CONCLUSION

While there have been heated debates in Australia on how to deal with the trilateral relationship, they remain largely internal. The debates have at least garnered some attention in China. China is receptive to the public debate because it believes Canberra could help to persuade Washington to rethink its foreign policy to China’s liking. Indeed, Washington is more likely to be persuaded by Australia than any other Asian country because of shared culture and history. Australia offers a non-U.S. but still Western perspective; it has great value in helping Washington to detect the complexity and nuances of regional responses to the rise of China.

China unfortunately lacks public debate on similar issues concerning its rise as well as growing regional concerns. Chinese scholars’ writings lag behind Australian scholarship in this area. Indeed, some analysts are driven purely by Australian thinking. Beijing is slowly embracing the concept of a collaborative trilateral relationship. Scholars and officials have yet to work out their strategies for it.

Perhaps more troubling for Australia is the lack of U.S. response to the Australian debates, in particular to Hugh White’s policy recommendation. In some ways, this is understandable because Washington is seeking to maintain its hegemony through its global and regional approach, and to consolidate its alliance system across the whole Asia-Pacific region, not just Australia.

The drama unfolds on the Asia-Pacific stage. Let us recount the narrative. It began with Australia and its rather novel idea that power in the Asia-Pacific region could be shared by the two major powers, China and America. Observers in Beijing were excited by the prospect, especially that a Western country with strong allegiances to China’s greatest competitor looked so favorably on China’s global expansion. Washington was dismissive of Hugh White’s idea and itself extended a conciliatory policy toward China. When China started flaunting itself on the Asian stage, however, suspicions in Washington grew, and the U.S. redirected its attention to the Asia-Pacific region. Instead of enlivening the debates and reshaping the trilateral discourse, this turnabout brought with it a sense of solemnity and intensified tensions between the two lead players. A new round of debate has taken place in both Australia and China, with the U.S. pushing its “pivot” policy. Now that Washington has redefined the debate on its own terms, Australia seems to have lost its intellectual edge in shaping the discourse on how best to deal with the rise of China. For now, Australia has taken a seat backstage.

WILLIAM T. TOW

The “East Wind” and Australia’s Alliance Politics

ABSTRACT

Ongoing reassessments in U.S. strategy in the Asia-Pacific have coincided with a major growth in Sino-Australian economic relations. The Australian-American alliance could be increasingly tested if U.S. policy planners are unsuccessful in generating more sensitive and proactive alliance security postures to ensure Australian support for key U.S. interests in the Asia-Pacific.

KEYWORDS: ANZUS, alliance politics, middle power diplomacy, pivot strategy

INTRODUCTION

Power transitions test alliances. The current rise of the People’s Republic of China (PRC) in the Asia-Pacific provides an illustration. China is now Japan’s, South Korea’s, and Australia’s largest trading partner. Yet all three of these countries maintain their longstanding bilateral alliances with the U.S. Australia, in particular, represents a surprising instance of a traditional American regional ally that may find itself impaled on the horns of a policy dilemma, one shaped by contradictory trade and security interests with China and with the U.S. For many years, successive Australian governments insisted that their country would not have to choose between its prodigious Chinese trading partner and the ANZUS (Australia-New Zealand-United States) security alliance as the Asia-Pacific’s geopolitical landscape unfolded.1 Recent policy developments, however, suggest that Australia is moving more into the

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New Zealand has not participated in ANZUS as a formal member since 1986, because of differences with the U.S. over issues of nuclear deterrence.

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American geopolitical orbit. This will drive Beijing to impose a choice on Canberra’s policymakers.

U.S. President Barack Obama’s announcements during his November 2011 visit to Australia provide an example of this unfolding landscape. Obama announced that successive annual increments of from 200 up to 2,500 U.S. Marines would be deployed at the Bradshaw Field training area near Darwin six months out of every year between 2012–17. The U.S. would also “significantly increase” the rotations of its military aircraft through the Tindal Air Base in northern Australia, speed up ship and submarine operations from the Stirling Naval Base near Perth, and pre-position more military equipment and supplies in Australian territory.2 The official Chinese response to this development was relatively muted. A Ministry of Foreign Affairs spokesperson observed that “it may not be quite appropriate to intensify and expand military alliances and may not be in the interest of countries within this region.”3 The state-owned People’s Daily, however, issued a far more robust critique. It warned that “Australia surely cannot play China for a fool. It is impossible for China to remain detached, no matter what Australia does to undermine its security.... If Australia uses its military bases to help the U.S. harm Chinese interests, then Australia itself will be caught in the crossfire.”4

More recently, Australia firmly opposed China’s 2013 declaration of an Air Defense Identification Zone (ADIZ) in the East China Sea, incurring Beijing’s public displeasure.5

Debate on alliance politics within Australia’s policy studies community has understandably intensified as regional power balancing adjusts to an ever stronger “East Wind” of Asia-Pacific structural change spearheaded by a more powerful and assertive China. There has been little commensurate discussion in the U.S.—a country that accepts Australia’s alliance loyalty as a “given.” What follows is not a critique of ANZUS. As recent events have underscored, that alliance will likely remain an integral component of Asia-Pacific security politics. The major concern here is whether what factors might compel Australia
to reassess its longstanding policy of maintaining a judicious balance between regional independence and alliance affinity, and how the U.S. might respond to transitions in Australia’s posture.

In this context, the “China factor” is deemed by various Australian analysts as the most significant.6 As power transitions take effect over the mid- to longer-term, Australia will find it increasingly difficult to calibrate the best of both worlds: achieving greater access to China’s market while still enjoying its traditional assurance of American strategic support. This essay argues that Washington’s reading of Australia’s “alliance loyalty” will be crucial to Canberra’s sustaining any such policy balance.

