australia's strategic environment and the circumstances in which government could require ADF involvement.³ In essence, the threat required, by a strict interpretation of Huntington's thesis, is the threat of uncertainty.

This suggests that, ultimately, any strategic concept developed by a military service within the Australian context should deal not so much with what might be categorised as traditional military-type threats, but more with how, when and where that military service expects to deal with uncertainty, at least in respect to national security. The other essential part of Huntington's thesis is that, having identified the threat and developed a strategic concept, the organisation and structure of the service may have to change to deal with that threat.

However, a preoccupation with threats and organisational structure provides the potential to have a service continually looking for new threats and, additionally, devoting too many resources to force structure analysis, as opposed to its strategic concept. In defence of Huntington, this perhaps may be attributed to his military background (he had served in the United States Army).

It would seem that one of the problems we in Australia have had, in attempting to develop a credible strategic concept, has been a tendency to concentrate on the structure rather than the concept of our military organisations. Australian defence planners would seem to have to have based their deliberations around what might be called a quantitative policy analysis approach. This is an approach which is centred on deciding what sort of structure is needed to yield a favourable result for Australia against some credible threat. In order to work, it ultimately entails the intellectual construction of specific threat scenarios, and the acceptance of certain assumptions about the security environment. It is, in the final analysis, an approach that predicates a degree of certainty about threats to security rather than the uncertainty that inevitably does exist.

The structuring of a navy around specific threat scenarios, leading to a strategic concept that requires one to look out too far into

³ *ibid.*

the future, is perhaps impractical; especially at a time when such momentous change is occurring all around us, and when the structure we build today will be still with us in thirty years or so. Irreversible commitments, especially in terms of structure, must be flexible enough to be able to deal with the uncertainties of our strategic environment and the dynamic change that is occurring within that environment.

Thus while it can be argued that there has been a slow and continuing evolution in defence policy in Australia since the tabling of the *Review of Australia's Defence Capabilities* in 1986 and *Defence of Australia 1987*,⁴ no apology is made for the fact that this middle-management perspective of a strategic concept for the RAN starts from the assumption that the articulated policy is perhaps based on too narrow a conceptual basis. Current policy, at least in terms of strategic concepts for maritime forces, has still got some way to go in properly allowing those forces to develop the necessary support to secure the resources required to play their full and proper part in national security. It is contended that present articulated defence policy and its underlying conceptual basis suffer from the following two weaknesses:

- Firstly, that present policy would seem to be a policy based to some degree on a consensual and overly analytical approach, that has led to the construction of specific threat scenarios. Further, that those threat scenarios developed reflect more what the planners feel comfortable with, rather than being a true reflection of a different or changing strategic environment. These scenarios have of course fostered a preservation of the status quo; perhaps this is what has been referred to by others as the 'lowest common denominator' approach. The result is to overly focus on defence of the nation from armed attack or the threat of armed attack, rather than dealing with the security of national interests across the broader spectrum. In some respects it reflects a *continental* bias in strategic conceptual thinking, and in so doing it contains a second weakness.

⁴ This evolution is noted in Paul Dibb, *The Conceptual Basis of Australia's Defence Planning and Force Structure*, Canberra Papers on Strategy and Defence No.88 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1992).

- That is, it sets aside, especially with respect to the maritime environment, a conceptual basis that would appear to have a sounder historical foundation than it has perhaps been given credit for, in the defence debate in Australia, up until this time. That concept is the use of military capabilities as instruments to influence security developments further afield, and to ultimately exercise some control over threats that may arise out of uncertainty.

As part of the continuing evolution in security thinking in Australia, the ideas presented in this chapter are based in part on the Minister for Foreign Affairs and Trade's statement, *Australia's Regional Security*.⁵ The basis of the strategic concept proposed in this chapter (reflecting that document) is one of engagement and commitment, in partnership with others, to manage uncertainty.

Based on Huntington's thesis, the authors contend that:

- the *how* component should be the navy being used to exert varying levels of influence and control,
- the *when* component should be ongoing, and
- the *where* component should be the maritime approaches of Australia, stretching out to the limit of Australia's perceived area of strategic interest, if not its articulated area.⁶ (This being an area that in maritime terms could be said to cover the full expanses of the oceans that surround the continent, or what is commonly called the India-Pacific.)

Of course any strategic concept, especially one for a medium power like Australia, must take into account the limits of the country's defence capacity and influence. In this respect, the concept proposed here is essentially based on the premise that the security of national interests against the threat of uncertainty will demand a greater level of effort closer to home, diminishing as one moves further away.

⁵ Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade, December 1989.

⁶ The defined area of primary strategic interest covers about one-quarter of the earth's surface (see the preface to *Defence of Australia 1987*), yet as noted by Gareth Evans and Bruce Grant in *Australia's Foreign Relations in the World of the 1990s* (Melbourne University Press, Melbourne, 1991), p.98, in terms of regional security any discussion must look further afield to envelop Northeast Asia, Indochina and South Asia.

Notwithstanding this, however, one must recognise that from time to time the management of uncertainty may require resources to be utilised further afield and at a higher level of intensity than may normally be expected. The continuing provision of a surface combatant in support of United Nations resolutions on Iraq could be cited as an example of an operation further afield.

While in reality there can be no clear delineation between the level and range of engagement, or between the extent and type of commitment, there are some distinctions that can be drawn, and for the purposes of this chapter they have been drawn as:

- the management of uncertainty in the immediate security environment (that is, the security of our sovereign territory), and
- the management of uncertainty by attempting to create a positive security and strategic environment further afield.

This engagement and commitment also reflects the concept that security is now much more than merely protection from armed attack or from the threat of armed attack. It implies an ability and willingness:

- to preclude external intimidation of national institutions and of the community at large,
- to guarantee freedom of movement for both people and commerce, and
- to promote values of good international citizenship throughout the broader global community.

It also reflects the fact that these changes, more than ever, support the notions:

- that no one organisation can proceed unilaterally, in the pursuit of a state's broader national security; and
- that, further afield, the uncertainty in national, regional and global security created by issues relating to drugs, population flows, resources and the environment can no longer be handled by nations or organisations acting alone.

