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Strengthening the U.S.-Australian Alliance: Progress and Pitfalls

By Dan Blumenthal

Prime Minister John Howard of Australia has made the strategic gamble that a tight alliance with the United States is better for his country's national security than the narrow pursuit of self-reliance. As a result, Australia is an active participant in the global war on terror and has developed a stronger diplomatic position in Asia than it has enjoyed in years. The next step in consolidating the alliance is for the United States and Australia to consider more substantive trilateral cooperation with Japan and for the three countries to begin to address their most important common challenge: responding to the rise of China.

In the two decades since Singapore's Prime Minister Lee Kuan Yew warned that Australians risked becoming the "white trash of Asia," Canberra has enjoyed almost uninterrupted economic growth, has simultaneously upgraded its alliance with the United States and enhanced its prestige in Asia, and has asserted its prerogative to prevent unrest in the island states of Oceania.¹ Much of the credit for these successes belongs to Prime Minister John Howard, who since 1996 has reoriented Australian strategy towards a strong, comprehensive alliance with the United States that has greatly increased Australia's defense capabilities and regional influence.

The Howard government's insight was that closer security ties with the United States would strengthen his hand in Asia, a distinct shift from his critics' strong focus on building links with Australia's Asian neighbors. Although Prime Minister Howard assiduously cultivated relations with Washington during the late 1990s, he met only limited success. The September 11 terrorist attacks on the United States gave Howard the opportunity to affect his vision for Australian security. Howard was in Washington on the day of the

attacks and invoked the ANZUS (Australia–New Zealand–United States) treaty that day for the first time in its history. The Howard government also supported President George W. Bush's invasion of Iraq and has recently dispatched Australian troops in support of coalition reconstruction efforts. As a result, Howard has developed a relationship with President Bush that affords Canberra greater influence in Washington than other middle-tier powers wield.

Howard calculated that the alliance would improve Australian leverage in a dangerous neighborhood and give his government the political cover to take unilateral action when it deems that necessary. Although relations have never been better, it would be a mistake to conclude that this state of affairs will continue without sustained efforts on both sides of the Pacific. Canberra and Washington see eye to eye on the war on terrorism, the North Korean nuclear standoff, and Japan's quest to be a normal power, but there are significant differences on the most vexing challenge to Asia-Pacific security—the rise of China. In addition, the upgraded alliance must be able to survive beyond the terms of office of President Bush and Prime Minister Howard. This will require closer linkages between the two national security establishments; a public perception in

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Australia that American power is legitimate, enduring, and serves Australian interests; and a deeper appreciation in Washington that Australia has a major role to play in securing American interests in the Asia Pacific region.

Strained Ties

Australia's decision to hitch its future to the United States was far from inevitable. After the United States withdrew from Vietnam, Australians felt abandoned, especially after some four hundred Australian troops died in the war. When President Richard Nixon announced the Guam Doctrine in 1969, Canberra was caught unprepared by his call for U.S. allies to provide for their own defense and was forced to discount the value of the ANZUS alliance. The consequence of these shocks was that Australia revised its foreign policy to emphasize regional engagement and self-reliance. Indeed, throughout the waning years of the Cold War, Australian policymakers focused on minimizing their country's security dependence on the United States and bolstering their country's independent defense capabilities. This approach dictated a narrow focus on continental defense, allowing no scope for major regional or expeditionary operations.

Despite this deterioration in U.S.-Australian relations, the alliance was sustained by several intelligence-sharing initiatives established in the 1960s. After the Vietnam War, the operational basis of U.S.-Australian cooperation was signals intelligence cooperation, centered on the maintenance of joint facilities in Australia.² Specifically, the United States and Australia jointly managed a low frequency submarine communications station in North West Cape from 1963, and satellite stations at Pine Gap from 1966 and Nurrungar from 1969. Not only did these installations provide a regular basis for cooperation on the collection and distribution of highly sensitive intelligence, they also helped Australia build an independent capability to defend the sea-air gap between its northern coast and the states of Southeast Asia. This intensive intelligence-sharing relationship allowed the United States and Australia to maintain high-level ties beyond the end of the Cold War, but the relationship had little strategic depth.

