

Comparative Connections

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Australia-East Asia/U.S. Relations: Australia Adjusts to New Realities

Graeme Dobell
Lowy Institute for International Policy

Australia's government swung from the right to the left of the political spectrum in 2007. The U.S. did the same in 2008. Yet, not much changed in the fundamentals of the 57-year-old U.S.-Australia alliance. The assertion of alliance continuity, however, comes with a major caveat: the tectonic effects being exerted by China's rise. As with the rest of the Asia-Pacific, Australia is adjusting significant aspects of its foreign and security policy to the magnetic pull of China, which was dramatized for Canberra through the middle of 2009 by an outburst of Chinese official anger directed at Australia. Other important influences to consider include the so-called "Kevin Rudd" effect, the global economic crisis, and the ongoing conflicts in the Middle East.

The Kevin Rudd effect

A Mandarin-speaking former diplomat who once served in Australia's embassy in Beijing, Australia's Prime Minister Kevin Rudd has the professional credentials to navigate the confluence of Australia's continuing interest in the U.S. alliance and the changes in regional power dynamics. During his period as the Opposition Foreign Affairs spokesman from 2001 to 2006, Rudd developed what he described as the "three pillars" of the Labor Party's approach to international relations, which he presented, and numbered, in this order:

1. Alliance relationship with the U.S.
2. Membership in the United Nations
3. Comprehensive engagement with Asia

Unfortunately for Rudd's structure, Labor reshuffled the order of the pillars when it enshrined them in the Labor policy document for 2004 – and in later platforms – with the UN first and the U.S. second. The switch was demanded in 2004 by then Labor Leader Mark Latham, who was more skeptical than Rudd about the value of the U.S. alliance.

The Rudd approach reflects his personal belief in the U.S. as "an overwhelming force for good" and the importance of the U.S. strategic presence in East Asia and the West Pacific for "the necessary strategic stability to underpin the economic (and in part political) transformation of East Asia." Those words are from a speech Rudd delivered in 2006, but similar sentiments can be found throughout the foreign policy speeches he has given since winning office and in his government's Defense White Paper.

With a career as a diplomat and five years in Opposition as the shadow foreign minister, Rudd came to office with a clear mental framework for his government's approach to international relations. The prime minister dominates his government's approach to foreign and security policy in both broad outline and in specific detail. For instance, the 2009 Defense White Paper was an accurate reflection of the questions posed by Rudd about China's challenge to U.S. economic and military power. Defense Minister Joel Fitzgibbon was forced to resign as a minister shortly after the release of the policy paper. But this resignation has had no implications for implementing the White Paper because of Rudd's ownership of the document. Equally, Rudd often functions as his own foreign minister, constantly working the phone with other leaders to pursue his agenda in such areas as the G20 and climate change. In its annual survey of power in Australia, the *Financial Review* newspaper put Rudd in the number one spot in politics, foreign affairs, and defense. Rudd may well be the most personally powerful Labor prime minister since Australia became a federation in 1901. Certainly, he is less bound by the traditional rules of his parliamentary party than any previous Labor leader. To speak of Australian policy in this era, then, is to speak of Kevin Rudd's policy.

Iraq and Afghanistan

In winning the 2007 election, Rudd campaigned for the U.S. alliance but against George W. Bush and the Iraq war. One of the strongest applause lines in Rudd's campaign launch speech was the promise that Labor would withdraw Australian troops from Iraq and shift military resources to Afghanistan. In office, Labor negotiated a gradual Iraq withdrawal timetable with the U.S. The build-up of Australian forces in Afghanistan has been equally gradual.

Rudd said the pullout from Iraq would happen in consultation with coalition partners and would not be an immediate one. The withdrawal started in mid-2008 and was completed by July 2009. Combat forces came out first, marking the formal fulfillment of Labor's policy. Australia formally concluded its military commitment Iraq on July 31, 2009, with the withdrawal of 11 Defense members, working in various U.S. coalition headquarters. With the military commitment in Iraq closed, Kevin Rudd and Canberra's defense establishment are now thinking about what a generational war in Afghanistan might mean for Australia. After seeing President Bush in March, 2008, Rudd said, "We're in Afghanistan for the long haul." At a similar White House press conference 12 months later, Rudd said he and President Obama discussed "our common challenges in Afghanistan."

Both Obama and Rudd fought their way into office describing Afghanistan as the good war, compared to Iraq. Now they have to confront the weight of those arguments. For Rudd, that translates as staying engaged but not increasing the Afghanistan commitment much beyond the troop levels he inherited from the Howard government. As Rudd told Australian journalists in Washington just before his first meeting with Obama: "Our view about Afghanistan, and I've said this repeatedly since becoming prime minister, is that Australia's commitment is not a blank cheque." The same phrases recur when Rudd speaks about Afghanistan.

The Afghanistan mission is a major task for Australia's military, but is also seen in the broader context of alliance management. The former chief of Australia's Army, Peter Leahy, has spoken in favor of doing more in Afghanistan but expressed a widely shared concern about "mission

confusion” in Afghanistan. A former director of the Defense Intelligence Organization, Frank Lewincamp, has argued that the real issue for Canberra is not terrorism or the humanitarian situation in Afghanistan – it is the alliance. The Canberra debate is about whether Australia is ready to commit to another decade in Afghanistan. What would that do to the alliance, to Australia’s military, and what would that mean for Australian politics? Afghanistan is not seen as an alliance buster any more than the troop withdrawal from Iraq. But Australia’s response and contribution to the U.S. strategy will influence its standing as an alliance partner.