More importantly, these issues also serve to highlight the fact that warfighting capabilities, while still having considerable relevance as ultimate guarantors of national security, are perhaps less relevant than they once were, and that those who have asked the question about whether warfighting should continue to be the prime determinant of the size and shape of a military service, especially the navy, have in fact been correct.⁷ While it could be argued that warfighting is still implicit in diplomatic and policing functions, dealing with some of these other issues will require some different types of naval systems and, perhaps more significantly, the use of different skills by naval personnel. This may well take the form of enhanced surveillance systems in naval platforms and more extensive training of junior officers in regional strategic and security issues.

Further, the opportunity is present now to examine the requirements of the Fremantle class patrol boat replacement. Range, endurance, and suitable command, control and communications facilities would be necessary characteristics to enable this vessel to efficiently conduct patrols of our offshore maritime estate.

What is the concept of engagement and commitment?

In the immediate security environment this concept is seen essentially as the navy engaging with other government agencies and the Australian population at large to guarantee Australia's sovereignty over its maritime estate - an estate which, with the flagging by the government last year of an intention to adopt the provisions of the United Nations Convention on the Law of the Sea (UNCLOS) with respect to an EEZ and the continental shelf regime, will be one and half times the land area of Australia and potentially the largest such maritime claim in the world.

More importantly, in terms of resources, this estate is becoming increasingly important to Australia's national well-being. Our maritime industries are worth more than \$A16 billion annually.⁸ More than \$A6 billion has been invested in developing the oil and

⁷ K. Booth, 'The Role of Navies in Peacetime: The Influence of Future History Upon Sea Power', Paper Presented to the Conference on Naval Power in the Pacific, Australian Defence Force Academy, Canberra, 13-14 May 1991.

⁸ *Oceans of Wealth*, A Report by the Review Committee on Marine Industries, Science and Technology (Australian Government Publishing Service, Canberra, 1989), p.3.

natural gas fields of the North-West Shelf, with a further \$A7 billion estimated for new fields and associated facilities in the next few years.⁹ By 1991/92, fisheries had become Australia's fifth largest rural export earner, contributing \$A843 million to export income from an industry worth \$A1.2 billion, and employing 25,000 Australians.¹⁰

Naturally, any claims asserted over such territory, to be credible, will entail Australia from time to time establishing her authority there. The traditional link with that authority in the maritime arena has been the RAN, and it would seem to be a needless waste of resources to duplicate that link, especially if some form of coastguard was being considered. This is not to say that the exercise of authority over the maritime estate is strictly the purview of the navy. The basis of commitment must be shared, with the navy and other organisations responsible for various aspects of Australia's national integrity (such as customs, fisheries, quarantine and immigration) providing a commitment in partnership to ensure the security of the national offshore estate.

At the lower end of the commitment scale, the assertion of authority may well come from intermittent surveillance, reconnaissance and patrol and from enhancing the nation's knowledge of that estate, through hydrographic and oceanographic surveying. Of course, if the level of uncertainty increased or actual threats to the sovereignty of that domain arose, that would require a greater level of commitment, both qualitatively and quantitatively.

The RAN's engagement and commitment to the security of the offshore estate can be called its *domain maintenance* mission, although the protection of the offshore estate at the upper end of the security spectrum may very well involve the exercise of what is commonly known as sea control. This is the exercise of control over nautical activities either positively, by asserting one's presence, or negatively, through denying another's presence in a specified part or parts of a country's maritime approaches. The exercise of the domain maintenance mission, whether by surveillance alone, or by

⁹ *Australian*, 17 August 1992, p.28.

¹⁰ *The Canberra Times*, 12 September 1992, p.7; and *Background Fisheries Statistics, Fisheries Paper 91/6* (Department of Primary Industries and Energy, Canberra, 1991), p.6.

surveillance accompanied by some form of patrol and enforcement, is in effect the exercise of control.

The possession of capabilities to exercise such control, especially at the upper level of the security spectrum, provides a psychological complement to the domain maintenance mission. Efficient and capable naval forces, with mobility and endurance, would in themselves provide a deterrent to others against infringing into Australia's immediate security environment.

As security interests move further afield from the immediate surrounds of the Australian continent and offshore territories, into what may be termed the creation of a positive security and strategic environment, the type and level of engagement and commitment changes, as does the type of missions that the navy undertakes. In some respects, however, these changes are only subtle and there are many similarities.

Engagement is now not only with other national agencies but also with regional and international organisations responsible for security. It is engagement in the national context, to ensure the sensible use of national resources in the pursuit of national interests further afield. In the regional and international context, it is engagement through Australia's network of alliances and cooperative agreements with regional navies, maritime police forces and international agencies.

It is an engagement that leads to a commitment, in partnership, to maintaining a stable maritime regime. Stability is essential for the economic well-being of both the nation and the region, and especially for the commercial activity that is so dependent on freedom of movement across the expanses of our essentially maritime-dominated area of strategic interest.

It is a commitment, in partnership, using maritime capabilities:

- to assist in signalling commitment to friends and allies through ship visits, joint exercises, and maintaining a presence;

- to support collective security activities, either United Nations or regionally sponsored;¹¹ and
- to help build and foster confidence through dialogue and cooperation.

This is primarily associated with what can be labelled the *naval diplomacy* mission, although in some cases (such as collective security) it may well also involve activities associated with the domain maintenance mission. The conduct of such activities must eventually lead to Australia exercising some influence over its strategic environment.

Naturally the degree of commitment will be governed by many factors, not least being the extent of Australia's national interests and the extent of other nations' competing interests. Ultimately the degree of success will be proportional to the effort expended. As noted earlier, one of the perceived weaknesses of present articulated policy is what appears to be the setting aside of the concept of influence, if not as an element of security strategy, than at least in terms of force structure. This may well be associated with the quantitative policy analysis approach mentioned earlier. In quantitative terms, however, influence may be something akin to a business's 'goodwill'. With goodwill, one can be never sure of its true value until the business is sold; perhaps with influence, one can never be sure of its true value until the chips are down.

The key question that must be asked is whether we can afford to ignore the concept of influence. Ultimately, the value of the goodwill will depend on many factors, of which the quality and quantity of resources applied will be one. In many ways, the same can be said of influence, and while it should not be a major factor driving force structure, it must be a consideration for a nation of limited resources when allocating priorities to force structure, especially when dealing with capabilities that require long lead times.

¹¹ There has been some talk in recent times of the idea of standing naval forces in the Pacific and elsewhere, and eventually these may gain favour. See M. Pugh, *Multinational Maritime Forces: A Breakout from Traditional Peacekeeping?* Southampton Papers in International Policy No.1 (University of Southampton, Southampton, 1992).