AUSTRALIA’S STRATEGIC INTERDEPENDENCE:
PRECEDENTS AND DEBATE

Successful postwar Australian governments have concluded, without exception, that their country’s national security interests are best served by maintaining formal alliance ties with the U.S. During the Cold War, ANZUS was viewed by Australian policy elites as underwriting their country’s “forward defense” posture to contain communist expansion in Southeast Asia. In May 1983, an Australian Labor government concluded that the American alliance still benefited Australia because of a “coincidence of strategic interest” that yielded substantial benefits for both alliance partners. For Australia, these included Washington’s commitment to extend a tacit nuclear deterrence guarantee against future nuclear strikes by hostile powers, consistent Australian access to American weapons technology, defense intelligence collaboration via joint installations operating in Australia, combined military exercises, and logistical support for helping Australia to defend its immediate defense environment.7

Following the annual Australia–United States Ministerial (AUSMIN) consultations in November 1999, Prime Minister John Howard’s government (1996–2007) joined President Bill Clinton’s administration in releasing a joint

communiqué underscoring the relevance of ANZUS for strengthening "the fabric of peace in the Pacific area." Labor Prime Minister Kevin Rudd (2007–10, 2013) was an avowed alliance advocate, as was his successor, Julia Gillard (2010–13). Australia’s current foreign minister, Julie Bishop, has continued this advocacy, insisting that the “importance of the United States’ regional and global role” remains the cardinal rationale for Australia to work with the U.S. to promote a liberal international order and to underpin Indo-Pacific regional stability.10

No alliance commitment or affiliation is cost-free, however, and both Australia and the U.S. incur at least some risks by maintaining their security relationship. At different historical intervals, Canberra’s policymakers have found Australia’s national interests to vary from those pursued by their counterparts in Washington, potentially jeopardizing alliance harmony. U.S. policy officials, for example, opposed the 1996 Anglo-French military intervention against Egypt after the latter nationalized the Suez Canal, while Australia supported Britain, its other major postwar ally.11 Less than a decade later, in 1999, American policy officials, increasingly pressuring by their country’s escalating commitment to South Vietnam, issued a warning to their Australian counterparts. Short of an overt Indonesian attack against Australian forces, U.S. forces would not intervene on behalf of Australian and Commonwealth military operations against Indonesian armed opposition to the creation of Malaysia. The Americans observed that this particular conglomeration of subversion or guerrilla warfare was outside the intended ANZUS purview.12

The U.S. also demurred from contributing U.S. combat troops to an Australian-led intervention force in East Timor in 1999. As a smaller and relatively more “dependent” ANZUS party, Australia has contributed substantial military resources to U.S. operations in both Central and Southeast Asia and in the Middle East as a “loyalty dividend” to reinforce American alliance commitment. However, this strategy has had its limits. Australia has long been reticent to include Taiwan as an integral part of the ANZUS purview, notwithstanding strong U.S. pressure at various intervals to do so.13 Gough Whitlam’s (1972–75) government was clearly at odds with the Richard Nixon administration on how to manage the Vietnam War, even while it applauded Nixon’s effort to craft a Sino-American rapprochement.14 In early 1985, Bob Hawke’s (1983–91) government, succumbing to pressure by left-wing elements in the Australian Labor Party (ALP), reversed Australia’s commitment to provide support facilities for U.S. testing of the MX long-range ballistic missile in the Pacific Ocean. Against American wishes, the government also supported a South Pacific nuclear free zone. Unlike New Zealand, however, Australia did not reject the U.S.’s extended nuclear deterrence strategy. This ensured that its long-standing strategic alliance with the Americans would remain intact.

Australia formally recognized the PRC in December 1972, soon after Whitlam became prime minister. The “learning curve” on dealing with Beijing started in earnest after the Tiananmen Square incident in June 1989, and particularly after Howard became prime minister in early 1996. From 1996 to 2007, the Howard government depicted China as an increasingly constructive trading partner and

a potential strategic partner on regional security issues, while privately perceiving China "with distrust, anxiety and unease." 15 A "first wave" of dissent to this post-Cold War Australian foreign policy toward China emerged from opposition politicians and former politicians. They portrayed Howard and his supporters as adhering to an ANZUS-dominated foreign policy at the expense of forging politico-strategic inroads into China; this was a significant course change from the Hawke/Keating Labor government's exercise of "middle power diplomacy" over the previous 10 years. 16 Howard's government gradually evolved the policy, of "not having to choose between China and ANZUS" that has survived to the present day as the guiding maxim of Australia's official China policy. ANZUS was not to be deemed as an inherently "anti-China" or "China containment" policy instrument.

This policy, however, has hardly been given carte blanche treatment, with significant divisions persisting on the China question. Prior to the release of Australia's 2009 Defence White Paper, analysts at the Office of National Assessments and Defence Intelligence Organization viewed China's military modernization programs as primarily "defensive." Reportedly, they differed from their equivalents at the Department of Defense, who viewed China's military modernization programs as a strategy to project greater offensive power throughout the region and to contest U.S. strategic primacy there. 17

Since the White Paper's release, the controversy over what "China strategy" Australia should pursue has sharpened. Hugh White—a former Australian defense official and now one of Australia's pre-eminent independent analysts on strategic affairs—initiated a "second wave" of revisionism on Sino-Australian relations and Australia's overall position in Asia. He argued that Australia should work toward establishing a more equitable and enduring regional power balance, China's economic and military growth, White claimed, will ultimately compel the U.S. to either compensate against China for regional power or share power with it through an Asia-Pacific concord of powers. 18

In this context, Australia should encourage the U.S. to take the latter course of action, and Australia's actions should anticipate this course.