Australia sent Special Forces troops to Afghanistan in 2001 to support the overthrow of the Taliban regime. When Labor took office, there were more than 1,100 Australian military personnel in Afghanistan. The figure has been increased to 1,550, but Labor was well into its second year of office before it made that troop increase, insisting that this was about the upper limit of Australia’s military role. To use the phrase that Rudd prefers, the Australian commitment of 1,550 personnel is “about right.”

When announcing the extra troops, Rudd pointed to the political and alliance balance he is attempting: “I think this is going to become progressively an unpopular war. I accept that for the reality that it is. I am also seized of the fact that we have a responsibility to prevent Afghanistan from becoming a training base again for terrorists to go out and kill more Australians. And that we have a responsibility to our American ally consistent with our Treaty obligations.”

The Australian military effort is concentrated in the province of Uruzgan as part of the provincial reconstruction effort led by the Dutch. The Dutch are due to relinquish their command role in Uruzgan next August and withdraw most of their 2,000-strong force. Australia is telling the U.S. that it does not want to send the extra troops necessary to take the leadership role in the province. In talks in Washington in September, Smith conveyed that Australia’s commitments in its own region meant it could not do more in Afghanistan: “It’s clear that the Dutch will give up the leadership in Uruzgan Province, but what is also clear is that Australia will not take up the lead.”

Australia and the U.S.

The Rudd government outlined a broad agenda for its relationship with the incoming Obama administration, ranging over global economic governance, the future role of the G20, climate change, nuclear disarmament, and the evolution of security architecture in the Asia-Pacific. Militarily, the aim was to stress the enduring value of the alliance while resisting pressures to make a bigger contribution in Afghanistan. The range of Rudd’s ambitions for the relationship with the U.S. was displayed concisely in his statement announcing his first visit to Washington after Obama took office.

Sentence 1 - The “grip-and-grin” would be at the White House on March 24, 2009.

Sentence 2 - Top of the agenda: “A coordinated international response to the global economic crisis and how we can work together in Afghanistan.”

Sentence 3 - The second-layer issues would be climate change, nuclear disarmament, and the future shape of the Asia Pacific.

Sentences 4/5 - The oft-repeated rhetoric Canberra always hopes a U.S. president will buy or at least give some credence to: "Our alliance with the United States is the bedrock of our foreign and security policy. A strong relationship with the United States is critical for Australia's future."

The Australian fixation on Washington is shown by the caliber of the men (and always, so far, they have been men) sent as ambassadors to the U.S. The Australian ambassador to Washington since June, 2005, Dennis Richardson, is to return to Canberra to be secretary of the Department of Foreign Affairs and Trade. His replacement in Washington is Kim Beazley, twice leader of the Labor Party, and a former deputy prime minister and defense minister, who will take up the post in February 2010. Beazley said Australia always has an "immense and complex" agenda with the U.S., but the alliance enables Australia to speak "with the authority of a friend." He said the Washington post "is just about the toughest ambassadorial job that we have – China, I suppose, is up there with it."

The U.S. tradition is to send Canberra a friend of the president. Obama followed precedent by announcing in September that his ambassador to Canberra would be a friend of 20 years, Jeff Bleich, who was co-chair of Obama's California campaign, a member of Obama's national finance committee, and a member of his higher education group.

Bleich will quickly discover that fretting about the state of the relationship with the U.S. is a Canberra constant. One way of presenting this is to show how the U.S. figures in a couple of the key government documents of 2009 – the Defense White Paper and the Federal Budget Papers. The documents offer maps of how Australia sees the world. One way of presenting these maps is to seek the topography offered by the typography. In other words, see how countries rank by checking how often they are mentioned. This is the count of how many times the White Paper mentions these countries:

1. United States (79 mentions)
2. China (34)
3. India (30)
4. Indonesia (21)
5. Japan (18)
6. South Pacific (18)
7. New Zealand (15)
8. PNG (8)

Crude, yes, but a reasonable rundown on how Australia's defense planners structure the world in their cogitations.

Now, apply the same test to the equivalent document in the Federal Budget Papers. The budget statement is the economic version of the Defense White Paper and expresses the Treasury view about the economic outlook for Australia and the world. A different order emerges:

1. China (17 mentions)
2. Japan (12)
3. United States (9)
4. ASEAN (7)

5. India (4)
6. Indonesia (2)
7. New Zealand (1)
8. South Pacific (0)

Apply the same measure to Australia's international development assistance budget and the horizon of the map comes much closer:

1. Pacific Islands (135 mentions)
2. Indonesia (55)
3. PNG (34)

China pops up seven times in AusAid's view of the world but the U.S. seems to miss out completely. The military and economic maps are one guide to the way the Rudd government has approached multilateral institutions such as the G20 and the prime minister's push for an Asia-Pacific Community.

The G20

Australia was an early advocate for using the G20 as the key institution to respond to the global financial crisis. Such a realignment would cement Australia's position at the top table. Canberra has always dismissed the G7/G8 as too Eurocentric. This disdain for the G8 is presented as part of Australia's advocacy for Asia, but also reflects a certain bitterness dating back to the unsuccessful effort by Prime Minister Malcolm Fraser to join the G7 back in the 1970s. After the Pittsburgh G20 summit, Prime Minister Rudd wrote: "Before the G20, global economic decision-making was dominated by the G8 – a small group of major economies mostly in Europe and North America. Australia was left out in the cold, cut off from the major economic decisions of our time."

