

Why France is apoplectic with rage at Australia's submarine betrayal

Act of duplicity shatters Paris' Anglo-American partnership in Asia

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It is the end of the summer holidays in Cherbourg, a small coastal city in Western France, where an Australian couple wave tenderly to their young daughter heading out for her first day at the bilingual primary school Gibert-Zola.

Just like dozens of other Australian families, they moved there in the wake of the French-Australian submarine deal closed in 2016, near the headquarters of Naval Group, the French defense contractor that won the \$66 billion deal to build the 12 ships.

But after Australia's Prime Minister Scott Morrison announced the unilateral scrapping of the French contract last week in favor of nuclear-powered submarines provided by the U.S. and the U.K., what will be the fate of intimate ties like these that have developed between Australia and France, as well as the wider impact on France's Indo Pacific engagement?

The 2016 deal was the core of a strategic partnership between the two countries involving multiple levels of cooperation focused on more than just defense, with French President Emmanuel Macron's 2018 visit to Sydney cementing the relationship.

In July this year, France released its 66-page "Indo-Pacific strategy," which concluded that, given France's existing territorial assets including Mayotte and Reunion islands, New-Caledonia, Wallis & Futuna, and French Polynesia, that Paris had a major role to play in counterbalancing China's regional ambitions. Australia, India and Japan were its major partners.

This partly explains why Paris has been apoplectic with rage since last Thursday: France feels betrayed. In an unprecedented step, Macron recalled his Ambassadors in Canberra and Washington D.C. for consultations. France's rhetoric -- even that of its phlegmatic Foreign minister Jean-Yves Le Drian has been raw and bitter.

French officials say they were told nothing about the new trilateral security partnership involving Australia, the U.K. and the U.S. until the day before Morrison's press conference.

But was that a failure of French intelligence or an act of duplicity from its allies? Probably a mix of both. Still, Paris projected too much on Australia in its own pursuit of strategic autonomy.

According to the Financial Times, France offered last June to upgrade the submarines to make them nuclear-powered, a proposal that was met with silence from their Australian partners. In the latest round of 2+2 talks between French and Australian Defence and Foreign affairs ministers held on August 30, Canberra let nothing slip regarding a possible change of attitude.

The rage is not so much fear of the commercial consequences for Naval Group, which will be able to recoup some of its losses through various channels, including through the courts. What

has really enraged France is the fact that it will have to totally reconsider its Indo Pacific strategy.

Australia may rightfully perceive China as a greater threat to its interests than five years ago, but joining the AUKUS initiative has revealed its willingness to engage a confrontational -- if not warmongering -- stance toward Beijing, just as Washington tries to rebuild its regional influence following the debacle in Afghanistan.

Regarding the future of its Indo-Pacific strategy, France can no longer align itself with the Anglo-American sphere. Paris will have to replace Australia by strengthening already existing partnerships in Southeast Asia in order to establish a dual engagement/containment strategy toward China that is firm and competitive, but not hostile.

Indonesia already warned against "the continuing arms race and power projection in the region" last week, with Jakarta left uneasy with the AUKUS initiative because it had signed its own defense agreement with France last June, and remains torn between France and the U.S. regarding the purchase of new military aircraft.

Vietnam, which is yet to comment on the AUKUS initiative, has also been considering buying France's new Earth observation satellite to help monitor the South China Sea, even though -- according to the latest news -- Israel is currently a little ahead to win that contract. Malaysia is another longtime partner with France when it comes to naval procurement.

So France has options when it comes to bolstering ties with countries that are looking to balance ties between China and the U.S. Looking forward, French diplomacy is likely to draw on then-President Charles de Gaulle's famous 1966 speech in Phnom Penh castigating American policy in Vietnam.

Still, France cannot do it alone. Nor can it rely solely on defense contracts. Despite what French diplomats call their "historical ties" in the region -- namely as colonial rulers of Vietnam, Laos and Cambodia until 1953-1954 -- its economic influence is too meager to carry any weight.

Paris missed that shot when then-President Francois Mitterrand visited Vietnam in 1993, before the U.S. lifted their embargo. Since then, as the French strategic publication *La Revue Diplomatique* noted recently, most Southeast Asian countries, including Vietnam, Malaysia and Indonesia, have already "re-Asianized" their economies and for the most part have left Europe out in the cold.

France will now need to convince the European Union to build a common strategy for strengthened multilevel ties with the 10-member Association of Southeast Asian Nations in order to provide a credible alternative to China's charm offensive and to find new tools of influence.

There is a narrow path toward achieving that goal, but with many divergent national interests within Southeast Asia and the EU, it will take time and patience to navigate.

For now, France will try to recover from the near-death situation of its "median" Indo-Pacific strategy, while an increasingly isolated China will likely keep pursuing the arms race that countries such as Indonesia already fear.