What does all this mean to the way the navy should go about its business?

Firstly, that its strategic concept, as outlined above, needs to ensure that navy is able to continue to foster engagement both nationally and further afield. Direct communications lines need to be opened and remain open with other government agencies and a free and open exchange of information and support should continue. More important is what one senior Indonesian academic has called 'a sense of take and give'.¹² A surveillance data base, containing information from several countries on surface and air activity in our maritime approaches, would be an example of the benefit to be gained from the cooperative sharing of information.

It behoves all organisations making a call on scarce national resources to ensure that they do not develop a 'what is in it for us' attitude. The broader security view must prevail, for ultimately national security is of mutual benefit to all Australians.

Further afield, the concept means developing a sense of mutual trust with our regional partners on shared security interests, and accepting that the efforts navy puts in need to be consistent and that they may well only produce returns over the longer term.

Secondly, if the navy's strategic concept is all about dealing with uncertainty, then it must mean maintaining a flexible approach, not only organisationally but also in the sort of capabilities we acquire to conduct our missions of domain maintenance and naval diplomacy. Perhaps it means ensuring that planners build into those capabilities required at the upper end of the security commitment spectrum, sufficient flexibility to allow them to be also used to contribute positively at the lower end of the security spectrum, and thus allow navy to fully play its part in enhancing knowledge and in controlling uncertainty. By way of example, due consideration must be given to the provision of adequate ships' boats and even utility helicopters, for gaining access to some of the remoter parts of not only Australia, but also the nations of the region. It also means thinking about what sort of maritime scientific monitoring equipment should be standard fit on all

¹² Jusef Wanandi, 'Australia-Indonesia Security Relationship', Paper presented at a Conference on Strategic Studies in a Changing World, Strategic and Defence Studies Centre, Australian National University, Canberra, July 1991, p.1.

naval vessels, and not just specifically designed oceanographic or hydrographic platforms.

Additionally, there is a need for organisational flexibility that will allow the RAN to better conduct the non-warfighting roles, which would appear to be increasingly dominating navy's employment at times of uncertain peace. These are what some traditionalists might call the non-military functions of navies. In both the immediate security environment and the broader strategic environment they include a commitment to:

- surveillance programmes and resource security;
- assisting marine and environmental science;
- improving maritime safety;
- being responsive to dealing with natural and other disasters; and
- enhancing the broader Australian community's awareness of maritime matters, thus nurturing the RAN's own prestige in the soil in which it has its roots, as well as seeking ways to project Australia's prestige further afield.

If Australia allows itself to focus excessively on specific scenario-driven credible military contingencies in developing strategic concepts, there is a danger that its approach to managing what is an increasingly dynamic and uncertain security environment will become stultified, and that in keeping a proper lookout defence planners may well forget to move their gaze from the bow-wave to the horizon.

Nothing new may have been raised in this chapter, especially for readers who are tuned to the maritime environment and to the sort of strategic concepts that have been essentially postulated by naval thinkers for many years. The intention has been to try to present a different way of articulating the role the navy has to play in implementing national policy and thus ultimately develop the necessary support to justify its call on national resources. The RAN's justification for existence does not lie in any concept that suggests *security on or from the sea*, as perhaps Australia's more powerful friends may see it, but it certainly must lie in *security of the sea*, security brought about by being engaged and committed in partnership with others or, put simply, being there.

CHAPTER 13

A SENIOR MANAGEMENT PERSPECTIVE

Commodores Tim Cox and Chris Barrie

This chapter provides an overview of what we believe to be a suitable strategic plan for the RAN in the lead-up to the year 2000. The first part deals with those factors that need to be taken into account when considering a strategic concept and the maritime environment, in which it must endure. The second part first sets out some thoughts on regional power brokers and what the the image and relevance of Australia is within the region, and then examines what the strategic concept needs to include and address. Finally, the chapter lists some other issues that need to be addressed by the RAN as it moves towards the end of the twentieth century.

A strategic concept for the RAN should articulate to the public why the navy is a necessary burden on its resources, both why it is essential and what sort of organisational structure it is: in essence, the 'why' and the 'what' of this life support system (the RAN) that the Australian community cannot live without. Thus this chapter does not contain long dissertations on the virtues of Mahan, Hill, Roskill and other naval strategists, but rather it presents a view for the future in a changing world, where in particular the intentions of the United States in our region are less clear than in the past, and at a time when many world leaders watch and wait as President Clinton moves to the White House.

National Factors

There are some national factors that must influence the navy's strategic policy or strategic concept. They are not very clearly or explicitly defined in the Australian context, although it is generally accepted that a government's key responsibilities are national security; maintenance of sovereignty; the economic well-being of the nation and people; and regional stability. The geography of Australia is inherently important: Australia is one of the world's most isolated island nations and the sea is of great importance for commerce and ultimately for the

Australian economy. Freedom of navigation and the security of sea lines of communication are Australian interests of national importance.

History would suggest, however, that Australian strategic thinking, until at least the 1980s, was dominated by 'continental' theorists, and there remains a need to overcome this national prejudice, which is ultimately a legacy of our involvement in land warfare in places remote from Australian shores.

Diplomatic and Foreign Policy Factors

Any strategic concept for the Navy must take into account diplomatic and foreign policy factors; foreign policy initiatives and naval roles must be matched. Much has been made of regional security- and confidence-building measures, and of course the document that stands out as government policy in this area is Minister Evans' 1989 statement on *Australia's Regional Security*, referred to earlier.

It could be argued that Australia has always had a latent desire, or even policy, to influence events in the region, but in many instances has had some difficulty in coming to grips with exactly what that means. Australians, and in particular politicians, have tended to focus on the leadership role. In a way we are good leaders, which at times tends to make us overzealous in some of our initiatives, and can lead to resentment in the region. It must be recognised that this can work against some of Australia's initiatives. It is also important that overtures made in the region are made on many fronts: Australia's involvement must be one of true comprehensive engagement.

The RAN's strategic concept must not only support these diplomatic initiatives and policies, but must also be supportive of ADF-wide policies. It must also be robust and enduring, so that it is transparent and not subject to the political ambiguities that occur in Australia and with our neighbours. Most importantly, it needs to be less visible in applying influence in the region, while at the same time being highly visible in terms of confidence building.