The G20 grew out of the meetings convened by President Clinton in 1998 to discuss the Asian financial firestorm. A decade later, Asia went to Washington to talk about solutions to the American crisis. The Asian crisis was a chance for Australia to claim a place in a new grouping such as the G20. Rudd has used the global crisis of 2008 to elevate the G20 from a ministerial to a leaders' level. Rudd views the G20 as giving Australia a voice in decisions on the global economy: "The G20 brings together the established and the emerging powers ... The G20 bridges therefore the strategic and economic weight of the present and of the future. It is small enough to have efficiency but large enough to have legitimacy."

An Asia-Pacific Community

The Rudd argument for the G20 to provide global economic leadership echoes the approach he has taken in pushing for the creation of an Asia-Pacific Community. In seeking a new peak leadership structure for the Asia-Pacific, Rudd sparked a clash of wills with ASEAN, which has always claimed the driving role in the creation of Asian political and security institutions.

The first step in this argument was for Rudd to suggest that the Six-Party Talks could become a broad security mechanism for Asia to deal with the region's complex and fragile security future. And Australia, always keen to help, should be an early member of such a new security structure.

Rudd said the hard security problems in Asia needed a Northeast Asian flavor, in contrast to some of the approaches based in Southeast Asia, led by the 10 nations of ASEAN. He worried that ASEAN was creating new institutions that excluded the U.S. even though the U.S. and its alliance system had provided strategic stability in Asia for 30 years, allowing the region to focus on economics – to compete for market share rather than regional strategic superiority. In pushing for a new security mechanism, with roots in Northeast not Southeast Asia, Rudd put the ASEAN Regional Forum (ARF) in second place in his hierarchy, saying it could focus on broader issues such as energy security and natural disasters.

As he prepared to make his first visit as leader to Japan in May, 2008, he set out the challenges facing the creation of a new institution which he named the Asia-Pacific Community:

- Enhancing a sense of security community (“we have something to learn from Europe where centuries of animosity have been transformed into an unparalleled degree of transnational cooperation”);
- Developing a capacity to deal with terrorism, natural disasters and disease – problems that transcend national boundaries;
- Enhancing non-discriminatory and open trading regimes across the region in support of global institutions; and
- Providing long-term energy, resource, and food security.

Rudd said that APEC, the ARF, ASEAN Plus 3, and the East Asia Summit all had a positive role to play, but did not offer “the long-term vision for our region's architecture.” A new Asia-Pacific Community should include the U.S., Japan, China, India, Indonesia, and the other states of the region and should be able to go beyond dialogue and cooperation to agree on “action on economic and political matters and future challenges related to security.”

To try to persuade ASEAN it had to share the regional driver's seat, Rudd appointed a special diplomatic envoy with impeccable ASEAN credentials, former Secretary of the Foreign Affairs Department Richard Woolcott, who played a similar role in 1989 in the creation of APEC.

The vision for a Community by 2020 had quite a few moving parts, including a Free Trade Area of the Asia Pacific. While the European Union was not “an identikit model,” the region could learn from Europe's example. Woolcott's journey around the region as the prime minister's envoy produced one big conclusion: nobody was going to agree to create a new institution. Yes, an Asia-Pacific community or Community is a fine long-term aim. But whatever is to be created is going to spring from the institutions already on the stage. Woolcott said he found “enthusiasm” for the idea of a broader body for the region to deal with economic, political and strategic concerns, but “no new institutions,” was the primary response.

Twelve months after launching his regional conversation, Prime Minister Rudd had to refine his vision. When Rudd addressed the Shangri-La Security Dialogue in May 2009, the time had come to concede some points to ASEAN and re-shape the sales pitch. The speech was an excellent example of how a politician cuts his or her losses while moving on proclaiming progress. Throughout the printed text, the reference was to an Asia-Pacific community (APc), not his original Community. As Rudd put it, “No one wants more meetings. There is no appetite for additional institutions.”

The speech put ASEAN back at the center where it holds some veto rights. Rudd explicitly expressed this ASEAN role: “An APc could be seen as a natural broadening of the processes of confidence and community building in Southeast Asia led by ASEAN, while ASEAN itself would of course remain central to the region and would also be an important part of any future Asia Pacific community.” According to Rudd, the best way forward for an Asia-Pacific Community would be to build on to APEC or the EAS. The ASEAN refrain about Asian institutions being created by Asia suggests that the EAS is the leading candidate for expansion and leadership.

ASEAN free trade and the ASEM summit

The Rudd government has been forced to rediscover an old lesson of Australian diplomacy: you might not be able to do much with ASEAN, but without ASEAN you can do even less. Despite Rudd’s sparring with ASEAN over architecture, the relationship with Southeast Asia achieved two long-sought goals in 2009.

On Feb. 27, 2009, trade ministers met to sign the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA), which will cover an area with a combined population of 600 million and GDP in 2008 estimated at A\$3.2 trillion. In many cases, the agreement locked in low or zero tariff rates and was described by Australia as “introducing a new safeguard against protectionism.”

