The Australia-U.S.-China Triangular Relationship*

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Abstract

This article examines the changing nature of Australian-American relations in the aftermath of the Iraq imbroglio and China’s rise. While many observers see differences in Australian and U.S. approaches toward China as a reflection of different interests, it is the contention of this paper that these different Australian-U.S. perspectives on China are, in fact, premised more upon some highly skewed and fallacious assumptions and beliefs, misconceptions, and myths that have lately come to underlie Australia’s China policy, than upon divergent Australian-U.S. interests. This article looks into the proposition that China’s rise has the potential to divide Australia and America, but concludes that Beijing is unlikely to succeed in driving a wedge between Washington and Canberra (or “doing a South Korea on Australia”). While in peacetime, Canberra may be unwilling to displease Beijing, Australia will ultimately side with the United States in any conflict because sitting on the fence in regional affairs has never been an option for Australia. The shared values and shared strategic interests ensure broad support for the Australia-U.S. alliance in Australia, which has now expanded into a global partnership encompassing the transnational security issues as well as the traditional geopolitical issues of managing the rise of new powers.
Since the end of World War II, common heritage, history, language, shared strategic interests, and shared political values have tied Australia to the United States across the Pacific—in much the same manner as Britain to the United States across the Atlantic. The Australian nation’s inherent strategic vulnerabilities in a region perceived as an “arc of instability” and its predominantly European society’s traditional fear of being “swamped by Asians,” in a region that is home to large, populous and powerful nations, underlie Australia’s historic quest for alignment with “a great and powerful friend” (first Britain, and then the United States). To the United States, Australia’s importance as the closest ally in the Pacific is evident from Canberra’s unquestioning support of Washington—not only throughout the Cold War but also all its post-Cold War strategic moves, from the Gulf War of 1991 to the Missile Defense initiative and the current Global War on Terrorism. For its part, the United States also values Australia’s contribution to peacekeeping operations—such as in East Timor, stabilization of the Solomon Islands and Papua New Guinea, and other crisis points in the South Pacific. In December 2004, Australia was one of the core Group of Four nations led by the United States that took the lead in helping the tsunami victims in southern Asia.

The Australia-U.S. partnership reached new heights in 2004-05 following the successful conclusion of some major economic and military deals that made Australia the first and only country in the Asia-Pacific to have a Free Trade Agreement (FTA) with the United States that reinforces a 54-year-old mutual defense pact. The alliance was further strengthened by an agreement on the joint development of missile defense systems. The Australia-United States Ministerial Consultations (AUSMIN), held on a regular basis, have in recent years focused on rebuilding Iraq, China’s rise, combating terrorism and proliferation of weapons of mass destruction (WMD), enhancing defense cooperation and interoperability. At their July 2005 summit, President George W. Bush and Prime Minister John Howard noted, “Australia and the United States have never been closer.”

* The views expressed here are the author’s own and do not reflect the policy or position of the Asia-Pacific Center for Security Studies or the U.S. Department of Defense.
However, this period of such close cooperation has also witnessed the revival of domestic debate within Australia about the costs and benefits of the alliance relationship with the United States. Though the Iraq War seems to have sparked this debate, China’s rise has intensified it. This article examines the changing nature of Australian-American relations in the aftermath of the Iraq imbroglio and China’s rise—two issues that dominated the Howard-Bush summit in May 2006. It looks into the proposition that China’s rise has the potential to divide Australia and America, but concludes that Beijing is unlikely to succeed in driving a wedge between Washington and Canberra (or “doing a South Korea on Australia”). The subtle differences in Australian and U.S. approaches toward China notwithstanding, the shared values and shared strategic interests ensure broad support for the U.S. alliance.