White's argument was contested by mainstream government officials and independent analysts who adhere to the more traditional premise that power sharing will not prevent China from seeking regional primacy. Power sharing with China is best avoided until that country liberalizes within, and subsequently projects a more accommodating posture of national interest toward its regional neighbors and the international community. In their view, China's domestic problems could soon reduce the spectacular pace of its economic growth, its military buildup, and its strategic 'primacy.' 19 Until this happens, they conclude, Australia is best off working with its U.S. ally to deter or forestall excessively aggressive Chinese politico-strategic behavior, if and when it emerges.

An even sharper dissent to Australia's second wave revisionists was advanced by Ross Babbage, a former Australian government intelligence analyst and founder of the Kokoda Foundation, an Australian security think tank. Babbage insisted that Australia could adopt an "asymmetrical strategy" that would include "larger investments in cyber capabilities, advanced under-water systems including nuclear powered attack submarines, modestly sized multi-role arsenal ships (with reductions in other surface naval vessels), advanced air combat capabilities, and a major restructuring of ground forces to place greater emphasis on next-generation special force operations." 20 These capabilities would need to be coordinated with U.S. forces in the region to counterbalance People's Liberation Army (PLA) initiatives such as its "anti-access strategy" to prevent American naval and air forces from operating close to China's shores in a future contingency. 21

Critics of this perspective point out that any discussion of future economic ties between Canberra and Beijing would be fruitless if the Chinese leadership viewed Australia as complicit in assisting the Americans to neutralize China's anti-access strategy. 22 In reality, as White and other second wave revisionists

16. Ibid., pp. 7–8, 14.
18. White, "Power Shift."
21. Ibid.
observed, even if Australia attempted to create or deploy such capabilities, it would hardly make a difference to a country the size of China.  

Other prominent Australian public figures and commentators have sought to develop more-balanced approaches to managing the Sino-American policy dichotomy. Although strongly supportive of the American alliance, Rudd sought to establish Australia as an influential middle power by leading efforts to strengthen regional security architectures. This strategy anticipates future Sino-American relations that are managed within the context of an overarching institution—the "Asia-Pacific community." Australia would work with its Asian neighbors to build a stronger regional order based on rules and incentives that both the Chinese and Americans could embrace. Rudd’s diplomacy floundered, however, because he had not consulted sufficiently with the Association of Southeast Asian Nations (ASEAN) policy elite prior to launching his proposal. Moreover, he tended to overestimate Australia’s influence as a player in the politics of regional institution-building. He was also unable to reconcile this liberal path to regional stability with his strong apprehensions about long-term Chinese intentions.

Paul Dibb, a prominent Australian defense analyst, has advocated continued support for the American alliance and has criticized those who believe that Australia must radically adjust its American relationship to accommodate China. Dibb’s views can be regarded as fitting into a broader Australian school of thought that supports a modest, well-targeted U.S. military and intelligence presence in Australia as long as it is compatible with Canberra’s need to develop an independent regional security posture and the capabilities required to support it. Such efforts might include exploring the advantages of building closer Australia–Japan–Bilateral defense cooperation; sustaining a viable Five Power Defence Arrangement with Singapore, Malaysia, New Zealand, and the U.K.; and gradually cultivating closer bilateral security cooperation with Indonesia. These measures are generally compatible with the Obama administration’s desire for its regional allies and partners to undertake more “capacity building” as a means of supporting U.S. strategic interests in Asia.

More than six decades of Australian–American alliance relations have passed since ANZUS was founded. The current government, led by Prime Minister Tony Abbott, shows little sign of questioning what it views as the unqualified benefits of that longstanding relationship. Other prominent Australians, however, are less hesitant to discuss what they view as the risk of an “unqualified ANZUS.” Former Prime Ministers Malcolm Fraser and Paul Keating, for example, have both warned that Australia must assert greater strategic independence from Washington or risk becoming entrapped in supporting an overly aggressive U.S. in a future regional confrontation with China.

CURRENT ALLIANCE INCENTIVES AND CAVEATS

At present there is no sign that the current Australian government or any realistic successor is prepared to risk the ire of the country’s senior American ally by publicly questioning how well the security partnership serves Australia’s national security interests. Mark Latham, the last major Australian political candidate to suggest that re-evaluation might be reasonable, was successfully portrayed as an anti-American candidate by Howard’s government as Latham led the ALP to an ignominious defeat in the 2004 federal election. Furthermore, a June 2013 Lowy Institute for International Policy poll reported that 82% of Australians felt U.S.-alliance relations are either very important (54%) or fairly important to Australia’s national interests. Nearly half (48%) of those polled saw ties with the U.S. as more valuable than relations with China (37% felt the latter outweighed the former). However, it is notable that most Australians (76%) viewed the Chinese economy as most important to their country (only 66% nominated the U.S. in this capacity), and the vast majority (87%)

25. A leaked Wikileaks cable reported that not long after introducing his Asia-Pacific community proposal, Rudd conveyed to U.S. Secretary of State Hillary Clinton that his initiative was actually intended to blunt Chinese regional influence and that the U.S. should be prepared to use force against the Chinese if "everything went wrong." See Daniel Fitzroy, "Rudd the But of Wikileaks Exposé," Sydney Morning Herald, December 6, 2010.
thought Australia could have a good relationship with the U.S. and China at
the same time.29