AANZFTA is Australia’s first multi-country (plurilateral) FTA. It was the first time Australia and New Zealand have been involved jointly in negotiating an FTA with third countries. It was the first time ASEAN has embarked on comprehensive FTA negotiations covering all sectors including goods, services and investment, and intellectual property simultaneously. Australia claims the treaty is the most comprehensive trade agreement that ASEAN has ever negotiated. It also forced Australia and New Zealand to act together as a single economic entity in ways they’ve never had to attempt in dealing with the South Pacific. The Closer Economic Relations between Australia and New Zealand provided a starting base. But getting a common position between Canberra and Wellington pales compared with the 10-dimensional chess involved with getting a deal with ASEAN.

As always with ASEAN, this nominal trade deal is heavily weighted with political history. One ghost at the signing was former Malaysian Prime Minister Mahathir Mohamad. His skepticism about APEC hardened from the “recalcitrance” label applied by Paul Keating into an outright veto of any new ASEAN linkages with Australia throughout the 1990s. That’s why Australia was absent from the Asian side when the Asia-Europe summits started in 1996. And the

Mahathir veto prevented any effort to build a free trade agreement between ASEAN, Australia, and New Zealand. Mahathir's departure from office opened the way for work to start on the creation of AANZFTA.

The trade breakthrough was also crucial in getting the leaders of Australia and New Zealand through the door into the East Asia Summit. The prime ministers of Australia and New Zealand were invited to attend the ASEAN summit in Laos in 2004 to launch negotiations on an FTA. Attending the summit in Laos helped lay the ground for Australia and New Zealand to be on board the following year for the first East Asia Summit held – oh, joyous irony – in Malaysia.

Beyond the trade deal, the absence of a Malaysian veto also cleared the way for Australia to complete a 14-year quest to get a seat on the Asian side at the Asia-Europe summit. Australia will become part of the Asian team at the 8th ASEM summit in Brussels next year. Russia will join the European side. Foreign Minister Smith said ASEAN's invitation to Australia to join ASEM "reflects the Government's commitment to the strongest possible relations with our Asian neighbours" but also showed Australia's "strong and modern partnership with Europe."

ASEM happens every two years. For Asia, it ranks well below the annual gatherings of the East Asia Summit (EAS) and APEC. So the strange thing for Australia in getting to the top of the ASEM mountain is that it is really a case of conquering one of the lower peaks. Still, the symbolism of Australia lining up on the Asia side matters. There will be a moment of quiet triumph for Australia's leaders and diplomats in sitting with Asia to deal with Europe. For these purposes, Australia is now Asian.

Ah, but history can be messy. Australia's prime minister could use this first ASEM summit to lobby the European leaders for votes in support of Australia's quest for a seat on the UN Security Council. Whatever its Asian hankerings, Australia is still categorized as belonging to Europe when running in UN races. Australia is campaigning for a nonpermanent seat on the UN Security Council in 2013-14, trying for one of the two spots reserved for members of the Western European and Others Group. Thus, Australia's opponents for a Security Council seat are Luxembourg and Finland.

Defense and the "crucial" U.S.-China relationship

For the first time in Australia's history, its most important market is not also an alliance partner. Instead, it will be its major ally's strategic competitor, perhaps even challenger. The fear, as Rudd expressed it in early 2009, is of "a U.S.-China strategic fault line through East Asia. How well the U.S. and China manage their strategic relationship will be the single most important determinant of stability in East Asia."

Over the course of this year, the Rudd government has experienced some of the difficulties that an angry China can present. A series of economic and political problems arose between Beijing and Canberra. There was also a suspicion that China had decided that Australia had to be punished for signing up too publicly to a military hedging strategy aimed at China. In July and August, Beijing delivered a series of diplomatic cuts to drive home its displeasure with Canberra.

Chinese ministerial visits were called off, Australian ministers going to China were snubbed, and the Chinese media frothed about Australia's less-than-friendly attitudes.

The sore points include Tibet, a visit by a Uighur leader to Australia, tensions over the rejection or failure of Chinese investment bids in Australia, China's arrest of an Australian citizen on spying charges, and Australia's description of the military implications of China's defense modernization. Rudd's Chinese language skills may even cause difficulties, because of his ability to speak directly to China's citizens. *Lu Kewen*, as Rudd is known in Mandarin, gave a speech in Mandarin at Beijing University in April, 2008. He spoke of himself as a *zhengyou*, a true friend who "offers unflinching advice and counsels restraint" to engage in principled dialogue about matters of contention. On that occasion, the unflinching advice was about Tibet.

China has poured A\$34 billion dollars in investment into Australia's minerals sector over the past 18 months. But one spectacular takeover failure and a number of formal rejections of Chinese bids on national interest grounds have contributed to the perception of problems. China was upset at the defeat of what would have been its biggest overseas acquisition, a A\$19.5 billion bid by Aluminum Corp of China's for the mining company Rio Tinto. Chinalco's attempt to double its equity stake in Rio to 18 percent was defeated at the last moment by a counter bid by the Australian mining giant, BHP.

Almost exactly one month after the Chinalco bid crashed, Rio's Shanghai executive, the Australian citizen Stern Hu, and three Chinese colleagues were arrested on July 5 by China for suspected bribery and espionage. Australia has looked beyond the timing coincidence and urged China to follow due process and give Hu all his legal rights. In September, Rio Tinto suspended iron ore price negotiations with China, partly because of the continuing detention of Stern Hu. Rio had reached agreement with Japan and Korea for a 33 percent cut in the iron ore price for the year ahead, but China was pressing for a 40 percent cut on what it paid in 2008 contracts.