Australia-U.S. Alliance: Getting Stronger Amidst Greater Scrutiny

The United States remains Australia’s most important military ally, with its 1951 ANZUS Treaty (Australia, New Zealand and the United States) the cornerstone of Australia’s defense policy. Under Prime Minister John Howard’s conservative coalition government, Australia has established new benchmarks for alliance loyalty to the United States by consistently supporting U.S. strategic initiatives and policies at global and regional levels. Both Australia and the United States have placed the Global War on Terrorism (GWOT) at the forefront of security considerations. Soon after the 9/11 attacks, Australia’s decision to invoke the ANZUS Treaty—for the first time in the treaty’s history—was tantamount to saying that the attack was also against Australia. This led to the Australian Defence Force (ADF) deployment to fight first in Afghanistan and then in Iraq. The October 2002 Bali bombing (in which 88 Australians died and hundreds were injured), and attack on the Australian Embassy in 2004 in Jakarta added a new layer of substance to Canberra’s relations with Washington and reinforced Australia’s support to America’s anti-terrorism efforts. Australians general-

ly have a positive perception of U.S. objectives in the GWOT. For both countries, the GWOT, at a fundamental level, is a battle of ideas, values, beliefs, and above all, a fight between theocratic and secular ideologies. Both believe that the fight against terrorism will be a long one. This realization explains Australia’s close association with and military support for the United States to develop cooperative measures to meet common challenges in the 21st century.2

In addition to troop commitment in Afghanistan and Iraq, Australia’s contribution to U.S. global strategy—missile-tracking and intelligence installations at Pine Gap, intensified force interoperability for participation in coalition operations, Canberra’s participation in the development of a missile defense shield, and collaboration in managing the transnational threats of terrorism and proliferation—is evidence of the “special relationship” between the two Pacific democracies. For their part, Australians acknowledge alliance benefits in the form of access to U.S. intelligence, advanced military hardware and technology and the opportunity to play a wider regional role. In the words of Secretary of State Condoleezza Rice, the United States “has no better friend and no longer-standing friend than Australia.” An opinion poll conducted by the Sydney-based Lowy Institute in 2005 revealed that despite their concerns about U.S. policies post-Iraq, Australians overwhelmingly support the ANZUS alliance, and worry about many of the same threats as Americans, with 72 percent seeing the alliance as either “very important” or “fairly important.”3

However, despite the congruence of Australia-U.S. interests at the global level, geography and power asymmetry necessarily generate different threat perceptions at the regional level primarily because Australia is a regional power, while the United States is a global power with global interests and responsibilities. That reconciling the regional interests of a regional power like Australia with U.S. global interests and strategy remains a major challenge for policymakers at both ends of the Pacific Ocean was further illustrated throughout 2004, which saw the U.S.-Australia alliance relationship becoming the focus of Aus-

tralian domestic political debate in an election year and a major source of discomfort for Washington. Domestic opponents charged the Howard government with turning Australia into an American satellite, while neglecting relations with Asia. The Howard government responded to the criticism by saying that Australia does not have to choose between Asia and America and that it was dealing with both to serve Australia’s national interests. Natural gas sales to China, free trade agreement (FTA) negotiations with Singapore, Thailand, China and Japan and upgraded security ties with Japan were offered as evidence of Howard’s success in engaging both Asia and America.

The Iraq War Sparks Debate on Australia’s U.S. Alliance

Critics, in particular, cited the Iraqi quagmire as undermining rather than promoting Australia’s security. The Howard government took a significant risk in sending forces to Iraq in the absence of an unambiguous U.N. mandate and in the face of considerable public opposition. Howard also came under sharp attack from opposition Australian Labor Party (ALP) leader Mark Latham that his policy choices, especially on Iraq, were made in deference to Washington. Opinion polls indicated that most Australians agreed with the opposition’s criticism. Underlying this sentiment was a long-standing belief in Australian society that the country should be less compliant in the strategies of “great and powerful friends,” and avoid entanglement in “other people’s wars” in places such as the faraway Middle East. For their part, senior U.S. officials castigated Latham’s promise to withdraw Australian troops from Iraq by Christmas if he won the 2004 parliamentary election. While then Secretary of State Colin Powell described Latham’s troops pullout call as “a political disaster” that would “embolden the enemy,” his deputy Richard Armitage even invited Australians to “think what it would be like without this relationship with the United States.” Fortunately, with the reelection of Howard (largely because of Australia’s buoyant economy) and Bush, all this turned out to be, as noted strategic analyst Paul Dibb put it, “just part of the political silly season in both Washington and Canberra.” Nonetheless, the 2004 election campaign showed that the alliance could
come under stress and strain if a careful mutual calibration of interests and domestic political constraints is not undertaken.