Our commitment must be long term and consistent. Significantly, it must avoid being overbearing or conditional and must pay due cognisance to national sensitivities, and religious and other customs. On this point, it is important that all naval personnel who go

about doing navy's business in the region clearly understand the importance that each individual nation within the region places on different aspects of its culture.

The RAN's Strategic Concept

The RAN's strategic concept must recognise that a developed military relationship provides potential for exercising diplomatic relations when it is extended beyond Australian shores. It must have the support of agencies such as the Department of Foreign Affairs. It must also be a long-term plan which addresses the purpose of the organisation, describes the service it renders to society and the means by which it intends to deliver this service.

This service should be related to or part of national or governmental responsibility to the nation, but this does not necessarily mean that it needs to be spelled out. It needs to clearly articulate its relevance to the post-Cold War/new world order no-threat environment.

Finally, as noted by Samuel Huntington (see above), a concept has to also consider organisation and structure, and in this vein, perhaps the navy needs to be mindful of aligning itself to community expectations in the workplace and to matching community standards.

Regional Maritime Strategic Outlook

There is no identifiable threat to Australia, although there is a growing maritime awareness in the region. Regional countries are beginning to recognise the importance of the sea for commerce and the significance of maritime resources. This is shown in the rate at which regional navies are expanding, essentially by buying off-the-shelf capabilities. Although these capabilities are being purchased primarily for maritime surveillance and patrol, they provide regional countries with the ability to protect, influence and control activities in their maritime economic zones. They also provide an element of status, a factor that is important to nations of the region.

The availability of high-technology precision weapons to the region is increasing, and Australia's technological edge is rapidly

evaporating. Australia needs to be careful that it does not overestimate the value of its skill and tactical lead.

Another important factor is associated with the draw-down of US forces, which will ultimately result in a reduced presence in the region. There does exist, however, a strong regional desire to embrace and engage US forces, both in Singapore and Malaysia. This has the potential to work against Australian interests. It may invite the development of alternatives to the Five Power Defence Arrangements, particularly if it is perceived that Australia is losing enthusiasm for this particular regime.

Significantly, regional nations are no longer concerned by internal security issues to the extent that they may have been a decade or so ago. The issue for the region is dealing with China. China is now itself more outward looking, and this is the main factor behind the competition over the rights to the Spratly Islands and the South China Sea. This has the potential to seriously increase regional tensions and suspicions. Distrust and suspicion of neighbours in the region is a way of life, as exemplified by such disputes as that over fishing between Thailand and Malaysia. This tension and suspicion tends to work against confidence building.

There is a chance, however, that Australia, situated on the rim of the region, has a unique opportunity to fulfil the role of mediator. Such a role must be carefully managed. It means understanding the sensitivities of the region and, for example, not pushing to become a member of ASEAN, which would appear to be completely unacceptable to our neighbours.

What we have is a region that into the next century will be characterised by harmony on the land and possible disharmony on the sea. There will undoubtedly be notable exceptions. Implicit within any strategic concept will be the need for quality intelligence, as outlined by Professor Dibb in his chapter, and the navy should support that.

We have to be careful in the sort of concepts we develop. In this respect, the concept of low-level contingencies is predominantly a land concept, useful in structuring exercises but more difficult to comprehend in the maritime arena, where presence, tension, graduated response, and ambiguity of purpose are better understood and perhaps more relevant. Present concepts would seem purely to

support enhanced land forces in the north. What is paramount for Australia is the concept of strategic reach, which should be fundamental to the way it goes about its business. In fact one could argue that the notion of the sea-air gap is one that dictates a defensive concept that is too close, too late, too restrictive and designed only to establish the need for large ground forces.

Likely Regional Power Brokers

There are perhaps, in the immediate region, three power brokers who will influence the way Australia goes about its business in the years ahead. They are Indonesia, Malaysia and Singapore, all of which will be whom we are becoming more confident and assertive, and will be ultimately jockeying for leadership of ASEAN, in the post Mahathir/Suharto era.

These countries are likely to show firmer resolution in dealing with law of sea issues and the Malacca/Singapore straits and archipelagic transit regimes are likely developments. There is a growing confidence and assertiveness within the region when dealing with law of the sea and related issues, and this has the potential to impact on freedom of navigation and therefore trade, and adversely affect Australia. The nations of North Asia also would be particularly sensitive to regimes that affected Middle East oil routes.

In respect to so-called extra-regional powers, Japan is likely to continue to develop modern capable forces, without power-projection capabilities. It will continue to maintain an industrial base that is capable of both self-sufficiency and expansion. Southeast Asian countries will view any changes that occur in Japan's armed forces with suspicion.

China will continue to modernise, expand its strength and see itself as the only real communist nation in the world. A leadership role in the region may attract it. The concerns of others are largely non-existent as far as China is concerned, as indicated by its views and policies on the Spratlys. The reunification with Hong Kong could provide a useful yardstick of China's intentions and developments that we are likely to see.

Australia also needs to keep in mind what will happen if the United States seizes upon China as the next threat. Undoubtedly there

are some within the US establishment who will not wish to have their forces down-sized, and one way of keeping them in place would be to find another threat. The Taiwan issue may also be relevant in these circumstances.

With respect to India, budget problems have slowed military growth and modernisation, particularly for its navy. India does, however, have a leadership role in the subcontinent and South Asia (albeit, in the case of the latter, a diminishing role), which means it is unlikely to be popular. India has aspirations in the non-aligned movement that are likely to be hampered by lack of finance. This will not stop it from building up in the Andaman Sea area, which will cause concern to Indonesia, Malaysia and Thailand. The Malays, in particular, are suspicious of India, with the intervention in the Maldives being still fresh in the minds of many Malaysians; it takes time to heal wounds.

Australia's Strategic Region

Australia's strategic region is fundamentally in two parts. Firstly, there is the Southwest Pacific, which remains relatively benign, although internal security issues are likely to continue to dominate - particularly in Papua New Guinea, where the lack of law and order will influence economic well-being. The 'cargo cult' mentality is alive and well, but Australia must be mindful of the fact that these nations are resentful of any perceived interference, or advice that criticises how national governments administer their countries. Defence Cooperation Programme training and the way Australia spends its dollars in the Southwest Pacific is probably the classic example of how the cargo cult mentality remains alive and well in this part of the world.