Other contingencies may reaffirm Australia’s strategic interdependence
with the U.S. Such circumstances include

- the infusion of more-advanced weapons technologies into fragile state
  regimes or hostile terrorist and criminal groups near Australia;
- the interruption of critical resource supply chains by regional maritime
  conflicts; and
- a major disruption of the Australian economy resulting from future
  crises and wars in Northeast Asia.30

The last scenario, of course, relates to ANZUS concerns about the Asia-
Pacific region’s balance of power. The ramifications of such potential conflict
on Australian security and economic interests would be acute, given Aus-
tralia’s high level of dependence on Northeast Asian trade. In 2012, China,
Japan, and South Korea constituted Australia’s top three export markets,
amounting to half of the country’s export total (slightly over AU$1.50 billion,
or approximately US$1.14 billion in that year) and 36% of Australia’s two-
way trade. China is Australia’s top export destination, accounting for 26%
(AU$7.67 billion) (approximately US$7.0 billion in early 2014) and 20% of
two-way trade.31 Certainly Australia’s economic dependence on China is not
one way, as the PRC currently depends on Australia for such critical com-
modities as iron ore (25% of Australia’s total iron-ore export) and coal.

This dependence on Australian commodities may be reduced over time as
China diversifies its resource supplies and as it changes from a highly export
dependent economy to one increasingly reliant on domestic-oriented markets
and services. Australian awareness of this trend is further sharpened by inter-
mittent Chinese threats to link its Australian trade with geopolitics, e.g.,
following John Howard’s refusal in 2005 to formally exclude Taiwan from
ANZUS coverage.

30. Alex Oliver, “Australia and the World: Public Opinion and Foreign Policy,” Lowy Institute
36th Annual Lecture (Sydney: Lowy Institute for International Policy, June 24, 2013).
31. Australian Department of the Prime Minister and Cabinet, Strong and Secure: A Strategy for
au/publications/trade/trade-at-a-glance-2013/trade PERFORMANCE AT A GLANCE AUSTRALIAN TRADE AND ECONOMIC STATISTICS (html) and Larry Elliott, “China Threatens to Burst Australia’s Iron

During Foreign Minister Bishop’s December 2013 visit to Beijing, Chinese
foreign policy officials’ warnings that Australian opposition to its ADIZ in
the East China Sea could damage bilateral ties were clearly designed to
remind Australia that geopolitics and trade could be linked. The Australian
response was to assign more faith in the primacy of purely market forces than
to take China’s warnings about linking two-way trade and regional politics
too literally. Abbott summarized the current government’s position bluntly,
observing that “China trades with us because it is in China’s interest to trade
with us.”32

Another concern advanced by alliance critics questions the U.S. capacity to
sustain traditional regional defense commitments amid increasing domestic
and economic constraints. Despite reassurances from U.S. national security
officials that America is determined to remain the world’s strongest military
power, Congress has triggered defense spending cuts of US$460 billion–510
billion scheduled to occur over the next decade. These reductions are actually
relatively modest in the context of overall U.S. defense spending. They are
unlikely to affect core U.S. military capabilities in the Asia-Pacific over the
short-term.33 Yet, perceptions are often more powerful than truth. In this
case, as U.S. Joint Chiefs of Staff Chairman General Martin Dempsey has
observed, “[W]hat worries me is that, because of the conversation that we’re
having . . . about changing strategy and budget problems . . . there may be
some around the world who see us as a nation in decline, and worse, as a
military in decline.”34

The steady and impressive rate of growth in Chinese military capabilities
in the Asia-Pacific regional setting presents Australia with a longer-term
policy dilemma. While China confronts the maladies of rampant inflation
and shrinking overseas markets, its government has nevertheless continued to
support the PLA’s military modernization programs.35 If this trend continues,

32. Mark Kenny and Phillip Wen, “Tony Abbott Refuses to Back Down over China Comments,”
Sydney Morning Herald, November 28, 2013. Also see “China Berates Julie Bishop for Comments on
34. Kevin Frischkopf, “What Worries U.S. Military Leaders the Most?” Face the Nation, January
35. Scott Mudoch and Sofieinie Balogh, “Treasury’s Warning on China to IMF From Eurozone
Debt Crisis Will Inflrec Global Economy,” The Australian, July 25, 2011; “China’s Defense Budget
Australia—while not prone to downgrading its overall alliance relations with the U.S.—may be forced to develop more nuanced perspectives about growing Chinese military power. It may, for example, become increasingly discriminative about which specific alliance-related commitments and programs it will prioritize.

There are valid motives, nonetheless, for Australia to support and sustain a strong ANZUS. Defense technology collaboration has become a central aspect of Australian-American alliance politics. In 2011, Australian Minister for Defence Materiel Jason Clare observed that about half of Australia’s warfighting assets originate in the U.S., and that approximately 85% of Australia’s military equipment must be replaced over the next 10 to 15 years.46 In May 2013, the Australia-U.S. Defence Trade Cooperation Treaty came into force, substantially enhancing U.S. companies’ sharing of technical data with Australian counterparts by obviating the need for licenses or speeding up export licensing of U.S. weapons systems to Australian end users.47 Nevertheless, American presidents and the U.S. Congress tend to restrict allied access to selected U.S. military technologies if they have concerns about the relationship between American allies and U.S. strategic preferences. It remains unclear to what extent the current economic crisis in the U.S. may overcome this tendency, requiring an increase in military trade and thereby facilitating alliance defense technology cooperation.