Admittedly, many criticisms of the Bush administration’s unilateralism (i.e., the withdrawal from the Kyoto Protocol, the rejection of the International Criminal Court, the Iraq War) are not limited to Australia alone but have been voiced by others as well. Some criticisms are, however, Australia-specific as certain U.S. policies adversely affect Australian interests. These relate to Washington’s failure to provide leadership on the Doha trade round talks; the Asia-Pacific Economic Cooperation forum; and its failure to bolster the non-proliferation regime. While some may be dismissed as a middle power’s “misplaced optimism about the utility of multilateralism,” others are a reflection of the isolationist “Fortress Australia” mentality that seeks to avoid entanglement in “other people’s wars.” Of particular concern, however, is the emerging “strategic gulf” between Australia and the United States over China that many believe is now casting “a dark shadow on the Australia-U.S. alliance”—so much so, that the current Australia-U.S. concord over the war on terrorism is said to obscure “strategic divergences” vis-à-vis China. That Canberra sees China in a somewhat different light from its two closest security partners (the United States and Japan) became evident at the March 2006 trilateral Australia-U.S.-Japan foreign ministers’ summit where Australia was seen as distancing itself from any idea of ganging up on China, claiming it had a “very good and constructive” relationship with Beijing. What makes Australian policymakers take a somewhat benign view of China’s rise?

7 Ibid.
Dragon’s Shadow over the Australia-U.S Alliance

The management of Australia’s U.S. alliance while strengthening the “strategic economic relationship” with China is shaping up as the toughest foreign policy task for Australian policymakers in the 21st century. Notwithstanding Howard’s recent statement that “the strength and the depth” of Australia’s alliance with the United States would “in no way affect Australia’s capacity to interact with and form a close and lasting partnership and friendship with China,” observers are pondering over the significance of the fast-changing dynamics underlying the Australia-U.S.-China triangular relationship.9 China is now as critical for Australia’s economic security and prosperity as the United States is, in terms of Australia’s military security. China has already overtaken the United States as Australia’s largest source of imports and it ranks behind Japan as an export market. In 2004-05, the combined Australia-China two-way goods trade exceeded the value of Australia-U.S. trade. It is only a matter of time before China becomes Australia’s largest trading partner. China’s increasing imprint on the economic, political and strategic character of its region also makes it imperative for Australia to seek a mutually beneficial accommodation with the Asian giant.

Confronted with a dramatic expansion of the U.S. military power (so-called “hard power”) all around China’s periphery post-9/11, Beijing responded by unveiling its “soft power” strategy in the form of a diplomatic “charm offensive,” and the notion of “China’s peaceful rise” that laid greater emphasis on multilateralism and economic integration in Asia.10 Beijing also let it be known that it viewed strategic alliances of the type the United States has with Australia, Japan, South Korea, Thailand and the Philippines as out-dated and “relics of the Cold War era.” Beijing feels the U.S. forward military presence constrains not only its reunification with Taiwan, but also how it manages Japan, Australia, India, the Koreas and ASEAN (Association of Southeast Asian Nations). As a great power, China seeks freedom of action and does not

want any government to take any action contrary to Chinese interests. While the United States remains preoccupied with Iraq and Afghanistan, Beijing has been busy carving out a large sphere of influence for itself by seeking to subdue Japan and Taiwan, and weaken the U.S.-South Korean alliance in Northeast Asia; by skilfully using multilateralism and economic diplomacy to establish a pro-Beijing regional order in Southeast Asia; by strengthening Beijing’s military alliances with Pakistan, Burma and Bangladesh in South Asia to contain India and gain access to the Indian Ocean so as to secure trade and energy resources in the Middle East and Africa; and by making significant inroads in the South Pacific under the cover of a China-Taiwan contest for diplomatic recognition. Beijing calculates that one of the consequences of the burgeoning Sino-Australian trade and resource dependency will be a widening of the gap between Australian-American and Australian-Japanese interests.