Secondly, there is Asia, both Southeast and Northeast. The latter is far more important, almost economically essential, to Australia, yet much more difficult to predict or judge. National and/or international leadership aspirations and societies with increased expectations and changing values offer an environment for significant uncertainty.

Australia's Relevance and Image in the Region

At best, Australia is a modern medium-sized maritime power, which has displayed uncertainty and ambiguity in its relationship with its Asian neighbours. It vacillates between confidence building and overbearing criticism. It is perceived as wishing to gain some of the profits of the robust, expanding economies of Asia, but without reciprocating on issues such as immigration. This allows Australia to be viewed with suspicion, and a long time will be required to overcome the perceptions of leaders such as Dr Mahathir.

Australia's relevance to the region and ability become actively engaged and regarded as a true partner depend on it ensuring that regional perceptions of Australian change in a positive manner. A window of opportunity exists at present and may remain open for as much as ten years, but a new generation of more fundamental Malays, for example, could shut it very quickly. This means that it is important to put policies and strategies in place now and establish the quality of Australia's credentials early, so that it is ready to take advantage of changes that will inevitably result from changes of leadership in our northern neighbours in the next few years.

The strategic priorities that Australia has set itself are to maintain and encourage a benign strategic environment. This requires:

- Positive actions to show resolve and leadership, but in partnership with our neighbours. A long-term commitment will be important.
- A comprehensive policy that is all-embracing across a wide field of activities - defence, trade, education, technology, shipbuilding, etc. Activities in all these areas need to match and be concurrent.
- Transparency from nation to nation, with favoured status for any being avoided. The size of the commitment could be a variable of distance from Australia. Australia cannot afford to 'take sides'.
- A bilateral focus, with multilateral initiatives a more remote objective, noting that these are more difficult to achieve.
- Supporting policies that are transparent to domestic political debate.

- Concentrating our efforts on nations from the Andaman Sea to Hong Kong and the Philippines, while keeping a watch on China but noting that its aspirations could only be blunted by more powerful friends.
- Not ignoring Korea and Taiwan, particularly as the US draws down in South Korea.

The relationships and contacts between individuals are most important and must be pursued at all levels: by politicians, by members of industry and by military officers, noting that the latter are generally more enduring because they are less threatening in financial terms.

The RAN's strategy, which should be consistent with ADF strategy and policy, must be based on professional standards. Those standards must be the foundation of any relationship that sees Australia engaged throughout the region. Ship visits and exercises are of fundamental importance and must be professionally planned and executed by properly briefed teams. Additionally, integrated staff functions in exercises would be a useful experiment.

Initiatives such as hydrographic exchanges would be helpful, as would sharing experiences on such issues as mine warfare, especially with countries such as Malaysia. We must be effusive but not intrusive, which may well mean a change in culture for many. The Royal Navy has just provided a good example of how not to deal in Southeast Asia, whereas the United States Navy has generally been quite successful.

Before taking the first step, navy must determine the security ramifications of its initiatives and avoid losing face, as may have happened in the past. An important point here is to ensure that both the RAN's presence in the region and the port visits conducted by RAN units are balanced and consistent from year to year. In this respect the RAN should develop a visit policy.

The RAN strategy, most importantly, has to be characterised by strategic reach. It has to push out as far as Korea and the Middle East, so as to allow its personnel to keep in touch with and understand the customs, traditions and culture that influence all the peoples of our broader region of strategic interest. All of these regions are important to trade, and visibility and presence are positive overtures that are not

intrusive, but at the same time, if carefully managed, can contribute to Australia's intelligence-gathering capabilities.

The RAN strategy must also address law of the sea issues. Customary practice as it relates to innocent passage and transits through archipelagoes, sea lanes and straits must be established. It is an important issue to look at sea lines of communication and trade and to establish a policy on the number of times each year RAN units should exercise transit rights to uphold any customary claims.

Other initiatives, that perhaps need to be part of this strategy, relate to encouraging our neighbours to participate in naval control of shipping and solving piracy issues, especially those relating to the concept of pursuit.

Towards 2000

There are a number of other issues related to a strategic concept, which navy will have to look at as it moves towards the year 2000. The first is personnel numbers. It would seem inevitable that the navy will have to down-size, perhaps to the vicinity of about 10,000 personnel. More of these people, however, are going to have to be at the 'sharp end' and less in the logistics 'tail'. Perhaps related to this and not fully within navy's control is the overall size of the Department of Defence, which is perceived as monolithic and far too bureaucratic. A general perception in the community is that Australia is not getting value for money from this organisation, as it is presently configured.

Secondly, there is the need to ensure that programme management and budgeting and the priorities set for resources lead the public to understand better the utility of the service being provided. There needs to be more involvement by the community in what the RAN does, with more commercial support style activities, but being careful that these are not subject to political or trade union interference. Finally, there is a need to consider the ethnic and gender composition of naval personnel to ensure that the RAN remains in step with broader community expectations.

In summary, what is suggested as being important to an RAN strategic concept is:

- firstly, the notion of sovereignty;

- secondly, the maintenance of a maritime presence throughout the region to contribute to stability through using capable forces to enhance confidence;
- thirdly, an understanding of our neighbours and partners; and
- finally, ensuring that Australia's rights under the law of the sea are preserved, and that our access for both military and economic purposes to strategic sea lanes is unimpeded.

DISCUSSION PART 4

As a result of some of the issues raised by Lieutenants Leahy and Sears, the Greenpeace organisation, particularly its activities at sea, was the subject of initial comments in this discussion period. These activities and their objectives should be understood and not always seen in a negative or obstructionist light. One view is that the Greenpeace nuclear-free seas campaign had been useful in controlling nuclear proliferation. It is a view that suggests that times are now changing, as exemplified by the actions of the United States, which has now removed tactical nuclear weapons from ships and is adopting a more conciliatory view towards nuclear-free zones, which had previously been strongly opposed because they were perceived as undermining deterrence of the Soviet Union.

Nevertheless, navies and organisations such as Greenpeace would always tend to be at odds. This had been very apparent during the USN trials of the Trident missile, which Greenpeace had attempted to disrupt. Freedom of the high seas and the notion of exclusion zones for missile firings on the high seas had been issues then.