Another factor determining the extent to which a future Australian government could reconsider management of U.S. alliance relations relates to the staying power of American military forces in the Asia-Pacific and the kind of U.S. force presence is maintained. President Obama launched his so-called rebalancing strategy (widely called his “Asian pivot”) for reasserting American power and influence in the region, during a visit to Australia in November 2011.48 As noted previously, this initiative included the temporary deployment of up to 2,000 U.S. Marines in Darwin by 2017. The move is at least partially designed to allay concerns by regional allies that U.S. strategic reengagement from Iraq and Afghanistan would not affect American willingness and capability to remain strategically active in their own region. Obama’s cancellation of trips to Asia in October 2013 to attend key regional summits—while Chinese leaders were touring throughout Southeast Asia—hardly constituted the type of reassurance the pivot strategy was intended to achieve. If there were compelling signs that a U.S. strategic retrenchment—a reduction of military capacity in or politico-security concerns about the region—was underway, Australia might be more inclined to measure its expanding trade ties with China against ANZUS. The prospect that such an Australian reconsideration would take place hinges in part on their readings of China’s geopolitical intentions. However, given the Obama administration’s 2012 Strategic Guidance plan’s insistence that the Asia-Pacific and the Middle East are the two priority regions for U.S. strategic planning, the probability of a significant American strategic retreatment from Asia is remote over the near term.

Nevertheless, future U.S. strategic involvement in the Asia-Pacific may become limited by several constraints. These include what the U.S. would regard as insufficient burden-sharing support from traditional regional allies amid Washington’s efforts to neutralize China’s growing military power. Over the longer term, the U.S. might fail to maintain its traditional edge in defense technology. Or events could compel it by default to fight only “today’s wars” emanating from the Middle East, Central Asia, or sub-state forces such as international terrorism.49 If U.S. global strategy proves to be erratic rather than coherent, Australia may have little choice but to choose a more “evenhanded” posture in its strategic relations with China and the U.S. Given that choice, it would need to work with regional partners to pursue formulas for regional conflict prevention and order-building that would hedge against China becoming omnipotent in the Asia-Pacific. Rudd’s original endorsement as prime minister of the proposed Asia-Pacific community, and his more recent promotion of the East Asia Summit (EAS), are illustrative of the types of regional order-building Canberra could promote in this context. Currently, however, U.S. membership in any such architecture remains a precondition for Australian support.50

40. Kevin Rudd, “Address to the Asia Society Australasia Centre,” Sydney, June 4, 2008; Fritzen, “Rudd the But of WikiLeaks Expose.”
LOOMING STRATEGIC AND GEOGRAPHICAL CHALLENGES

The "China factor" prompted the previous Australian Labor government to initiate a major force-structure review following the release of its 2009 Defence White Paper. Although suggesting that Chinese leadership would promote regional security and a "rules-based regional order," this document provoked Chinese ire by asserting that Beijing needed to generate greater transparency and provide greater reassurance about the intentions behind its military modernization programs.41 The force-structure review was announced not long after the U.S. issued its new military strategy in response to the shift of global power toward the Asia-Pacific.42 The Darwin arrangement confirmed that Australia and the U.S. are now coordinating future basing operations in the western and northern parts of Australia.43 This is intended to allow the U.S. to intervene more quickly and decisively in future regional crises—or in disaster relief operations—and to "bridge" its strategic presence in Southeast Asia with greater access to the Indian Ocean.44 The basing arrangement is also a hedge against a geopolitical uncertainty: to what extent will China develop an offshore power projection capability—labeled by Western strategists as an "island chain" policy—into ever more distant maritime regions, contesting U.S. naval predominance?45 Many Western analysts have argued that the PLA has already launched the so-called "first island chain strategy," which is to eventually control or dominate maritime access to those major archipelagos emanating from the East Asian continental mainland coast—the Kuril Islands, the Japanese archipelago, the Ryukyu Islands, Taiwan, the northern Philippines, and Borneo. If it succeeds in realizing this objective, China could contest and perhaps disable or destroy American bases, aircraft and naval deployments, and other hostile forces in the Yellow Sea, East China Sea, and South China Sea.46

The need to view China impartially but carefully was reiterated in a more nuanced fashion in the Defence White Paper 2013 released by the Gillard government. Designating China as a "positive contributor" to regional and economic growth, the White Paper explicitly emphasized that Australia "does not approach China as an adversary" and that China's military modernization was a "natural and legitimate outcome of its economic growth." Nor, it insisted, do the U.S. or China wish for Australia to choose either the American alliance or the China trade conduit over the other. This approach ensured that China's response to the Defence White Paper 2013 was far more benign than its reaction to the 2009 version.

Two of Australia's basic strategic objectives, however, could still be interpreted as being at odds with Chinese policy. One was to realize a "stable Indo-Pacific" region by working with Australia's Asian neighbors to realize peaceful settlements of territorial disputes in the South China Sea. A second concern Australia working with the U.S. and with its regional security partners to implement a maritime strategy focused on neutralizing military modernization efforts by potential hostile powers that might compromise Australia's natural buffer created by its geographic distance from Asia's most contested flashpoints. Both of these objectives indirectly challenge China's ability to resolve territorial disputes in its favor and to extend its offshore power projection capabilities.47 To meet these objectives will require successful implementation of the U.S. pivot strategy, and also finding a means for Canberra to integrate its own regional defense postures and capabilities into

this strategy. Over the longer term, finding areas of policy compatibility and compromise with China will be no less important.