Despite Howard’s rejection of any “inevitable dust-up” between the United States and China, as a traditional U.S. ally and the strongest supporter of the U.S. military presence in the region, Australia has become acutely conscious of the conflicting interests of Asia’s rising superpower and the world’s reigning superpower. The Howard government places a high premium on relations with China, with which it is currently negotiating an FTA. Though still a close ally of Washington on a multitude of fronts, Australia has in recent years diverged from the United States over China in several areas.

While Australia sees China as a constructive and benign power, U.S. officials emphasize the need to prod China to become a “responsible stakeholder” in the international order and cooperate with Washington in dealing with trouble spots, ranging from North Korea, to Burma, to Iran, to Sudan. That requires Beijing to shed its habit of looking at the world through the perspective of its narrow commercial interests and resist the temptation to exploit regional crises to China’s advantage. While Canberra paints an optimistic picture of China’s world role, and cautions against being “obsessed” with its strategic

11 Kelly, “Australia Poised Between Giants.”
threat, Washington describes the relationship with China as “complicated,” with problems looming over a range of issues including China’s soaring trade surplus, currency value, intellectual property disputes, Taiwan, human rights, nuclear proliferation, and double digit growth in China’s military spending for 17 consecutive years. In contrast, China’s burgeoning and opaque defense spending evokes no criticism in official Australian policy statements.

While Australia would rather concentrate on its economic relationship with China, Bush urges Howard to “work together [with the United States] to reinforce the need for China to accept certain values as universal—the value of minority rights, the value of freedom for people to speak, the value of freedom of religion, the same values we share.”

But the Howard government, vocal in supporting the spread of democracy in the Middle East, has been unduly silent on the uncertainty of China’s political evolution or its deplorable human rights record. Furthermore, despite China’s appalling record of nuclear proliferation to Pakistan, North Korea, Saudi Arabia, Iran, and Libya, Canberra has recently concluded an agreement to allow Beijing to buy immense quantities of Australian uranium to fuel Chinese nuclear power reactors. Even in the trade arena, critics maintain that Australia has given the Chinese a pass on intellectual property rights violations and murky monetary policies, declaring them a market economy when manifestly they are not. Significantly, Australia has also maintained a moratorium on ministerial level visits to Taiwan. In fact, Taiwan is the key issue over which cracks seem to be emerging in the alliance.

**Will Taiwan Divide Australia and the United States?**

The possibility of a U.S.-China confrontation over Taiwan could confront ANZUS with its greatest challenge and is seen as having the potential to divide Australia and the United States. Much as Canberra

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would prefer a closer “strategic partnership” between Washington and Beijing, the reality is that many Americans view China as a long-term strategic threat and one that Australia will be expected to confront along with the United States if future Sino-American crises over Taiwan (or North Korea) materialize. The nightmare scenario for Canberra is a military confrontation that would mean choosing sides and lining up with the United States against China. Even minimal Australian support (logistics or intelligence support) for the U.S. war effort would invite maximum Chinese retaliation.

Much like the United States, Australia has long followed a bipartisan “one-China policy” that calls for a peaceful resolution of the Taiwan question. However, the alliance equation has now emerged as a bone of contention between Australia and China on this issue; and Beijing has put Australia on notice that China expects it to remain neutral should a conflict break out. For their part, several Bush administration officials have emphasized their expectations for Australia to support an American defense of Taiwan should such a confrontation occur.\(^\text{15}\) Debate on Australia’s posture in the event of conflict over Taiwan remains polarized between those who urge caution and are wary of “the American neoconservatives’ view of China,” and those who do not want to abandon the economically prosperous and democratic state to the bullying tactics of Communist China.\(^\text{16}\) Others advocate maintaining “calculated ambiguity.” Most argue that Australia’s response to any crisis should reflect how that crisis emerges, and then decide whether, to what extent or under what conditions, it would support the United States if China moved against Taiwan.\(^\text{17}\) For example, was a Chinese attack provoked by reckless behavior on the part of Taiwanese authorities, or was it an opportunistic, sudden strike by the Beijing leadership to take advantage of perceived U.S. preoccupation elsewhere?