It is important, however, to consider the issues. The Royal Navy is now involved in the Global Security Programme at the University of Cambridge and there is scope for warships to play a role in monitoring the environmental degradation of the world's oceans. This is an area where Greenpeace and navies would be in accord. It also needs to be recognised that Greenpeace is a highly professional organisation, which carefully plans and trains for its missions. It is well funded and sometimes regarded as elitist by others in the peace and environment movements.

There would always be a risk of misunderstanding. For example, conventional wisdom within the navy was critical of the environmentalists for opposing developments at Jervis Bay, whereas other factors should also be considered, including costs and tight defence budgets. There is nevertheless some cynicism over whether local environmental groups are genuinely driven by concern for the environment or by self-interest to protect their own lifestyle.

Some discussion ensued on the difficulties of developing strategic and force structure justification for new items of equipment in

a period which in many ways is characterised by greater strategic uncertainty. It is now particularly difficult to envisage how this equipment might be used in the future. There is a view that, despite the theory of the operational concepts approach, there is still a tendency to 'situate the appreciation' and write justification around preconceived ideas, reflecting the sentiments noted in the paper given by Commanders Gately and Sherwood.

There are particular difficulties with handling flexibility and capabilities with multiple applications in a range of strategic and operational contexts. This is frequently the case with maritime capabilities, and the helicopter support ship is a current example. There is also a view that there is still a problem in educating non-naval people on the nature of maritime operations.

There was some discussion of current state of China and whether or not it is a truly communist state. One view is that Chinese aspirations for a market-driven economy suggest that China can no longer be considered a communist state. However the main point seems to be the difficulty in involving China in the confidence-building process because of the political system that still exists there.

There is a tendency in some quarters to regard China as the new threat, both to the region and more specifically to the United States, including in a nuclear sense with Chinese ICBM and SLBM capabilities. This view suggests that it is in the interests of the US military establishment to come up with a new high-level military threat. The validity of this approach and the implications for regional security are questionable.

There can be little doubt that Southeast Asian nations are tending to place China even higher in their threat perceptions. This is not only in terms of the situation in the South China Sea, but also in a wider strategic context of general regional stability. China, and its growing interest in the Indian Ocean, undoubtedly is part of the rationale behind India seeking to sponsor a regional naval exercise.

However there are other credible threats in the region. There is some concern that continuing problems of internal security in some regional countries have been played down, and perhaps not given the coverage they deserve, both in the broader context and in this workshop. There is also a risk of future instability resulting from

population growth and economic failure. The notion that the region is becoming more stable needs to be handled circumspectly. While this may be true of the short to medium term, in the long term a number of new causes of conflict could become manifest.

The last item discussed in this session was the future of the Five Power Defence Arrangements and the possibility that a greater US presence in Southeast Asia could lead to some depreciation of the role of FPDA. It is possible that Malaysia and Singapore, for example, as they achieve a higher level of technical and operational confidence, might seek more exercising with US units in the region at the expense of FPDA exercises. However the generally accepted view is that there has not been any indication of this to date. In the case of Japan the opposite is true, because despite its association with the United States it has been widening its defence contacts with Australia. Rather than being seen as a threat to FPDA, the United States should be seen as a valuable adjunct to the association. Nevertheless, it is considered that in the longer term the FPDA will probably be replaced by some alternative arrangement.

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OPEN FORUM

The culmination of the workshop was the open forum session, chaired by Vice Admiral ... which was intended to bring together some of the themes of the workshop. The following are the major issues discussed during the session.

- the utility of naval ship visits as an instrument of regional diplomacy;
- the validity of defining an area of Australia's primary strategic interest;
- the concept of low-level independence in the maritime environment;
- the South Pacific and the apparent neglect of South Pacific issues during the workshop; and
- whether the principles for structuring the ADF were changing in the light of new strategic circumstances.

Naval Ship Visits

The open forum first considered the utility of using the navy for diplomatic purposes, with the value of naval ship visits being questioned specifically. The Foreign Affairs representative had said ship visits were 'extraordinarily valuable' but some academic participants were unconvinced. They accepted that there was some value in the visits, particularly from the point of view of confidence-building and navy-to-navy contacts, but wondered about their overall cost-effectiveness and whether any studies had been done of this use of navies for diplomatic purposes.

A high resource cost is involved and the wrong signals could be sent to the countries receiving the visits. Visits could be construed as part of a deterrence strategy rather than the more preferable one, based on reassurance, which had been discussed by Professor Mack. It might be preferable to put relatively more resources into conventional diplomacy and increase the size of the Australian missions in important countries. However, as Professor Dibb then pointed out, it is

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Naval Ship Visits

The open forum first considered the utility of using the navy for diplomatic purposes, with the value of naval ship visits being questioned specifically. The Foreign Affairs representative had said ship visits were 'extraordinarily valuable' but some academic participants were unconvinced. They accepted that there was some value in the visits, particularly from the point of view of confidence-building and navy-to-navy contacts, but wondered about their overall cost-effectiveness and whether any studies had been done of this use of navies for diplomatic purposes.

A high resource cost is involved and the wrong signals could be sent to the countries receiving the visits. Visits could be construed as part of a deterrence strategy rather than the more preferable one, based on reassurance, which had been discussed by Professor Mack. It might be preferable to put relatively more resources into conventional diplomacy and increase the size of the Australian missions in important countries. However, as Professor Dibb then pointed out, it is

extremely difficult to comprehend trade-offs between different government departments - as indeed between different defence capabilities.

In response to this scepticism regarding naval ship visits on the part of some academic participants, naval members referred to the very positive feedback often received from Australian missions overseas after the visit of a RAN ship. It also appeared to be the case that ship visits had been an important element in maintaining defence relations with Indonesia and Malaysia when relations between Australia and those two countries had been strained at a government level. Ship visits offer some flexibility as a demonstration of Australia's regional commitment, in that they can be very high profile or very low profile.

The workshop appeared to reach a consensus that naval ship visits are of value, but that they constitute an activity which is not well understood by people other than naval officers and diplomats. They could be an important demonstration of Australia's regional security commitment but needed to be researched and publicised more. There is also a view among some in the RAN that there is scope for improving the guidance on ship visits received from the departments of Defence and Foreign Affairs in Canberra.