When the Cold War ended, Australian defense planners were alarmed by the possibility that the United States might withdraw its garrisons in Asia and thus leave a security vacuum in the region. American

concerns about the shrinking U.S. industrial base relative to the booming Japanese economy were also shared by Australian officials, who were ambivalent about the rapid growth of Japanese influence in Southeast Asia during the early 1990s. The low point in U.S.-Australian relations came in 1999, when the Clinton administration gave tepid support for Australia's intervention to end Indonesian militia violence against East Timor, providing only logistical support after declining Howard's request for troops. Although Washington did not validate Canberra's greatest fears during the 1990s, the Clinton administration was unresponsive to Howard's overtures and thus squandered a major opportunity to strengthen the relationship.

Fighting the War on Terror

Prime Minister Howard's commitment to fighting the war on terror began on September 11, 2001, when he witnessed the attack against America during a visit to Washington, D.C. Howard invoked the ANZUS treaty for the first time in its history and immediately recognized that the wounded United States would profoundly change its global strategy. The prime minister embraced the new strategy, later called the "Bush Doctrine." When the United States launched Operation Enduring Freedom, Australia dispatched members of the Australian Defence Forces (ADF) to Diego Garcia, Kyrgyzstan, and the Persian Gulf, and in December 2001, sent Army Special Forces into southern Afghanistan to combat Taliban and al Qaeda elements there.

Any doubts that the Howard government may have harbored over the wisdom of the Bush Doctrine were swept away when terrorists bombed a popular night club in Bali, claiming the lives of eighty-eight Australian tourists. The attack was the culmination of a decade of planning by Jemaah Islamiyah (JI), which had established a cell in Australia that was regularly visited by JI spiritual leader Abu Bakr Bashir during the 1990s.³ After the bombings, the Howard government launched a series of raids on JI throughout the country, toughened Australian domestic security laws, and pressed Singapore to allow it access to detained terrorists there. Howard's most controversial act was his statement that Canberra reserved the right to attack terrorists preemptively and that the UN Charter should be updated to allow for preemption in some cases. While this caused uproar among Southeast Asian nations, Howard's statements received support from the Bush administration and the Australian people.

In addition, Australia took the lead in organizing a regional response to terrorism when it convened a ministerial meeting on counterterrorism and in establishing an Asia-Pacific counterterrorism center. Confident of U.S. backing, Canberra also took a more proactive approach to the failed states of the Pacific islands that the Howard government feared could become terrorist havens. Australia funneled billions of dollars in aid to Oceania and sent 2,000 ADF troops to the Solomon Islands to restore order after chaos erupted there mid-2003. The Howard government broke with past Australian practice and did not wait for UN authorization after being invited by the prime minister of the Solomon Islands to intervene.

The Bali attacks also reinforced Howard's existing inclination to support President Bush's controversial plans to depose Saddam Hussein's regime in Iraq. Howard first provided rhetorical and moral support for U.S. prewar diplomacy, and then made good on his commitments during the opening phases of the war. During 2003, Australia sent a pair of frigates and two P-3C Orion aircraft to help secure the southern sea approaches to Iraq. It also deployed a squadron of FA-18s to conduct close air support and ground attack missions in southern Iraq, two C-130 transport aircraft to help with logistics, and a Special Air Service squadron for pinpoint targeting in support of air strikes within Iraq. Howard also protected himself politically by keeping his promise to the Australian people by withdrawing most of the approximately 2,000 Australian military personnel after the early stages of combat had been completed.⁴

Howard's decision to embrace the Bush strategy for the war on terrorism rested on a pair of strategic insights. First, that American success in rooting out terrorists and creating a new, more liberal political order in the Middle East would make Australians more secure from the threat of Islamist terrorism. As he told a joint session of the U.S. Congress in June 2002, "We stand ready to work in partnership with America to advance the cause of freedom."⁵ Second, Howard accurately judged that he could exert the most influence on his superpower ally through closer relations. This bet paid off when President Bush invited the prime minister to his ranch in Texas and consulted with his government on Iraq and North Korea policy. The improved alliance with the United States has thus improved the Australian sense of security that was shaken by the East Timor crisis and Bali bombings.

Responding to Australia's "Asia Firsters"

Howard's warm embrace of the Bush Doctrine was met with harsh criticism at home. He had rejected his foreign policy establishment's assumption that Australia must focus on Asia first, that the only way to approach Asia was through regional multilateralism, and that the goals of acceptance by Asian nations and closer relations with the United States were mutually exclusive. During the 2004 prime ministerial campaign, Labor candidate Mark Latham charged that Howard had focused too much on the alliance, "at the expense of Australian ties with Asia." When Howard responded that what his government had "unapologetically done is expanded our relations with America . . . as well as Asia," he underscored the revolution he had achieved in Australian foreign policy.⁶

Howard felt that in the past Australia was "breathlessly begging to participate [in Asian forums] rather than presenting itself as a more attractive partner for Asian countries"—an approach that invited contempt.⁷ Instead, he demonstrated that a closer alliance with Washington increased Canberra's influence in Asia; since improving its relations with the United States, Australia has signed free trade agreements (FTAs) with Singapore and Thailand and is working on another with Malaysia; was invited to the Association of South East Asian Nations (ASEAN) trade summit to discuss an FTA with those nations; and assumed a leadership role in responding to the recent tsunami catastrophe in Southeast Asia.