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Some influential Australians contend that the alliance must allow scope for disagreements over some issues and that the United States should understand Australia’s non-participation in a future conflict across the Taiwan Strait in the same manner as it did Britain’s non-involvement in the Vietnam War or Canada’s in the Iraq War. Some want Australia to jump onto a rising China’s bandwagon and dump the fading superpower, America. Australia’s rapidly growing pro-China lobby in the strategic community, media, business, and academia adds weight to this argument by contending that Chinese trade and commercial ties have now become too important to the Australian economy for Canberra to risk alienating Beijing over Taiwan, or other issues that may rupture Sino-U.S. relations. For its part, Beijing is dangling the carrot of lucrative business deals (such as the $25 billion natural gas deal) and the promise of a “strategic partnership” with Canberra so as to ensure Australia’s neutrality (along with that of South Korea and the Philippines) in the event of a conflict across the Taiwan Strait. Undermining the U.S.-Australia alliance has been a major objective of Beijing since 1996, when Canberra strongly protested against Chinese missile tests near Taiwan’s shores. Whether Australia will get a free pass on Taiwan would depend on the origins of the conflict and on whether Republicans or Democrats are in control of the White House at that time. Those who stress that support for the United States over Taiwan should not be regarded as automatic, also object to Australian participation in U.S.-led coalitions in defense of American global interests and strategy. Obviously, Australia’s growing dependence on China for its sustained economic growth has strategic consequences. It constrains Australia’s foreign policy choices and restricts its freedom of action in disputes involving China over Taiwan, nuclear proliferation,

19 Pro-China lobby arguments are analyzed in Greg Sheridan, “Between Giants,” Australian, March 19, 2005.
20 A survey says 71 percent of Australians were against coming to the U.S. aid in case of a Taiwan conflict. See Bonner and Greenlees, “Australians View U.S. as a Threat to Peace.”
trade, and currency issues.

The United States is committed by law to help defend the island’s democracy in the event of unprovoked aggression. The United States and Japan raised China’s ire in February 2005 by issuing a joint security statement that listed peace in the Taiwan Strait as a “common strategic objective.” By contrast, Foreign Minister Alexander Downer caused a stir in August 2004 when he suggested at a press conference in Beijing that the ANZUS treaty would not be applicable in the event of a U.S.-China conflict over Taiwan: “The ANZUS obligations could be invoked only in the event of a direct attack on the United States or Australia. So some other activity elsewhere in the world [read, Taiwan] . . . doesn’t invoke it.”21 Downer’s somewhat disingenuous interpretation of the treaty evoked a sharp rebuke from the U.S. State Department spokesperson who countered by saying that “Articles IV and V of the treaty specifically say that an armed attack on either of the treaty partners in the Pacific would see them act to meet the common danger.” Washington would invoke the treaty if China attacked U.S. forces in the Taiwan Strait in the Pacific. After the U.S. officials reiterated Australia’s “pretty clear” treaty obligations, Howard corrected his foreign minister and Downer quickly backtracked, stressing that Australia always maintained a position of not commenting on the position it would take.22 Downer’s contradictory and ambiguous remarks did, however, indicate a shift from Canberra’s clear-cut stand taken in 1996, when it supported the dispatch of two U.S.-carrier groups to the Taiwan Strait. This “shift” is attributed to China’s rapidly rising economic clout, its “soft power” offensive, and Beijing’s sweet talk of closer “strategic partnership” with Canberra, which is aimed at turning even a conservative staunchly pro-American Australian government into a doubting ally seeking to distance itself from a key U.S. strategic posture in the region.