In September, Australia's foreign investment watchdog, the Foreign Investment Review Board, told China that its state-owned companies should set their investments in Australia's major mining producers at no higher than 15 percent. Reflecting the views of its political masters in Canberra, the Board said it wanted Australian mining assets to stay mostly in private hands, not in bodies controlled by the Chinese government.

Board director Patrick Colmer said one of the board's big concerns was maintaining a "market-based system" in Australia's major export industries. To emphasize its concerns – and its powers – the Investment Board has rejected a number of Chinese investment proposals. Some of those rebuffs have been because the Australian Defense Department declared that proposed mines were too close to strategically important sites in Australia.

Australia still has a big appetite for Chinese investment, as Colmer made clear: "In the last 18 months though we have processed around 90 separate Chinese investment proposals for a total of some A\$34 billion...Most of them have gone through without any problems, without any concerns." In the previous period Chinese investment had reached only A\$7.5 billion. The trend means China is set to be the third-largest investor in Australia, behind the U.S. and Britain.

Just after its first birthday, the Rudd government offered a formal picture of how it views the world through its first National Security Statement. The biggest departure from the Howard Government in language and tone was the relative demotion of terrorism and the promotion of climate change as security issues. The language in the statement seemed to put terrorism on par with a range of other scourges, from people smugglers and organized crime down to the need for E-security against cyber attacks. Terrorism, Rudd said, was “likely to endure as a serious ongoing threat for the foreseeable future,” posing a direct threat to Australia. But there was no “likely” qualification about global warming. Climate change was “a most fundamental national security challenge,” calling for “the formal incorporation of climate change within Australia’s national security policy and analysis process.”

The prime minister used the security statement to lay out the principles his government will use in confronting a rapidly changing global order:

1. Australian self-reliance.
2. The U.S. alliance as “fundamental” and the “key strategic partnership.”
3. Regional engagement so that the Asia-Pacific century is marked by a culture of cooperation, not a default to conflict.
4. Global institutions and a rules-based international order.
5. Australian creative middle power diplomacy.
6. A risk-based approach to setting priorities for defense, diplomacy and intelligence.

Rudd then offered an Australian geographic order for the “dawn of the Asia Pacific century.” The likelihood of conflict was low, but the future stability of the Asia-Pacific would rely on the continuing presence of the U.S. and the “crucial relationship” was between the U.S. and China. On the second tier reside Japan and India. The third tier encompasses Southeast Asia. On the fourth tier, the South Pacific (when he was in opposition, Rudd adopted the “arc of instability” label for the Islands).

The National Security Statement was a policy warm-up for the main event: the Defense White Paper issued on May 2, 2009, which gave formal sanction to the identification of China as the potential bogey. Or to put it another way, Australia’s military planners have decided to stop worrying about Indonesia and start worrying about China. The big strategic changes identified by Australia this decade were picked out in one sentence in the preface to the White Paper by the Defence Minister, Joel Fitzgibbon: “the rise of China, the emergence of India and the beginning of the end of the so-called unipolar moment; the almost two-decade-long period in which the pre-eminence of our principal ally, the United States, was without question.”

The minister’s description of the U.S. fall from its sole seat on top of the mountain becomes a discussion in the White Paper about how U.S. primacy will be tested. Australia describes the dilemma that would be posed by a U.S. that becomes preoccupied, stretched or constrained in its ability to project power: “While currently unlikely, a transformation of major power relations in the Asia Pacific region would have a profound effect on our strategic circumstances. Of particular concern would be any diminution in the willingness or capacity of the United States to act as a stabilising force.”

China keeps popping into the frame – implicitly and explicitly – as the unlikely-but-conceivable great power threat. The White Paper worries that over the next 20 years, major powers will clash dramatically in the approaches to Australia “as a consequence of a wider conflict in the Asia Pacific.” The language marked an official toughening of the Australian strategic assessment of China’s military expansion.

To chart this hardening of judgement, compare the previous White Paper in 2000 with the new effort. In 2000, China was the “fastest growing security influence in the region.” All that was envisaged were frank discussions with Beijing about “hard issues...such as different perceptions of the value and importance of the US role in the region.” Viewpoints might differ, but lots of talking was the solution. The 2009 version is much darker in its detail and direction. China is to be the “strongest Asian military power by a considerable margin.” China will develop the power projection capabilities of a “globally significant military.” The “pace, scope and structure” of China’s military modernization worries everyone else in the neighborhood. And, so far, nobody is convinced by Beijing’s explanations. Australia sees China developing a military machine going “beyond the scope of what would be required for a conflict over Taiwan.”

The U.S. and Australia are going to try to answer some of those questions by inviting China to take part in defense exercises. The Commander of U.S. Pacific Command Adm. Timothy Keating and Chief of the Australian Defence Force Angus Houston agreed during talks in Sydney on Sept. 1, 2009 to separately approach China’s Ministry of National Defense to hold exercises and develop military relations. “We are anxious to engage with them,” Adm. Keating told the *Melbourne Age* newspaper. “We would say, don’t stand in isolation in the Asia Pacific.” He said the exercises would start with small-scale naval and land activities, followed by personnel exchanges, and would mark a breakthrough for improving ties with China. He said Australia could play a “pivotal role” in encouraging greater Chinese openness and strengthening ties between Beijing and Washington. Australia and China held naval search-and-rescue exercises in 2007, along with New Zealand.