In addition, Australia has developed warm relations with Japan by supporting Tokyo's efforts to act as a "normal country"—a move that broke with lingering resentment towards Japan and regional anti-Japanese sentiment. Prime Minister Howard called Japan's aspirations "a welcome sign of a more confident Japan assuming its rightful place in the world."⁸ The Howard government views Tokyo as Canberra's closest friend in the region—one of the three "great Pacific democracies." Japan is Australia's largest trading partner, and their relationship is based on shared democratic values. The two countries are helping each other overcome their respective status as outsiders: Australia supports Japan's quest for a permanent seat at the UN Security Council, and Japan supports Australian membership in the East Asia Summit meeting.⁹

Largely as a result of Howard's bold policy initiatives, the United States and Australia are in broad agreement over how to respond to the many strategic challenges in Asia. The United States has been especially pleased with Australia's aggressive counterterrorism and counter-

proliferation policies. Australia has been active in the Proliferation Security Initiative and the crackdown on North Korean drug smuggling and counterfeiting. Indeed, this intensive strategic cooperation is beginning to affect how Australia envisions its long-term security planning.

Linking Defense Posture to Grand Strategy

Prime Minister Howard's embrace of a global security partnership with the United States has accelerated a transformation of Australian defense posture. The Australian Defence Forces are currently facing a "block obsolescence" of their existing material that may necessitate an almost 100-percent increase in spending over the next decade—up to \$54 billion.¹⁰ This procurement challenge has pushed the Howard government to assess how to link Australia's "expeditionary strategy" to a new defense procurement policy. The continental defense approach that Howard has abandoned drove a "concentric circle" doctrine that gave highest priority to protecting the Australian homeland, followed by expanding circles of decreased prioritization that covered Australasia, Southeast Asia, and the broader world. Under this strategy, naval and air assets for the defense of the sea-air gap off of Australia's northern coast were prioritized over the army that was to repel invaders who had succeeded in establishing beachheads.¹¹ Capabilities to deploy forces outside Australia, such as naval aviation, amphibious lift, and strategic lift, were downplayed.

Recognizing that the "concentric circle" strategy eroded Australia's ability to conduct out-of-area coalition operations, Defense Minister Robert Hill announced in November 2003 that the strategy would be replaced with a focus on enhancing ADF interoperability with U.S. forces. Although Hill did not elaborate on his remarks, many observers surmised that Hill was referring to problems with technical interoperability and command relations that were identified by ADF analysts during Operations Enduring Freedom and Iraqi Freedom. These problems were partly a result of Australians training regularly with the navy-focused Pacific Command rather than the army-dominated Central Command. As part of this shift in strategy, the Australian Army would now need to focus on rapid deployment and agility, as well as joint training with the U.S. Army.

At the annual U.S.-Australian Ministerial Summit in 2004, Minister Hill further articulated his vision for defense interoperability. He and Defense Secretary Don-

ald Rumsfeld together announced the signing of a memorandum of understanding on cooperative development of missile defenses, as well as a joint statement on interoperability and the cooperative development of a combined training capability. Canberra's initial investment in missile defense will be modest—trials of the Jindalee Over the Horizon radar, for example—but could extend to fitting the Aegis destroyers that Australia intends to purchase with SM-3 interceptors. The latter move appears increasingly likely as more Australian defense experts warn of the threat posed by sea-launched missiles.¹² The combined training capability will be more substantive: the two sides are planning to interlink some Australian bases with U.S. bases, allowing commanders from both sides to oversee combined exercises in real time. It also will increase the combined use of Australian training ranges and provide Australia with greater access to American simulation technologies.¹³

Defense Minister Hill has also promoted interoperability between U.S. and Australian military hardware in Australian procurement programs. Canberra will seek more American defense technology and know-how. In the *Defence Capability Plan, 2004–2014*, the Australian government sets out a basic framework for executing the recapitalization of its armed forces at a cost of \$42 billion (U.S. \$27 billion). The Royal Australian Air Force's purchases under the *Plan* include eight to one hundred Lockheed Martin F-35 Joint Strike Fighter aircraft, a replacement for its current fleet of P-3C maritime patrol aircraft, and a new UAV aircraft to undertake maritime and land-patrol missions. The Royal Australian Navy aims to acquire medium-sized landing helicopter dock ships and three Aegis air warfare destroyers.