Apparently, domestic discord over the U.S. alliance, coupled with Downer’s remarks aimed at currying favor with the Chinese, led Bei-

jing to conclude that Canberra could be weaned away from Washington through economic inducements and strategic coercion. This assessment lay behind Beijing’s decision to up the ante by publicly demanding in March 2005 that the Howard government review its 50-year-old military pact with the United States, warning that the ANZUS alliance could threaten regional stability if Australia were drawn into a Sino-U.S. conflict over Taiwan.23

China also has the potential to divide Australia and Japan, as Tokyo increasingly appears willing to risk China’s wrath and stand up to it, while Canberra seems reluctant to displease Beijing. This is evident from the joint U.S.-Japan declaration of February 2005 that commits Japan’s military support for the United States to prevent an armed takeover of Taiwan by China, and Tokyo’s willingness to grant visas to Lee Teng-hui and the Dalai Lama. Tokyo has also been quite explicit that its long-term security concern is China. Another issue where the Australian and U.S. positions seemingly diverge is the recently concluded U.S.-India nuclear energy cooperation pact. Canberra’s recent decision to supply uranium to China but not India—on the grounds that China is a signatory to the Nuclear Non-Proliferation Treaty (NPT), while India is not—was hardly convincing because Canberra’s legalistic stance disregarded the reality of China’s deplorable WMD proliferation practices when compared with India’s exemplary record.24

**Divergent Interests or Misconceptions and Myths?**

The aforementioned developments have created the perception that Australia is “going soft” on China, and that Australians “fear upsetting the Chinese leadership and losing trade with China.”25 Many

observers see divergent Australian-U.S. perspectives on China as a reflection of conflicting interests. However, it is the contention of this paper that these different perspectives are, in fact, premised more upon some highly skewed and fallacious assumptions and beliefs, misconceptions and myths that have lately come to underlie Australia’s China policy than divergent Australian-U.S. interests.

A major assumption is that economic interdependence would constrain China’s ambitions and moderate its external behavior. But the experience of 1914 is a reminder that trade and economic interdependence alone cannot ensure peace. One Australian analyst claims that “the behavior of Chinese policymakers has already been significantly influenced by China’s incorporation into the international system in ways that seem under-appreciated or understated by both Australian and American counterparts.” Such analyses tend to overlook negative developments in China’s behavior such as the anti-Japanese riots, China’s divide and dominate tactics in multilateral forums, Beijing’s opposition to UN Security Council reforms, dilatory tactics on the North Korean and Iranian nuclear issues, Chinese territorial claims vis-à-vis the ancient Goguryeo (Korean) kingdom, military incursions into the tiny Buddhist kingdom of Bhutan, and China’s support for pariah regimes in North Korea, Iran, Sudan, Burma, and Zimbabwe. Some even make the spurious argument that in the age of economic interdependence, while economic security is indivisible, military security is not. Contending that security issues (such as jihadi terrorism, oil supplies, sea lanes safety or China’s military expansion) concern only the United States and not Australia, some advocate insulating Australia from global security issues in order to have closer mutually beneficial ties with regional economies (esp. China). No logical explanation is offered for the rise of jihadi terrorism in states as diverse as Canada (where a plot to behead Premier Steve Harper was foiled recently) and Switzerland, despite their opposition to the Iraq War and well-established neutrality.

The rise of a great power—especially one with an authoritarian government nursing historical grievances—has always been destabiliz-

26 For example, Kelly, “Australia Poised Between Giants.”
28 Ibid.
ing for the international system. National interests include values and values matter more than trade. China is no South Korea or Japan. Regimes that do not share power at home, or accept any institutional constraints on the exercise of power at home are unlikely to respect the rights and interests of others in the international system. Optimists’ view that “China’s craving for world acceptance of its great power status would make it play by the rules of the game,” cannot alone be the basis of a prudent China policy. The serious deterioration in China-Japan relations belies the expectations of the economic interdependence school that geo-economics will trump geopolitics in the era of globalization. While everyone hopes that China would indeed have a “peaceful rise,” hope alone cannot be the basis of policy. It would be wise to develop options and choices for all contingencies.

