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ANZUS and the Asia Pivot: A Fork in the Road?

America's pivot to Asia is forcing many states in the region to try and strike a balance between their strategic relationship with Washington and their growing economic ties with China. Today, John Bruni looks at Australia's and New Zealand's attempts to reconcile these two imperatives.

By John Bruni for ISN

The Australia-New Zealand and United States (ANZUS) Treaty, signed in 1951, evolved from a post-World War II agreement to appease Australian concerns of a revanchist Japan, to a key American instrument to contain Soviet and Chinese ambitions in the Asia-Pacific during the Cold War. The significance of the alliance was demonstrated when both Australia and New Zealand joined the US-led action in Korea between 1951 and 53. It also led to Australian and New Zealand troops fighting alongside their American counterparts in the jungles of Vietnam (1965-75), and, despite the 1987 US-NZ breach over nuclear ship visits, the treaty was formally invoked after 9/11, leading to the deployment of Australian and New Zealand military personnel to Afghanistan (2001) and Iraq (2003).

The world today, however, is very different from that in which ANZUS came into being. For most of the Cold War period and the two decades thereafter, the United States was *the* international juggernaut. It led the Western bloc against the Soviet-led Warsaw Pact, and, following the collapse of the USSR, it ruled supreme as the only global power. But old certainties are now being overturned. The 2007 Global Financial Crisis has undermined US economic supremacy. The wars in Afghanistan and Iraq have not only sapped the country's appetite for foreign engagements, but have aggravated its financial distress.[\[1\]](#)

A new era of rivalry

With its military commitment to Afghanistan winding down in 2014, Washington is eager to ramp up its military commitment to Asia. Cashing in on disquiet expressed in Asian capitals regarding China's commercial and strategic behaviour, President Obama, in November 2011, publicly announced the strategic 'pivot' to Asia.[\[2\]](#) Though America never really moved away from Asia, as its large military presence in South Korea and Japan attest, the 'pivot' is a realization that the nexus of global commerce and strategy has moved from the North Atlantic to the Western Pacific.

For its part, China is no longer an economic backwater run by ideological extremists. It is Australia's number one trading partner, an industrial power of the first order, a growing military power and a country whose 'communist party' is known for pragmatism, rational decision-making and discipline even in times of crisis. From a policy perspective, Obama's pivot puts its regional allies in a difficult position. Most of Asia trades heavily with China despite remaining sceptical about its political

machinations. Australia and New Zealand fall into this category. Both countries, but especially Australia, have benefited from close commercial ties to Beijing in spite of concerns over China's human rights record and growing naval capabilities.

While Washington's obvious play to reassert its strategic dominance in Asia has allayed the fears of many countries in the region, it can and has been construed by the Chinese leadership as a 'call to arms.' Chinese paranoia aside, there is little substance to this. Washington is as dependent on the free movement of goods and services to China as Beijing is dependent on the free movement of its goods and services to the US. Neither party wants to risk a strategic impasse that could lead to war, the mere threat of which could profoundly disrupt trans-Pacific trade, the global economy and international power trajectories. There is also the fact that both the US and China are now status quo powers. Both are aware that destabilizing the 'balance' would imperil their strategic and economic gains equally. Therefore, while the US and China will continue to compete for strategic space and economic advantage, neither ultimately wants to disturb the equilibrium in the Western Pacific. The Sino-American balance of power is thus likely to remain stable for the foreseeable future, albeit with points of tension, as the disputes in the South China Sea and over the Senkaku Islands illustrate.

As far as Australia and New Zealand are concerned, this means that as long as China can access Australian raw materials and other desired commodities, there is little likelihood that it will choose to take by force what it can get on the open market.

Australia - walking a fine line?

The Gillard government, however, has not played its cards well with the Americans. Prime Minister Gillard has sent mixed signals to Washington. While she has allowed the US Marine Corps to rotate some 2,500 personnel through the northern city of Darwin^[3], she has also slashed the defence budget by \$5.4 billion – deferring or cancelling key weapons modernization programs in the process. ^[4] While Defence Minister Stephen Smith and the Prime Minister have assured the Australian public that these cuts will not compromise Australia's military capabilities, their views are not shared by the Department of Defence nor by the United States. Indeed, Washington insiders^[5] and Australian defence commentators have raised concerns that the cuts would harm Australia's ability to support the US pivot to Asia in the short to medium term.

From the American perspective, Australia's economic fortunes, fuelled by Western Australia's mining boom and China's appetite for iron ore and other commodities, compare favorably to their own. Australia's relative economic health is thus seen by the Obama administration as a reason why Australia should not cut its defence budget. If Australia is in a position to do more to support US strategy in the Asia-Pacific, the Americans argue, then it should do so. If, on the contrary, Australia reduces its military capabilities, how can it actively support a more robust American presence in the Pacific?

But Gillard views things differently. She and her Treasurer Wayne Swan are taking a more cautious approach to the Australian economy. They believe that Australia must return to a budget surplus (however small) after the stimulus spending of the previous Rudd government. To Gillard and Swan, the defence budget is no longer sacrosanct and can afford to be cut.