The Defense White Paper says that by 2030, the Australian Defense Force will have:

- 12 future submarines, doubling the current force of six. This would be Australia’s largest ever single defense project. The submarines will be capable of anti-ship and anti-submarine warfare, strategic strike, intelligence collection and support for special operations forces;
- Air-warfare destroyers and a new class of frigates to replace the ANZAC class ships, to provide enhanced anti-submarine warfare and air defense capabilities;
- New maritime-based land-attack cruise missiles to enhance the capabilities of the air warfare destroyers and future combat ships and submarines;
- New naval combat helicopters;
- Around 100 joint strike fighters;

- Around 1,100 new armored combat vehicles;
- Establish a cyber security operations centre.

Doubling the submarine force is about increasing an existing capability. Committing to cruise missiles changes Australia's offensive arsenal. Canberra has long agonized over the perception problems in Asia if it introduced cruise missiles to the equation. The White Paper acknowledges that this was once a deep concern to Australia's strategic thinkers with some lawyerly justifications. Acquisition of land attack cruise missiles is "fully consistent with Australian treaty obligations and customary international law." If that does not convince, then the clincher offered is that cruise missiles "will act as a hedge against longer-term strategic uncertainty."

As China rises, the White Paper lays to rest many of the nightmares about Indonesia that have haunted Australian military planning for decades. In the 2000 White Paper, Canberra's vision of Jakarta was clouded by tumultuous events: the fall of Suharto and the bloody birth of East Timor. Australia hoped to reach beyond past difference and "lingering misunderstandings." In the 2009 version, Australia can hardly believe its luck at the way the defense relationship "has broadened and matured into a sophisticated partnership." Even better, Australia's most important neighbor is, for the first time in its history, offering a democratic lead to the rest of ASEAN: "Indonesia has made remarkable gains in the past decade. It has managed a successful transition to multiparty democracy, embarked on the long journey of economic reform, and proven to be a strong partner in the fight against terrorism."

The White Paper is a reminder that the Labor Party always obsesses about geography and strategy in different ways than Liberal-National Coalition governments. The title of the document says a lot: *Defending Australia in the Asia Pacific Century: Force 2030*. The title of Labor's previous White Paper in 1994 was *Defending Australia*. This built on what is still a seminal document for the ALP, *The Defence of Australia* in 1987. The Howard government's White Paper in 2000 was geography-free, in the title anyway: '*Defence 2000: Our Future Defence Force*.'

The regionalist flavoring is spiced with a Labor swipe at the idea, which gained currency during the Howard government, of a globalist view of the U.S. alliance: "The Government recognises that Australia can and should play its part in assisting the United States in dealing with global and regional security challenges... However, we must never put ourselves in a position where the price of our own security is a requirement to put Australian troops at risk in distant theatres of war where we have no direct interests at stake." The tension between the protection of the alliance and its demands always runs through Australia's thinking about the U.S.

The eternal alliance questions, 30 years on

In 1978, the U.S. Vice President Walter Mondale visited Canberra and confronted a cockatoo chorus. He was standing on the terrace of the U.S. embassy, facing the row of television cameras to discuss his talks with the Fraser government. Behind the cameras stood a row of trees, holding dozens of cockatoos, big white birds with a yellow crest and a raucous cry. Midway through the press conference, something set off the cockies. Wave after wave of squawks rolled through the

chill May air. A couple of the TV cameras swung off Mondale to focus on the trees to get a shot of the screeching birds. Even at the end, as he turned and headed back inside the embassy, Mondale gave no hint that he was enveloped by a cacophony of cockatoos. Maybe Mondale was unmoved because the loud Australian birds merely reminded him of the ear bashing he had received the day before from Australian Prime Minister Malcolm Fraser.

The image of Mondale and the cockatoo chorus came to mind in January, 2009, as I read the 1978 Australian Cabinet papers, made public after 30 years when their secrecy classification was lifted. A cascade of documents had been prepared for Fraser to deal with Mondale – a 20-page Cabinet submission, plus 19 pages of talking points, plus another 35 pages of background briefing. If Fraser got through only a fraction his talking points, those cockatoos must have seemed to Mondale one of the milder forms of Canberra political wildlife.

The Mondale trip to Canberra was part of an Australian policy-panic about what was happening inside the polity of the great and powerful ally. The world shifts when administrations change in Washington, as Obama is again reminding both friends and foes. For Australia, there are useful lessons to be disinterred from the Cabinet discussions of 30 years ago as the Fraser government grappled with another surprising Democrat, President Jimmy Carter. The U.S. defeat in the Vietnam War changed many Canberra perspectives. The abiding message from 30 years ago, though, is the simple insight that a big ally can cause big surprises. And new presidents bring new administrations that try new things. The shock can cause the cockies to cry in far away capitals like Canberra.

Chronology of Australia-East Asia/U.S. Relations November 2007-September 2009

Nov. 24, 2007: Labor Party wins office in Australia's federal election.

Dec. 3, 2007: The first official act of the new Rudd government is to sign the instrument of ratification of the UN Kyoto Protocol on Climate Change.

Dec. 19, 2007: Australia announces a Special Envoy on Whale Conservation as part of the effort to urge Japan "to end the slaughter of whales in the Southern Ocean."

Jan. 18, 2008: For the first time, the Royal Australian Navy takes part in the biennial exercise, *MILAN*, hosted by India's Joint Military Command, located on the Andaman and Nicobar Islands in the Bay of Bengal.