Another faulty assumption is that the concepts of balance-of-power or military containment are both alien to the Asian historical experience and outdated in an interconnected world. Proponents of this view have obviously not heard of Sun Tzu’s *The Art of War* and Kautilya’s *Arthashastra* [“Statecraft”]. This view also presupposes that balance-of-power is time-specific or country-specific. Rather, it is an age-old, natural, biological concept rooted in human nature and the single most important element of statecraft since time immemorial. Beijing has always practiced hard-core balance-of-power games by forming alliances to serve its interests. If the U.S. efforts to shore up security ties with Japan, Australia, India, Vietnam and Indonesia are “vintage Cold War,” then so are China’s attempts to establish a “Coalition of Autocracies” with Russia, North Korea, Cambodia, Burma, Pakistan, Iran, Saudi Arabia, Sudan, Zimbabwe, Cuba, and Venezuela. While China’s economic boom offers profit and opportunity, Beijing’s strategic ambitions and efforts to lock up a significant share of Central Asian, African, Latin American, and Russian energy resources and minerals for China’s exclusive use generate suspicion, fear and uncertainty. This largely explains why most countries on China’s periphery (including Australia) are strengthening their security ties with the United States as

30 Ibid.
part of a hedging and balancing strategy in an uncertain Asia-Pacific region, even as they become increasingly dependent on the Chinese market for trade and prosperity.

Finally, the argument that Australia needs China on its side in order to have good ties with Asia is a skewed one, because of the tendency to confuse and equate China’s growing economic influence with Chinese hegemony. The reality is that China arouses unease among regional countries because of its size, history, proximity, potential power, and more importantly, because the memories of the Middle Kingdom syndrome and tributary state system have not completely dimmed. Historically, there has never been a time when China has coexisted on equal terms with another power of similar or lesser stature. Asian countries worry more about China than about the United States or Japan. Many believe that China will project a “peaceful rise” and speak the language of moderation so long as world events turn out according to Beijing’s expectation. Being a distant hegemon, the United States still remains the balancer of choice for countries on China’s periphery. Deputy Secretary of State Robert Zoellick encapsulated this view in September 2005: “Uncertainties about how China will use its power will lead the United States—and others as well—to hedge relations with China. Many countries hope China will pursue a “peaceful rise,” but none will bet their future on it.” Zoellick added that Mongolia, Japan, Australia, India and nations in Southeast Asia share U.S. worries about China.

That Asians remain wary of Beijing’s ambitions to establish an “East Asia Co-Prosperity Sphere” under China’s leadership is further evident from their invitation to Australia, India, and New Zealand to the inaugural East Asia Summit held in December 2005, even though China strongly opposed the inclusion of U.S. friends and allies. With the exception of a very few, most Asian countries show no desire to live in a China-led or China-dominated Asia. Instead, they seek to preserve

and strengthen existing security alliances, for fear that China could use its growing military muscle to enforce its claims to disputed territories that China claims as its own. Much like the United States, Australia’s interests lie in ensuring that Asia is not dominated by any one major Asian power, and that the overall balance-of-power remains in favor of liberal democracies, not autocracies. To this end, close strategic ties between Australia, the United States, Japan, India and ASEAN “would give the Chinese a clear cut choice between the benefits of conciliation and accommodation on one hand and the dangers of belligerence and overreach on the other.”34 The fear of becoming China’s economic dependencies is already driving ASEAN into courting India and Japan both to leverage their strategic power, and to prevent an overly dominant China from skewing trade balances in its favor.35

Obviously, Australian and U.S. policymakers do not have the luxury of planning for one future, so they must plan for alternative future scenarios for China. Neither Australia nor the United States can afford a commerce-led geopolitical inertia to determine its China policy. Though both Australia and the United States are deepening economic cooperation with China, there is as yet little or no strategic congruence between Australia and China and the United States and China. Differences in the philosophical approach to governance, political culture, values and worldviews explain the lack of strategic congruence. Therefore, hedging seems to be the appropriate strategy at a time when China is in a state of transition, oscillating between confidence and insecurity, assertiveness and accommodation, prosperity and poverty.

The nature of Australia-U.S.-China ties is also being influenced by the economic and strategic roles of Japan, India and the evolution of the two Koreas, Taiwan, and ASEAN. China’s growing power coupled with Australia’s deepening regional engagement increases the likeli-

34 Kapisthalam, “Australia and the Asian Balance.”
hood of Canberra’s entanglement in issues that might force it to take sides or support other nations in their quarrels with Beijing. Already, Australia is caught in great power rivalry not only between China and the United States and China and Japan, but also between China and India.