Underlying the pivot strategy, however, is the key assumption that the U.S. will be able to continue deploying the levels of force capabilities needed to sustain its commitments. Notwithstanding General Dempsey’s aforementioned concerns that overly dour perceptions may be superseding the reality of a still robust U.S. regional defense presence, Washington will most likely have to be increasingly selective about what force capabilities it deploys in the Asia-Pacific. A Congressionally mandated Independent Panel that reviewed the U.S.’s 2010 Quadrennial Defense Review (QDR) concluded that “there is a significant and growing gap between the ‘force structure’ of the [U.S.] military... and the missions it will be called on to perform in the future.”

The extent to which confidence in U.S. military prowess is sustainable over the longer term is uncertain. The size of the U.S. military has shrunk by approximately one-third over the past two decades. The U.S. Navy deploys only half the ships it did in 1990, and the Air Force maintains 10 expeditionary forces now, as opposed to 37 tactical fighter wings 20 years ago. Tellingly, the Independent Panel recommended that the U.S. modernize its surface fleet and increase its investment in long-range strike systems. It also anticipated the need to adapt existing alliances to meet the security threats emerging in the twenty-first century. The Pentagon’s 2010 QDR was explicit in emphasizing Washington’s increased reliance on its regional allies. Noting that the U.S. “cannot sustain a stable international system alone;” it concluded that the “emerging security landscape requires a more widely distributed and adaptive U.S. presence in Asia that relies on and better leverages the capabilities of our regional allies and partners.” Recent disagreements with Japan over basing options (now partially resolved), a delay in shifting operational wartime control from American to South Korean forces, and Thai and Japanese rejection of U.S. access to bases to pre-position military supplies or in support of space surveillance missions all illustrate the kinds of challenges the U.S. will face in alliance burden-sharing.

Australia has thus far mostly avoided burden-sharing dissonance. It has remained committed to deploying a small force to the International Security Assistance Force in Afghanistan until the end of 2014, even as other Western allies have pulled out or announced their withdrawal. The November 2010 AUSMIN talks in Melbourne announced that “enhanced joint activities” such as increasing U.S. forces training in Australia would be undertaken as a mutual response to changing regional power equations. That message may have been largely directed toward those Australian analysts who are anticipating “power shifts” and remain unconvinced about the “long-term viability of American predominance.”

The current scope of Australian-American alliance collaboration could come under greater scrutiny if future cuts in the U.S. defense budget forced Washington to reenforce geopolitically from Europe, the Middle East, and East Asia (despite the Strategic Guidance plan’s insistence to the contrary). This would compel Washington to adopt what until now has been an unthinkable default strategy of minimal power projection—maintaining predominance only over the North American continent, Hawaii, American Samoa, Micronesia, and Guam. Safeguarding the U.S. homeland and its key approaches is precisely what the Independent Panel characterized as Washington’s core defense interest, even while acknowledging that “securing favorable geopolitical conditions” throughout Eurasia and the Middle East would help to guarantee U.S. strategic success. Reducing U.S. forward force projection and deployments would reconstitute what type of power the U.S. is— it would no longer be exercising unquestionable regional primacy, seeking to defend a distribution of capabilities favorable to it. It would become more of a regional hegemon. It could, under such circumstances, still play the role of a limited offshore balancer that seeks to limit growing Chinese predominance in the Asia-Pacific. It would be uncertain whether Asia-Pacific states would be inclined to join the U.S. in balancing against Chinese power.

55. The QDR in Perspective, p. 25.
From Australia’s perspective, the tides of structural change in Asia, and China’s growing role in shaping them, may present Canberra with increasingly difficult challenges and choices over the next two decades. John Mearshimer has pointed out that several factors will be critical to Australian policy planners when they think about a stronger China: (1) China’s military may come much closer to rivaling U.S. military power, negating the long distances needed to operate in Australia’s neighborhood; (2) during future crises or a full-blown regional conflict, China may consider emulating Imperial Japan’s strategy of dominating the Western Pacific, imposing blockades or sanctions on an Australia it considers to be too pro-American; and (3) Chinese oil needs will predicate the development of a “blue-water fleet” capable of operating from the Persian Gulf and into the Indian Ocean’s critical sea lanes of communication. The latter would challenge any future U.S.-led effort, involving Australia, Japan, and perhaps India to balance Chinese power in those littorals. To these factors, one could add China’s escalating economic and political-diplomatic involvement in the South Pacific. This involvement could eventually marginalize traditional Western strategic influence there. So too could the U.S. failure to back a major ally such as Japan in a future crisis involving China.

AMERICAN POLICIES AND PERCEPTIONS

At a time when it is experiencing a relative decline in its economic capacity, the U.S. must identify new approaches to exercising geopolitical influence in critical areas of the Asia-Pacific’s strategic landscape. It must convince its traditional regional allies to stay the course. It has begun this process by providing decisive naval and air support to reaffirm its extended deterrence commitments to South Korea in the aftermath of North Korea’s provocations.

In 2010 and again in early 2013, the U.S. has also adopted firmer positions of support for Japan in its dispute with China over the Senakakus/Diaoyu Islands, and for U.S. ASEAN friends in their territorial contention with China in the South China Sea. Like Australia, many regional actors are confronting the necessity of greater trade with a China that few of them really trust. They support a sustained American strategic presence in their region to balance rising Chinese power. Washington must strike a credible balance between demonstrating sensitivity toward its allies and friends who must cultivate economic ties with Beijing, and remaining sufficiently close-at-hand to ensure they do not slip into China’s geopolitical orbit by default, marginalizing U.S. regional influence in the process.