With Australia heading into an election year, there are reports of a 'poisonous atmosphere' developing between the 'pro-US' Australian defence hierarchy and the Gillard government, not to mention between the Gillard government and the local Defence industries and businesses that stand to lose the most from cuts. As the Gillard government needs every vote it can get in the lead-up to the 2013 federal election, alienating the defence sector is dangerous because it gives a 'free kick' to the traditionally more US-centric Coalition parties.

Gillard's position, however, has certainly taken the sting out of Chinese concerns over the pivot and about the new US presence on Australian soil – concerns aired publicly in the Chinese state-run media. [6] So perhaps by not according the Obama administration all it covets, Australia has successfully (albeit temporarily) navigated a path between Beijing and Washington which allows the country to balance between its Chinese commercial partner and its American strategic partner.

New Zealand - balancer in the South Pacific?

New Zealand's position on the pivot largely reflects its position as the junior partner to both the United States and Australia in ANZUS. Since the 1987 ban on nuclear-powered and nuclear-armed ships entering its harbors, official security relations between Washington and Wellington have been put on ice and general relations have been frosty between the two capitals. At an unofficial level, however, cooperation on intelligence and security has continued, with Canberra acting as interlocutor – thus keeping ANZUS functional.

In 2001, attitudes between the two countries began to change when New Zealand sent troops to Afghanistan and then Iraq to assist US operations there. More recently, in September 2012, US Secretary of Defense, Leon Panetta visited New Zealand. [7] In an 'olive branch' gesture, Panetta rescinded a ban on New Zealand naval ship visits to US ports. This US turn-around was significant because it did not oblige the New Zealand government to rescind its own ban on nuclear-powered/nuclear-armed ship visits. New Zealand Defence Minister Jonathon Coleman proclaimed that he had no illusions that this move would turn back the clock on US-NZ relations to 1986, but that it was nonetheless a very positive move. In terms of the pivot, the NZDF is a very small outfit, and while highly professional, there are obvious limits to what New Zealand can do to support US operations, beyond lending their Special Forces personnel, intelligence assets and possibly an aircraft or warship. [8]

From a Chinese perspective, due to the size and location of New Zealand, a closer NZ-US relationship is largely symbolic and should not be considered a threat. But the equation changes in the South Pacific where China and other Asian countries have been manipulating weak and corrupt local governments to secure precious maritime resources. Should the Chinese presence in the South Pacific begin to involve weapons sales or the stationing of intelligence assets in some of the island-states, New Zealand might be called upon by Washington to act as a check against Chinese regional encroachment. Considering that neither the US nor the PRC has an interest in direct confrontation in the Western Pacific, areas like the South Pacific that are less critical to the overall balance of power might well become theaters of strategic competition. Indeed, there has been talk recently of potential Chinese weapons sales to Fiji for that country's military modernization program. [9] As Fiji is considered a significant South Pacific country, its drift into China's orbit might constitute a Chinese thrust that would require a parry from the ANZUS partners.

Overall, the reaction to the evolving security dynamics of the Asia-Pacific in light of the US pivot has so far been mixed. Australia has cautiously moved to placate American expectations without angering China – which is its number one trading partner as well as the number one strategic competitor to the US. In an attempt to re-energize the tripartite ANZUS treaty, Washington has held out an olive branch to New Zealand. China will be watching developments closely. No doubt the 2013 Australian federal election results will determine how long Australia can keep American expectations at bay. A victory for Tony Abbott will mean a much closer Australian security relationship with Washington. For its part, the Obama administration might be banking on such an outcome in order to get Australia more clearly into the new 'American camp,' which the president's pivot to Asia hopes to bring about.

- [1] Trotta D., *Cost of war \$3.7 trillion and counting*, Reuters, June 29, 2011, <http://www.reuters.com/article/2011/06/29/us-usa-war-idUSTRE75S25320110629> date accessed: 29/01/2013
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- [3] Gillard, *Obama detail US troop deployment*, ABC (Australian Broadcasting Commission) News, Nov. 16 2011, <http://www.abc.net.au/news/2011-11-16/gillard2c-obama-announce-darwin-troop-deployment/3675596> date accessed: 29/01/2013
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- [5] Sheridan G., *Defence cuts makes Americans uneasy*, The Australian, Nov. 15, 2012, <http://www.theaustralian.com.au/opinion/columnists/defence-cuts-make-americans-uneasy/story-e6frg76f-1226516931763> date accessed: 29/01/2013
- [6] Calmes J., *A U.S. Marine Base for Australia Irritates China*, The New York Times, Nov. 16, 2011, http://www.nytimes.com/2011/11/17/world/asia/obama-and-gillard-expand-us-australia-military-ties.html?pagewanted=all&_r=0 date accessed: 29/01/2013
- [7] The first time in 30 years that a US defense secretary made such a visit.
- [8] The use of the singular in the latter case is deliberate considering the size of the NZ Air Force and Navy.
- [9] Field M., *China looking to re-arm Fiji*, Jan. 27, 2013, <http://michaelfield.org/Fiji%20china.htm> date accessed: 29/01/2013

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