Since U.S. supremacy is closely linked to its Asian alliances, Beijing is relying on its “soft power,” multilateralism, and the dangling of economic carrots to drive a wedge between the United States and its allies while simultaneously stepping up its military expansion. For Washington, a major priority is to ensure that Australia and South Korea do not go off their independent orbits around the United States. The Bush administration would like Canberra to co-ordinate its China policy with Washington and Tokyo. At the trilateral summit in March 2006, Secretary Rice indicated that Australia, Japan and the United States should agree on a joint position on how to engage China “about security in the region.” Japan is currently alone, amongst U.S. Asian allies, in firmly backing the leader. Tokyo’s all-out support for U.S. policy initiatives post-9/11 has turned Japan into the “Australia of Northeast Asia.” Japan plans to deepen Tokyo-Canberra ties by concluding a bilateral security agreement that is similar to the pact the Howard government is currently seeking with Indonesia. Some Australians may wonder if it is in their interests to get involved in regional conflicts, but if the past is any guide to the future, involvement in the region has never been a question of choice for Australia. For, Australia cannot pretend that it can maintain good relations with China even as China’s relations with two of Australia’s closest allies—the United States and Japan—increasingly turn acrimonious. Nor can Australia afford to entertain or preach the notions of neutrality and abstinence when all its current and future force acquisition and modernization decisions will have the effect of tying it closely to the U.S. military. Much as Canberra would like to avoid choosing sides, there is little doubt that in the event of a conflict across the Taiwan Straits, Australia would side with the United States—because opting out would be, as Greg Sheridan argues, contrary to all [Australian] history and strategic culture” and “would

mean an end to the U.S. alliance.”

Other issues that bedevil China’s relations with Australia and the United States include their support for Japan’s bid for a permanent seat on the UN Security Council, Tokyo’s recasting of its alliance with the United States, and deployment of Japanese peacekeeping troops abroad and an assertive foreign policy. India is also emerging as a new source of tensions in Australia-China relations as Beijing’s traditional rival seeks access to Australian energy resources and minerals. China has opposed the sale of Australian uranium to India unless the latter signs the NPT as a Non-Nuclear Weapon State. Closer home, Australia is concerned about the Beijing-Taipei checkbook diplomacy in the South Pacific over diplomatic recognition which fuels corruption, undermines political stability, and perpetuates economic malaise in its backyard. As China’s ambitions, presence and influence grow in the South Pacific island states (particularly in Papua New Guinea), Canberra could find itself engaged in a competitive relationship with Beijing for their allegiance and support in the not too distant future.

Looking into the Future

To sum up, the Australia-U.S. alliance has now expanded into a global partnership that encompasses the transnational security issues as well as the traditional geopolitical issues of managing the rise of new powers. None of Australia’s Asian relationships is as robust and strong as its American tie nor can it match the scope and depth of the strategic benefits that flow from it. China now looms large in alliance calculations and the pendulum of Sino-Australian relations is likely to

swing back and forth between appeasement/accommodation and acrimony. While Australia’s economic future pulls it toward China, its strategic and political interests tilt it toward the United States, Japan, and India. Given Australia’s inclination to view the United States and Japan as its “natural allies” in view of their identical worldviews and shared values, Canberra will have to do some tightrope walking to balance its ties with China. The harmonizing of Australia’s economic and wider strategic interests will require an astute, sophisticated foreign policy. The fact that China is the largest or second largest trading partner of Japan, Australia, the United States, and India gives the four democracies enormous leverage over China provided they use it judiciously and coordinate their policies vis-à-vis China on Taiwan, North Korea, nuclear proliferation, trade, and currency issues. The growing power competition in Asia puts Australia in a position of enormous influence that Canberra can wield to serve Australia’s national interests. Australian policymakers are known for their adeptness at adapting their policies to the rapidly changing Asian geopolitical dynamics.