Australia needs more U.S. support for its plans to become a true expeditionary force. Specifically, Congress has not been supportive of Bush administration plans to engage in more cooperative defense industrial programs while the bureaucracy is creating obstacles to providing Canberra greater access to sensitive intelligence, surveillance, and reconnaissance technology. The administration needs to show its commitment to Australia by spending political capital to ensure that its interoperability plans are executed.

Responding to a Rising China

In contrast to the Howard government's staunch support for President Bush's approach to the war on terrorism, Washington and Canberra have not developed a com-

mon approach to Beijing's great power ambitions. Australia does not want to, and thus far has not had to, choose sides between China and the United States. In addition, Australia's traditional economy—centered on natural resource exporters—has greatly benefited from exports to China. Australia therefore has a strong incentive to play down Beijing's more aggressive behavior and blame Taipei for dangers in the Taiwan Strait.

Since the Sino-Australian relationship's nadir in 1996, when Howard backed President Clinton's decision to send a carrier battle group to deter Chinese provocations in the Taiwan Strait, Beijing has launched a diplomatic offensive that has resulted in lucrative trade deals. Australia has become a major supplier of natural resources and liquefied natural gas to China. Chinese president Hu Jintao received red-carpet treatment from Howard during his visit to Australia in 2003, and the two sides may soon ink an FTA.

However, Canberra may be sobering in its approach to Beijing, as it learns that Beijing's economic diplomacy is not solely motivated by the "win-win" dynamics of free trade. As Beijing does with most of its economic partners, it has begun to use newfound economic leverage to advance its larger geopolitical agenda—weakening U.S. regional alliances and isolating Taiwan.

During an August 2004 visit to the People's Republic of China (PRC) to secure an FTA, Australian foreign minister Alexander Downer, clearly under pressure from Beijing, stated that no one should assume that Australia would automatically come to America's aid in response to a Chinese attack on Taiwan. When the U.S. State Department demanded an explanation, Prime Minister Howard was forced to issue a clarification stating that the two countries "must come to each other's aid when under attack or involved in a conflict."¹⁴

Australia's decision not to oppose the lifting of the European Union's arms embargo on China opened a door through which Beijing attempted to push. In February, a senior official at the Chinese Foreign Ministry demanded that Australia review the ANZUS Treaty, warning that Taiwan should not be a concern for the bilateral alliances of other countries. Beijing was spooked by the recent upgrading of the U.S.-Japan alliance in which Tokyo and Washington had mentioned the peaceful resolution of the Taiwan issue for the first time as a common strategic objective.

Here, however, the Australian government rebuffed Beijing, with Downer stating that Australia is "very satisfied with the Treaty" and has no intention of reviewing

it. But Beijing was attempting to call in the chits it believed it had earned from a growing economic relationship. China has become Australia's second largest export destination after Japan, and with a study on the feasibility of a bilateral free-trade deal due in October, Beijing was exercising its strategy of extracting political concessions in exchange for entry into its market.

Australia's accommodating China policy was further shaken earlier this year by Beijing's passage of the provocative "Anti-Secession Law" in its rubber stamp legislature, which allows Beijing to use "non-peaceful means" to bring democratic Taiwan under its control. Though the official Australian response was tepid—"we would have preferred that this law hadn't passed"—policymakers in Canberra were clearly rattled by China's aggressive behavior.¹⁵

China's policy is challenging Australia's attempt to stay out of power struggles among Washington, Tokyo, and Beijing. Australian fears that its alliance with the United States will drag the country into a disastrous war in Asia can be assuaged by talks between Washington and Canberra on China policy. American diplomats must demonstrate to their Australian counterparts why China's military modernization program, willingness to use force against Taiwan, and proliferation and human rights records are all causes for concern in Washington. The American policy community is increasingly suspicious that Beijing is playing a longer-term game of challenging U.S. primacy in the Asia Pacific.