The Area of Primary Strategic Interest

Two of the papers presented by naval officers had implied a wider area of primary strategic interest than that defined in the 1987 White Paper, perhaps extending to Japan and India. However, Professor Dibb said that this is not the case. There has to be geographical discipline for the determination of both force structure and operational priorities, including the guidance on naval ship visits. Vice Admiral MacDougall observed that it is difficult in the maritime context to think in terms of boundaries on the map. Some maritime interests, particularly seaborne trade, could extend very far. Navies are uncomfortable with narrow areas and prefer to think in terms of reach, which in Australia's situation could be very far.

A non-naval view questioned whether the navy is 'keeping its eye on the ball'. The paper by Commodores Cox and Barrie had alluded to, on the requirements side, far-flung naval presence missions

and increased naval involvement in 'comprehensive engagement' with Southeast Asia, but it had also mentioned the possibility of the down-sizing of the RAN to about 10,000 personnel by the end of the decade. There were also references to increased RAN involvement in less conspicuous tasks, such as protection of the 'offshore estate', counter drug-smuggling, etc. Despite the national significance of such activities, how realistic is it to consider these additional tasks for the RAN?

Vice Admiral MacDougall agreed that there is a risk of trying to do 'too much with too little', particularly if the demand for coastal surveillance activity were to increase. Over-the-horizon radar (OTHR) would partly alleviate the situation, but only on the detection side and not at all on the response and enforcement side. In fact it could well add to response requirements by generating an increased number of detections.

Low-Level Contingencies

Discussion then turned to the observation in the paper presented by Commodore Cox that low-level conflict is incomprehensible in the maritime environment. One view is that it is basically a land-based concept that supports exercise scenarios and the requirement for a large army in the north of Australia. There are, however, some particular maritime contingencies that should be considered, including possible threats to offshore oil and gas installations. The 'Cod War' between the United Kingdom and Iceland was not a good model for a resource conflict because in that war each side knew that the other would not open fire.

Professor Dibb expressed disappointment at what he labelled 'these recidivist tendencies'. Levels of conflict had been the vexed issue in the Department of Defence in the early 1980s. The stand-off between the ADF and civilians on this issue was the fundamental reason why the minister had found it necessary to commission the Dibb Review. Levels of conflict had subsequently been defined and agreed.

The concept of escalated low-level conflict had been introduced specifically to cover the types of concerns which are now re-appearing. Professor Dibb pointed out that this concept

comprehended the problem of local escalation in the maritime environment and the consequent need for high standards of readiness in navy's ships, including a full missile capability. However, in regional terms it was simply not credible to contemplate mid-intensity conflict such as that experienced in the Gulf War.

Warning time is another fundamental aspect of Australia's defence planning and considerable effort has been devoted to both its understanding and the methodology required to support assessments of warning time, including quantitative analysis. Military indicators could be developed for warning of low-level contingencies but assessing warning time of more substantial conflict is much more difficult. This is still a contentious area of defence planning, with military officers being uncomfortable with assessments of warning time that seem very long. Constant monitoring of both warning and lead times is an important part of the planning process.

South Pacific

Dr Herr expressed concern that the workshop had paid scant attention to South Pacific issues. Some discussion followed of the Treaty of Niue, which allows third-party enforcement rights over illegal fishing. There are significant implications for Australia and New Zealand, who could be involved in action against fishing vessels of Asian nations with whom they are otherwise on friendly terms. However, this is not seen as a great problem provided the legislation of the different island states is not oppressive.

Force Structure

Professor Albinski queried whether the well-known force structure principles should be modified to reflect changing strategic circumstances. Specifically, he asked whether there are any force structure implications of firstly, closer defence relations with New Zealand, and secondly, the recommendations from Australia's representative at the United Nations that Australia should set aside permanent forces for peacekeeping. These two developments seem to impact on conventional force structure wisdom.

In the subsequent discussion, participants tended to see force structure issues arising from closer defence relations with New

Zealand as being more at the margin. Certainly there needs to be interoperability, but it is undesirable that either country should be dependent on the other for some essential capability. The very low level of defence expenditure in New Zealand also means that there will always be difficulty in achieving New Zealand involvement in joint projects.

On the implications of UN peacekeeping, Professor Dibb noted the need to keep this requirement in perspective. Australia should make an appropriate contribution for its size and there are limits to Australian defence capacity and influence. Also, the principal focus of peacekeeping activities should be those within our region. Given these constraints, Professor Dibb thought that it was unlikely that peacekeeping would result in any adjustment to our accepted force structuring principles.

There was general agreement with the view that the peacekeeping commitment is not a force structure determinant. Because of the particular nature of Australia's defence requirements and geo-strategic environment, a force structured for the defence of Australia and its national interests should provide options for peacekeeping. However, Vice Admiral MacDougall pointed out that outsiders would still have difficulty in understanding why, with a budget of nearly \$A10 billion, defence needed supplementary funding to cover peacekeeping tasks. Each peacekeeping involvement may imply a requirement to review priorities in other areas of defence activity, potentially including force structure commitments.

Discussion then returned to the philosophy of force structuring in the face of uncertainty. Strategic circumstances continue in a state of flux and it is difficult to envisage what the regional security environment might look like in ten or fifteen years' time. There are still basic, unresolved questions of political legitimacy in the region. There are contests between democratic interests, as well as inherent difficulties with concepts such as transparency and confidence building. On the assumption that economic development proceeds at the predicted rate, military power in the region will certainly become much stronger than it is now, and Australia will lose much more of its technological edge. All these considerations seem to lead to the importance of cooperative and common security.

One view is that, in this period of rapid strategic change, there could be merit in having a systematic look at the future, particularly at where some of the current trends might be leading. Professor Dibb observed that this had been attempted by the Joint Intelligence Organisation in the early 1970s with mixed results. Some of the predictions on population, social, technical and weapon proliferation trends had been very good, but obviously those on the political side had been poor.

Dr Cheeseman questioned the relative balance between self-defence and regional involvement. In his view, much of our defence planning is still directed against the region rather than with the region. He suggested that we seem to be locked into traditional notions of military threats. Also, there is the related question of whether defence would ever have sufficient resources to handle both regional involvement and self-defence. The fundamental solution appears to be acceptance of the notion that regional security involves much more than military security.

Professor Bruce reiterated his view that, before some of the dilemmas that had been discussed could be resolved and a maritime strategic concept derived, there needs to be a better understanding of international politics and regional dynamics. There is a relationship here with the point made by Professor Davis about cognitive failure - the less the firm understands about what is going on, the more likely it is that it will fail. This is the case in the security context as well where, for example, there are differing interpretations of what constitutes deterrence and what produces reassurance. It is easier to identify when deterrence has failed than when it has succeeded.