Feb. 4, 2008: China and Australia hold their first bilateral Ministerial Strategic Dialogue to consider global issues and strategic outlooks in the Asia-Pacific.

Feb. 7, 2008: Indonesian and Australia bring into force the Australia-Indonesia Framework for Security Cooperation (the Lombok Treaty), a framework for security cooperation and defense, law enforcement, counter-terrorism, maritime security and emergency preparedness.

Feb. 11, 2008: East Timor rebels seriously wound President Jose Ramos Horta and attack a convoy carrying Prime Minister Xanana Gusmao. Ramos Horta is evacuated to Darwin Hospital and Australia sends extra troops to Dili.

Feb. 12, 2008: Papua New Guinea and Australia agree to extend the moratorium on mining and drilling in the Torres Strait for an indefinite period.

Feb. 15, 2008: Prime Minister (PM) Rudd flies to East Timor for talks with PM Gusmao.

Feb. 18, 2008: Defense Minister (DM) Joel Fitzgibbon announces a review of the adequacy of planning for Australia's Air Combat Capability.

Feb. 23 2008: Annual AUSMIN talks in Canberra involving Australia's Foreign Minister (FM) Stephen Smith and Defense Minister Fitzgibbon with the U.S. Secretary of Defense Robert Gates and Deputy Secretary of State John Negroponte.

March 6-8, 2008: PM Rudd visits Papua New Guinea and Solomon Islands. In Port Moresby, he announces "a new era of cooperation with the island nations of the Pacific."

March 27-April 1, 2008: PM Rudd visits the U.S. to meet President Bush and visit the UN.

March 27, 2008: Indonesia's DM Juwono Sudarsono meets DM Fitzgibbon for talks on the Australia-Indonesia Lombok Treaty on security cooperation.

April 3, 2008: PM Rudd attends a summit meeting of NATO Heads of Government in Bucharest to decide on ways to improve the International Security Assistance Force (ISAF) strategy and mission in Afghanistan.

April 9-12, 2008: PM Rudd visits Beijing to meet President Hu Jintao, Premier Wen Jiabao, and the new generation of leadership emerging from the 17th Party Congress.

April 13, 2008: The Queen announces that her new representative in Australia is to be Quentin Bryce. She is Australia's first female governor-general.

April 23, 2008: The 18th Australia-Papua New Guinea Ministerial Forum held in Madang.

April 26, 2008: Australia withdraws the additional 200 troops deployed to East Timor following the attack in February on President Ramos-Horta.

May 5, 2008: Australia's ambassador to Burma makes a plea directly to Burmese ministers to allow in international help to deal with the aftermath of Cyclone *Nargis*.

May 20, 2008: Australia expresses deep concern at "serious and credible threats" directed at the Australian High Commission in Suva and calls on Fiji's military regime to meet its obligations to protect diplomatic staff.

June 1, 2008: Australia's 550-strong battle group at Tallil in southern Iraq ceases operations.

June 23, 2008: The Australia-India Foreign Ministers Framework Dialogue is held in Canberra.

June 27, 2008: FM Smith, Japan's FM Koumura Masahiko, and Secretary of State Condoleezza Rice meet in Kyoto for the third ministerial meeting of the Trilateral Strategic Dialogue.

June 29-July 31, 2008: Australia participates in Exercise *RIMPAC 2008* in waters off Hawaii.

July 15, 2008: Secretary of Defense Gates meets DM Fitzgibbon to sign a treaty extending the U.S. use of the Harold E. Holt Naval Communication Station at Exmouth in Western Australia for another 25 years. The station provides communications for U.S. and Australian submarines.

July 24-25, 2008: Secretary of State Rice visits Perth.

Aug 2-3, 2008: Australia participates as an observer to the South Asian Association for Regional Cooperation (SAARC) in Colombo.

Aug. 18, 2008: Australia launches a three-year Pacific Seasonal Worker Pilot Scheme for 2,500 workers from Kiribati, Papua New Guinea, Tonga and Vanuatu, to do horticultural labor in regional Australia.

Aug. 26, 2008: The 6th Australia-Vietnam Human Rights Dialogue is held in Canberra.

Aug. 30, 2008: In Vietnam, an investigation team finds the grave and ID tags of the last Australian soldier unaccounted for from the Vietnam War.

Sept. 5, 2008: Gillian Bird, a deputy secretary of Foreign Affairs, is appointed Australia's first ambassador to ASEAN.

Sept. 24, 2008: Australia has defense talks with NATO's Defense and Security Committee on developments in Afghanistan.

Sept. 24, 2008: FM Smith chairs a meeting at the UN of member States of the Comprehensive Nuclear Test Ban Treaty.

Oct. 9, 2008: Philippines-Australia Ministerial Meeting in Manila.

Nov. 12, 2008: The 9th Australia-Indonesia Ministerial Forum in Canberra.

Nov. 15, 2008: G20 summit in Washington.

Nov. 25, 2008: Indonesia and Australia announce the creation in 2009 in Jakarta of the Australia-Indonesia Disaster Reduction Facility to support Southeast Asia disaster management. The facility will cost U.S.\$42 million over its first five years.

Nov. 27, 2008: The Asia Pacific Centre of Excellence for Civil-Military Cooperation opens near Canberra.

Dec. 4, 2008: Australia's first National Security Statement is published. Maj. Gen. (ret.) Duncan Lewis appointed to the new position of national security adviser to the prime minister.

Dec. 4, 2008: Australia signs Treaty on Cluster Munitions.