In this context, what does the U.S. deem to be the most important components of Australian “value-added” contributions (in the words of Australia’s defense minister) to U.S. strategic interests? To what extent will Australia be able to facilitate U.S. interests in an era of increasing economic uncertainty and regional/global power shifts? Perhaps the most fundamental American interest in cultivating the Australian alliance is to strengthen their longstanding, in-depth intelligence relationship. Advanced signals intelligence cooperation undertaken by the Australia-U.S. Joint Defence Facility Pine Gap remains a critical element of tracking the deployments and potential of various countries’ weapons systems and missile delivery capabilities. According to a U.S. diplomatic cable released by WikiLeaks, a visiting U.S. congressman with close ties to the intelligence community related to Prime Minister Rudd that “the U.S. has no better friend on intelligence issues than Australia.” Critics have argued that the newly agreed Pine Gap surveillance capabilities reinforce ANZUS as an “asymmetrical alliance” by entrapping Australia into supporting U.S. space warfare missions tailored to establish U.S. “space dominance,” thus challenging China’s minimum nuclear deterrence posture. The increased regional surveillance capabilities, however, appear to yield more strategic benefits to Australia than risks.


David Rosenberg, Inside Pine Gap: The Spy Who Came in from the Desert (Richmond: Hardie Grant, 2010).


A second key American interest in cultivating persistent security ties with Australia relates to defense burden-sharing. Enhancing Australian military power could eventually make it easier for the Australian Defence Force to deal with hostile contingencies in Melanesia and the broader South Pacific (Australia’s version of its “near abroad” region). These issues might otherwise require force deployment by the U.S.65 The most critical aspect of this strategy would be to build and maintain Australia’s expeditionary ground forces to assist local and friendly forces in carrying out stability and security operations against the type of irregular threats that could evolve in Papua New Guinea, Timor-Leste, or various Pacific island states.

It would be misguided to assume that a country of Australia’s population (just over 25 million), fielding a land force of fewer than 30,000 personnel, could project enough land power to credibly engage or affect the calculations of the Asia-Pacific’s great powers. While Australia’s air and maritime capabilities have long been the lead components in its contributions to alliance operations, they are relatively minuscule compared to their American equivalents. Nor would they be able, without American support, to prevail in the type of low-intensity and local contingencies most likely to confront Western interests near Australia. Australian discussions about establishing a U.S. basing presence in western and northern Australia, and to redeploy existing Australian forces to these sites to support a maritime defense capability for the Australian Continent and its immediate surroundings, are in Washington’s eyes, constructive.

A third American interest in a geographically viable Australia involves supporting the latter’s efforts to extend “middle power diplomacy” into the Asia-Pacific as a way to gradually enmesh China into regional community-building. This coincides with the Australian government’s current posture of “not having to choose” an option, because a more benevolent China would presumably be less likely to challenge the legitimacy of ANZUS. However, Washington must be sensitive to Canberra’s need to avoid the image of merely being a U.S. proxy or “deputy sheriff” when projecting such diplomacy.

This dilemma is illustrated by the diplomatic experiences of recent Australian prime ministers. Despite his efforts to be perceived at even-handedly managing his country’s relations with China and the U.S., Howard was often viewed as having departed from the more Asia-oriented, middle-power-driven multilateral diplomacy that was the trademark of the Hawke-Keating era and was spearheaded by Foreign Minister Gareth Evans.66 Rudd felt pressure to keep some distance from China, as a leader susceptible to accusations that his substantial knowledge of that country and ability to speak its language would naturally drive him toward favoring Chinese interests over America’s.

More recently, Gillard, as a member of the ALP’s left wing, felt caught between two imperatives with respect to the third American interest. She needed to be seen as a “good alliance citizen” so as to avoid tensions with Washington similar to those experienced by the Whitlam government. Yet, she was confronted with the equally compelling imperative of repairing Sino-Australian bilateral ties damaged by the double game of her predecessor, Rudd. His approach had been to encourage China to join in his vision of a new Asian multilateral order by participating in the Asia-Pacific community, while he simultaneously projected a tough China posture via the 2009 Defence White Paper and in his confidential discussions with American officials. Gillard’s April 2013 visit to Beijing culminated in agreement to hold an annual leaders’ dialogue, and in the signing of a “Strategic Partnership” with bilateral military-to-military ties and exercises designed to strengthen transparency and confidence-building.

During her discussions with Chinese leaders, Gillard disclosed her ultimate strategic vision: “Over time we would like to see this extend to trilateral exercises, including the U.S.”66

In this context, the U.S. would be well served by supporting Australia’s middle-power, multilateral diplomacy. Washington must improve on its precedents in this policy area. The Hawke-Keating government’s 1997 initiative to explore the creation of a Council for Security Cooperation in Asia was quashed by the George H. W. Bush administration as premature and ineffectual multilateralism, compromising U.S. bilateral security alliance arrangements in the region.66 Rudd’s Asia-Pacific community initiative, floated between 2008 and

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66. Cited in Darel Moir, “By Any Measure Julia Gillard’s Trip to Beijing Was a Success. However, Her Most Visionary Goal Remains Unfulfilled,” The Diplomat, April 27, 2013.

2010, was perhaps premature and poorly orchestrated, but it deserved greater American support than it received. Indeed, elements of the Asia-Pacific community proposal (e.g., involving all of the region’s great powers to develop a forum where their heads of state could discuss economic and political-security issues) were eventually incorporated into the EAS; the U.S. finally joined that body in 2011. Australian leadership in this policy area has much less to do with serving as Washington’s “proxy by stealth” (as Asia-Pacific community critics in ASEAN sometimes claim) than with the need for Australia and other middle powers to eventually win support for regionally based order-building. During a time when U.S. defense spending is likely to shrink substantially, innovative soft power diplomacy initiated by a trusted Australian ally should increasingly be viewed by Washington as essential.