Conclusion

In concluding the workshop, Vice Admiral MacDougall noted that it had been an experiment that had paid a good dividend. It had demonstrated a community of concerns and a meeting of minds on a great range of issues. While the naval officers present had received great benefit from the academic viewpoints, the workshop had also provided the opportunity to enhance understanding in academic circles of how navy seeks to do its business, particularly its regional activities.

Rapid strategic change in recent years has led to some paradoxes and unresolved questions that are of particular relevance to the RAN. The navy would always be the arm of the ADF most involved in military diplomacy and regional security cooperation, particularly with regard to providing some of the operational 'building blocks' that are now so important in the confidence-building process. It is important that naval personnel should have some understanding of the issues, even though satisfactory answers may not be forthcoming.

Regional security paradoxes were apparent in the range of complexities identified by Professor Mack in his opening talk. These include the contrast between continued high military spending and lower threats, the sensitivity to confidence building and dialogue, and the contrast between military and economic power. There was also Dr Cheeseman's notion of the 'dark side' of deterrence, when some military activities, unless carefully thought through, could have a negative impact on the regional security environment. The impact on Australia and the ADF of the likely draw-down in US forces in the Western Pacific is another issue of great concern which needs to be addressed in Australia's strategic planning.

There are particular conundrums for the navy with tightening defence budgets, and the balance between warfighting and peacetime roles, and between defence of Australia and regional security involvements. Vice Admiral MacDougall acknowledged that the Maritime Commander bears much of the brunt of the more difficult issues in matching his activities to resources and the perceived strategic requirement.

Finally, he noted the requirement for more lateral thinking in adjusting to the new strategic environment. Some of our historical approach to strategic issues is no longer relevant. Opportunities and risks have to be identified, but these are very wide-ranging, particularly in the maritime environment. Navy needs to look ahead more and anticipate change. Strategic objectives, and the means of achieving them, have to be understood, and in this regard the workshop had been particularly valuable. Another useful achievement had been the establishment of the importance of the holistic approach to security. For navy, this means maritime security and a consequent need for interaction with other areas of marine industry and maritime interest.

APPENDIX: WORKSHOP ATTENDEES

Captain Brian Adams
Commanding Officer
HMAS Creswell

Professor Henry Albinski
Visitor to the Australian Defence Studies Centre
Australian Defence Force Academy

Commodore Sam Bateman
Director General
Maritime Studies Program

Dr Anthony Bergin
Director
Australian Defence Studies Centre
Australian Defence Force Academy

Associate Professor Robert Bruce
Associate Professor of Politics
School of Social Sciences
Curtin University

Captain Mike Carrel
Director
RAN Staff College

Dr Graeme Cheeseman
Lecturer in Politics
Australian Defence Force Academy

Commander Gerry Christian
Deputy Director Policy
Directorate of Naval Policy

Dr Magnus Clarke
Director of Defence Studies
School of Social Sciences
Deakin University

Commodore Tim Cox
Director
Australian Defence Force Warfare Centre

Mr John Dauth
First Assistant Secretary
Disarmament, Security and Nuclear Division
Department of Foreign Affairs and Trade

Professor Jeremy Davis
Australian Graduate School of Management
University of New South Wales

Professor Paul Dibb
Head
Strategic and Defence Studies Centre
Australian National University

Captain Bill Dovers
Commanding Officer
HMAS Hobart

Commander Warwick Gately
Deputy Director Sea Concepts
HQADF

Dr Richard Herr
Head of the Department of Political Science
University of Tasmania

Lieutenant Commander Alan Hinge
Director
Junior Officers Staff Course

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Commander Warren Johnston
Executive Officer
HMAS *Creswell*

Lieutenant Commander Peter Jones
Executive Officer
HMAS *Sydney*

Lieutenant Ric Leahy
Base Administrative Support Centre
HMAS *Cerberus*

Vice Admiral Ian MacDougall
Chief of Naval Staff

Professor Andy Mack
Department of International Relations
Australian National University

Captain Jack McCaffrie
Full-Time MA Student
Strategic and Defence Studies Centre
Australian National University

Lieutenant Peter Ong
Research Officer
Maritime Studies Program

Colonel Peter Rose
Director
Army Research and Analysis

Lieutenant Jason Sears
Research Officer to the Chief of Naval Staff

Commander Dick Sherwood
Director Maritime Studies
Maritime Studies Program

Dr A. Stephens
Deputy Director
RAAF Air Power Studies Centre

Commander Mark Taylor
Operations Support-Navy
Defence Intelligence Organisation

Rear Admiral Rod Taylor
Deputy Chief of Naval Staff

Dr William Tow
Senior Lecturer in International Relations
University of Queensland

Dr Russell Trood
Director
Centre for the Study of Australian-Asia Relations
Griffith University

Rear Admiral Rob Walls
Maritime Commander
Australia

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The aim of the Strategic and Defence Studies Centre, which is located in the Research School of Pacific Studies in the Australian National University, is to advance the study of strategic problems, especially those relating to the general region of Asia and the Pacific. The Centre gives particular attention to Australia's strategic neighbourhood of Southeast Asia and the Southwest Pacific. Participation in the Centre's activities is not limited to members of the University, but includes other interested professional, diplomatic and parliamentary groups. Research includes military, political, economic, scientific and technological aspects of strategic developments. Strategy, for the purpose of the Centre, is defined in the broadest sense of embracing not only the control and application of military force, but also the peaceful settlement of disputes which could cause violence.

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This monograph comprises the proceedings of a Maritime Strategic Issues Workshop hosted by the Chief of Naval Staff at HMAS *Creswell* in November 1992. The workshop was attended by academics and by naval officers and other government officials with an interest in maritime security developments. The objective was to assess the implications for the Royal Australian Navy (RAN) of the changes that have occurred in recent years in the global and regional strategic environment.

Successive sessions of the workshop considered the impact of strategic change, changing naval roles, the RAN's contribution to regional security, current maritime strategic issues and the strategic role for the RAN as perceived by naval officers at different rank levels. The monograph highlights the importance of a military service being prepared to look ahead to anticipate the impact of strategic change on its roles and functions.