Dec. 10, 2008: Indonesian President Yudhoyono and PM Rudd co-chair Bali Democracy Forum.

Dec. 10, 2008: The Pacific Islands Forum Ministerial Contact Group visit Fiji for "talks aimed at restoring democracy and the rule of law to Fiji."

Dec. 18, 2008: PM Rudd visits Australian troops serving in Tarin Kowt, Afghanistan.

Dec. 18, 2008: Australia-Japan Joint Foreign and Defense Ministerial Consultations in Tokyo.

Dec. 23, 2008: Fiji expels the Australian South Pacific Defense Advisor based at Australia's embassy in Suva.

Dec. 24, 2008: Bangladesh and Australia sign a Counter Terrorism Agreement.

Jan. 27, 2009: Australia announces Pacific Partnerships for Development with Solomon Islands and Kiribati.

Feb. 26, 2009: The UN Mission mandate in East Timor is renewed until Feb. 26, 2010.

Feb. 27, 2009: Trade ministers meet to sign the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).

March 3, 2009: Annual talks between prime ministers of New Zealand and Australia agree on strengthened trans-Tasman cooperation.

March 5, 2009: South Korean President Lee Myung-bak visits Canberra for the Australia – Republic of Korea Joint Statement on Enhanced Global and Security Cooperation.

March 24, 2009: President Obama and PM Rudd meet at the White House.

April 2, 2009: G20 summit in London.

April 9, 2009: FM Smith and DM Fitzgibbon in Washington for annual AUSMIN talks with Secretary of State Hillary Clinton and Secretary of Defense Gates.

April 14, 2009: Allan Gyngell, founding executive director of the Lowy Institute for International Policy, becomes director-general of the Office of National Assessments in the Prime Minister's Department.

April 14, 2009: Indonesia and Australia co-chair Bali meeting on regional cooperation to strengthen borders to combat people smuggling.

May 1, 2009: Fiji suspended from the Pacific Islands Forum.

May 2, 2009: Australian Defense White Paper released.

May 8, 2009: The inaugural Australia-Thailand Joint Commission on Bilateral Cooperation meets in Perth.

May 19, 2009: Australia's signs the United Nations Optional Protocol to the Convention Against Torture and announces it will enact a specific Australian law against torture.

May 26, 2009: ASEAN announces that Australia will join the Asian side at the Asia-Europe summit to be held in Brussels in 2010.

May 27, 2009: Australia announces Pacific Partnership for Development with Vanuatu.

May 29, 2009: PM Rudd addresses the Shangri-La Dialogue in Singapore.

April 2, 2009: G20 summit in London.

April 29, 2009: Australia adds an extra 450 troops to its force in Afghanistan.

June 10, 2009: The 19th Australia-Papua New Guinea Ministerial Forum in Brisbane.

July 5, 2009: Mining executive and Australian citizen Stern Hu and three Chinese colleagues are arrested by China for suspected bribery and espionage.

July 7, 2009: PM Rudd accompanies FM Smith to Kuala Lumpur to mark the inaugural Australia-Malaysia Foreign Ministers' Meeting.

July 12, 2009: Australia implements new UN sanctions against North Korea.

July 22-23, 2009: In Thailand, the 16th ASEAN Regional Forum (ARF), the ASEAN-Australia Post Ministerial Conference, the East Asia Summit (EAS) Foreign Ministers' Consultations, and the Trilateral Strategic Dialogue among Australia, Japan, and the U.S.

July 27, 2009: Australia's foreign affairs, defense, and trade ministers in Singapore for the Joint Ministerial Committee with Singapore.

Aug. 5, 2009: Annual Pacific Islands Forum in Cairns.

Aug. 10, 2009: Australian Forces in southern Afghanistan kill Mullah Abdul Karim, "a tactical-level insurgent commander active in the Khaz Oruzgan area and known to be directly responsible for numerous attacks against Australian and Afghan forces."

Aug. 12, 2009: Australia ratifies the Third Additional Protocol to the Geneva Conventions.

Aug. 15, 2009: PM Rudd speaks to the Australian-American Leadership Dialogue in Melbourne.

Aug. 22, 2009: The first Australia-New Zealand Joint Cabinet Meeting is held in Sydney, chaired by the two prime ministers.

Sept. 1, 2009: U.S. and Australia agree to invite China to take part in trilateral defense exercises.

Sept. 1, 2009: Fiji is suspended from the Commonwealth because of the military regime's refusal to commit to a prompt return to democracy.

Sept. 7, 2009: General Secretary of the Central Committee of the Communist Party of Vietnam Nong Duc Manh has talks in Canberra with the Australian Cabinet.

Sept. 12, 2009: President Obama's nominates Jeff Bleich as new U.S. ambassador to Australia.

Sept. 17, 2009: Former Labor leader Kim Beazley is appointed Australia's ambassador to the United States. Former Liberal leader and Defense Minister Brendan Nelson is appointed ambassador to the European Communities (and to Belgium and Luxembourg), Australia's representative to NATO, and Special Representative to the World Health Organization.

Sept. 21, 2009: Trilateral Strategic Dialogue Ministerial Meeting in New York among FM Smith, Japanese FM Okada Katsuya, and Secretary of State Clinton.

Sept. 22, 2009: Trilateral Ministerial Meeting between Indonesia, Australia, and East Timor.

Sept. 24–25, 2009: G20 summit in Pittsburgh.