Canberra's China's strategy is strained by a fundamental tension. Although Australia believes that American primacy in the region is the guarantor of regional peace and prosperity, Beijing is developing the power to challenge that very primacy. In the meantime, Beijing is using its economic influence and great power potential to try to weaken U.S. leadership in Asia, and Australia has become a target of that strategy.

Just as Howard realized that he need not make a choice between the United States and Asia, Australia can also be more firm in countering the aggressive elements of China's strategy while at the same time maintaining a strong trade relationship. So long as Beijing depends on Australian natural resources to fuel its economic growth, Canberra has a strong hand to play in Sino-Australian relations. But Washington must realize that Australia cannot follow such a course on its own. Indeed, Washington should start to build a China strategy that shapes the conditions of Beijing's rise together with its closest allies in the region. The natural next step

is for Washington to take the lead in upgrading trilateral collaboration between Australia, Japan, and the United States.

U.S.-Japan-Australia Trilateral Security Cooperation

The building blocks for a trilateral approach are already in place. Though some consider the existing U.S.-Japan-Australia trilateral dialogue as “a strategic dialogue without strategy,”¹⁶ such an assessment may be overly harsh. The three countries have cooperated on the war on terrorism and on their response to the December 2004 tsunami disaster, and recent developments in the region have pushed the three countries closer together on security issues than ever.

The Howard government’s decision to send troops to Iraq to guard Japanese military engineers is as much about building its relationship with Japan as it is about supporting the rebuilding of Iraq. This decision reflects the Howard government’s determination that supporting Japan’s emergence as a responsible security partner will help strengthen Australia’s role in Asia.

A second development that has drawn the attention of Australian observers is the recent anti-Japanese protests that have swept China with the tacit approval of the Chinese government. Although Australians share China’s concerns regarding the legacy of Japan’s imperialism and human rights violations during the Second World War, influential Australian observers recognize that these protests are a blatant act of political intimidation. As the foreign editor for the leading newspaper, *The Australian*, recently wrote: “It is overwhelmingly in Australia’s interest that Japan stand up to China and refused to be cowed [because] if China can do this to Japan . . . it can do it to any other country in the Asian Pacific.”¹⁷

Based on these developments, Tokyo, Washington, and Canberra should address the question of China’s rise as an official agenda item in the trilateral dialogue. Although Tokyo is gradually overcoming its hesitancy to discuss the disquieting affects of China’s emergence, Canberra is not there yet. Australia’s seat at the table at America’s quadrennial defense review process is a good opportunity to engage Australians in discussions about how the United States is adjusting its posture in the Pacific to meet the challenge posed by China’s armed forces. In addition, as Washington increases its bilateral missile defense cooperation with both Tokyo and Canberra, room should also be made for trilateral cooperation.

Conclusions and Recommendations

Prime Minister Howard’s grand strategy has improved Australia’s geopolitical position. By embracing the United States in a tighter alliance, Canberra has become a global power player. It has shifted to a more proactive stabilization policy in the Pacific Islands and an aggressive counterterrorist strategy in Southeast Asia, all while confident of U.S. backing. It no longer has to “beg” for a seat at the table in Asian economic forums, it has secured an FTA with the United States and will probably do so with the PRC, and it has been granted some access to the most advanced defense technology in the world. In addition, it can rightly claim to exert considerable influence over the world’s sole superpower. Howard’s rejoinder to his foreign policy establishment, that improved relations with the United States increase Australia’s influence in Asia, has been demonstrated by a string of regional diplomatic successes.

However, the long-term strength of the alliance should not be taken for granted. The alliance is now heavily reliant upon the close relationship between Bush and Howard, both of whom will eventually depart the political scene. In addition, there is significant frustration in Canberra over restrictions on defense industrial cooperation and access to operational intelligence. Additionally, Australian public support for the alliance is contingent upon Washington’s success in convincing the world of both the necessity and legitimacy of its global policies.

But the greatest threat to the alliance is the absence of a common approach to Beijing. The Taiwan “problem” will only grow worse as a democratic Taiwan becomes increasingly confident of its identity as a free, de facto independent state. There is no prospect on the horizon that the Chinese regime will drop its beligerent attitude towards the Strait, a position that establishes the nationalist credentials upon which its legitimacy rests. If the United States backs down from its commitment to Taiwan, its position of preeminence in Asia will be irreparably damaged—a prospective outcome that should horrify Canberra. While Washington needs to focus on building allied support for its China policy, Canberra must realize its role is not to mediate between Beijing and Washington, but rather to help ensure that China’s rise is indeed peaceful and that the United States maintains its preeminence in Asia.

Notes

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