**CONCLUSION**

Bilateral alliances between states are most commonly viewed by international relations theorists as marriages of convenience where the “senior ally” prevails over its weaker partner to shape and manage common interests against mutually perceived threats. The three U.S. interests vis-à-vis Australia outlined above seem to conform to this notion. To date, the benefits of sustaining ANZUS have remained sufficiently compelling to withstand these relatively minor tests of alliance cohesion. The concept of “alliance,” however, is inherently interest-based and impermanent; as national interests shift over time in response to transitions in wealth and geopolitics, the logic of “with whom” to align usually follows suit.

The key question, however, is the following: To what extent will ANZUS remain viable if an ever stronger China and increasingly resource-strained American superpower fail to avoid ever-suffer regional and global strategic competition? Under these conditions, U.S. policy planners would be highly likely to demand that Australia make the very choice that its current policy is designed to avoid. Alliance loyalty could be measured over a future crisis in the Taiwan Strait, or in a contingency where American and Chinese troops once again clash on the Korean Peninsula. Could a future Northeast Asian contingency spur Australia’s version of the U.S.-New Zealand nuclear “divorce”—several decades later? The real value of the ongoing debate between alliance proponents and second wave revisionists is that they are forcing Australian policymakers and the public to consider how they would respond to a contingency of outright Sino-American conflict that they hope will never happen.

A more complex world shaped by historical power shifts could well generate ambiguities in future Australian-American alliance relations. This may be the case notwithstanding recent Australian governments’ highly visual efforts to reaffirm the U.S. alliance as a core element of Australia’s national security strategy. Responding to a stronger China and to an economically constrained America will comprise an increasingly fundamental challenge to Australian policymakers over the next two decades and beyond. Blindly demarcating and relying upon a division between “business as usual” with China as an increasingly dominant economic partner, and exclusive strategic collaboration with the U.S., may well compromise Australia’s national security interests. Fostering opportunities for Australia to interact with China across a wide spectrum of policy areas will serve those interests more effectively if Beijing is induced to understand that such interaction with Canberra does not provide China with a license to pressure or intimidate successive Australian governments into reducing their defense cooperation with the U.S. A recently published joint Sino-Australian study on shaping future Australian-Chinese cooperation underscored this important point as it applies to the security policy arena: “Cooperation between Australia and China in addressing regional security threats is not only feasible but indispensable. . . . Strengthening security cooperation between Australia and China will send a signal that U.S. allies and China can overcome their differences and mutually work towards building trust and peace.” For its part, Washington will need to take care in avoiding any tendency to regard its alliance with Australia as a non-essential asymmetrical relationship at a time when its need for effective allied burden-sharing has never been greater.

Pursuing middle-power diplomacy may represent Australia’s best chance to alleviate Chinese suspicions that Canberra is merely colluding with Washington to shape a new containment strategy directed against China. Sino-Australian negotiations designed to find a compromise between Chinese ideas

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like the "New Security Concept" or "Harmonious World" and those liberal-institutionalist visions more associated with Western approaches to order-building could be regarded as a regional confidence-building exercise. This could complement other confidence-building negotiations in the region such as the Six-Party Talks initiative to stabilize the Korean Peninsula. So also could an Australian effort to initiate a maritime security dialogue between China and the region's other great maritime powers (India, Japan, and the U.S.) and ASEAN.10

Australia's core responsibility under current historical circumstances, in a highly dynamic Asia-Pacific security environment, is to adopt a consistent and assured strategic and economic posture relative to its geopolitical setting and resource capabilities. Its recent track record in this context is mixed, although its leaders have, at least partially thanks to China's exports of Australian commodities and services, managed Australia's finances relatively well compared to many other developed economies. Even more positively, Australia's policy debate on China and on its own national security has evolved in ways that can be regarded as increasingly responsible. Indeed, the debates reflect an American ally determined to work with the U.S. as a genuine, albeit more independent and self-confident, security partner. It is essential for both Australia and the U.S. to work together toward finding new and innovative ways to engage and work with China as an increasingly powerful economic and military presence in the Asia-Pacific.

NICK BISLEY

Australia and Asia's Trilateral Dilemmas
Between Beijing and Washington?

ABSTRACT

Asia's middle powers face a trilateral dilemma stemming from their relationships with the U.S. and China. This paper uses the Australian example to examine the dilemma. It shows that Australia has bound itself to the U.S. because of domestic political factors, cost considerations, a belief that it can keep its interests separate, and its perception of regional threats. The paper then argues that others are likely to resolve their trilateral dilemmas in ways that make the regional strategic dynamic more competitive.

KEYWORDS: Australia, China, United States, trilateralism, middle powers

In 2007 China overtook the U.S. to become Australia's leading trade partner, presenting strategic planners with a dilemma. For the first time in its history, the Commonwealth of Australia had as its most important economic partner a state that was neither its strategic guarantor nor an ally of that guarantor. Australia now faces a hard choice deriving from the changing balance of its economic and strategic interests. Other middle-ranking powers—such as Japan, South Korea, and Singapore—also face a similar trilateral dilemma involving an invidious choice between Beijing and Washington. Each is relatively wealthy, yet incapable of achieving its strategic and security goals independently given the asymmetries of the region. Each has a military relationship with the U.S. to make good this shortfall, yet each is potentially caught in a trilateral trap as its economic interests are more and more bound


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