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Foundations for Modern Approaches to the China Security Question

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Abstract

What are the ideational, strategic, and political foundations of current Australian policy towards China?

Although the strategic and security implication of a rising China in the region is frequently seen as a modern issue, the challenge of how to deal with a 'China growing strong' has preoccupied Australia since the 1950s; while modern approaches date from the 1960s. This paper traces the evolution of Australian security policy, attitudes, strategies, and assumptions behind both Liberal and Labor responses to the 'China security question' as well as the politics driving them—from Prime Minister Robert Menzies through to current Prime Minister John Howard. How have attitudes and responses to the 'China security question' evolved and changed, why did they do so, and how is this relevant to understanding current and future Australian responses to meeting the challenge of China's continued rise today?

This paper explores these questions in chronological order, which coincides with the thematic development of the 'China security question'—beginning with the Liberal Governments up to 1972, then to the Whitlam Government and the period leading to the 1989 Tiananmen Square Massacre, and finally from the post-Tiananmen period to the present one culminating in Prime Minister John Howard's attempt at 'synthesis' of both Liberal and Labor approaches to the question.

Foundations for Modern Approaches to the China Security Question

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Introduction

The arrival of China as a great regional and eventual global power is perhaps the most important security question facing Australia. The 'China security question', which encompasses questions about the nature of growing Chinese power, security architecture in the region, impact on Australia's traditional alliances and increasing strategic competition with (especially) the United States, is set up to provide a significant and increasing challenge for Australian security thinking. The China security question is sometimes treated as a modern challenge. In fact, the issue of how to deal with a 'China growing strong' has preoccupied Australia since the 1950s, while modern approaches date from the 1960s. Although the China issue has since undergone several reformulations in the gradual shift from viewing China as threat to China as opportunity, historical debates about what to do about China have an important bearing on modern debates. There have been several attempts to account for the shifts in how Australian administrations from the 1950s onwards treated the 'China security question' and in particular viewed the 'threat' of the People's Republic of China (PRC). Whilst many of these accounts offer important historical insights into domestic political considerations that influenced how the security question of the PRC was viewed and how these views were communicated, further questions with respect to the guiding assumptions behind the various security policies toward the PRC remain largely unexplored.

This paper seeks to demonstrate how the modern debate about China is a continual (albeit stuttering) one in Australia's history and not a new one. In this context, there are several important reasons for giving a focused history of the China security question, rather than a complete history of Australia–China relations.

First, historical records are accounts of not just what occurred in the past but more importantly *why* particular events occurred and decisions were taken. In this case, we would want a more complete understanding of why Australian administrations during that time made certain decisions and enounced particular policies. Knowing more about why past decisions were made allows us to better understand earlier attitudes and assumptions, and the basis for the resultant successes and failures.

Second, having a more complete account as to why decisions were taken bears directly on modern policy for two reasons. First, the current *de facto* two-party system is identical to that which existed in the 1950s, and the two parties remain largely intact. The Liberal and Labor

parties have evolved incrementally from strong traditions. This is particularly the case when focusing on foreign security policy. Modern approaches to the China question bear the marks of each party's history.

Second, basic assumptions behind security decisions are difficult to change, because concepts and paradigms are used to make sense of events and how to best respond. Hard-nosed policymakers might question the value of examining basic assumptions, but the less we question them, the more likely they are to remain unchallenged and therefore unchanged. New facts and events might emerge, but only rarely do these lead to a fundamental change in the assumptions and paradigms used to form security policies. Hence, raising these basic assumptions in our security history is very much an exercise that will aid present policy.

Third, making practical policy decisions can sometimes resemble a 'security puzzle'. Choices and outcomes are limited by certain rules of the game. The 'rules of the game' will always have some historical basis and context. Re-examining them offers the prospect of expanding the available choices and outcomes, particularly when current ones appear unattractive.

Fourth, by stripping bare the basic assumptions, the possible roles and influence for a middle power like Australia is greatly enhanced. Our ability to 'influence' or 'persuade' through hard power mechanisms is clearly less than that of a great power or superpower. Influence or even exercising leadership to enhance Australia's security interests vis-à-vis more powerful states depends heavily on our capacity to influence security agendas, priorities, and also manage alliances and partnerships with more powerful states. Therefore, greater understanding of assumptions behind security agendas enhances the prospect that Australia is better able to more perceptively define security threats and how these can be managed in partnership with more powerful states. In particular, Australia's alliance with the United States and greater enmeshment in our region and with China requires clear and critical thought.

The point of examining Australian security policy vis-à-vis China from the Menzies Government to the present Howard Government is to offer a kind of process or concept *tracing* from 1949 to the present. As already mentioned, the aim is not to offer a comprehensive security and strategic history of the period, but rather to trace the security and strategic foundations that determined policy toward China—the synthesis of which has direct bearing on Australia's perceptions of the Chinese threat and our treatment of the China security question today. The 'China security question' will address aspects such as Chinese threat perception and construction, regional security frameworks that link policy towards China and alliance politics, as well as more recent security strategies of integration and engagement. It will become clear that the broad 'China security question' was tied to the question of China as a security threat by the early Liberal Governments and to the issue of alliance management with the United States. Once the 'China threat' diminished for various reasons, Labor Governments lost some interest in the broader China *security* question. The present approach is to understand how to fit a 'China growing strong' into the region while rejecting past approaches that treated China as an automatic threat and involved downplaying the US alliance and security coalitions.

This paper is in chronological order, which coincides with the thematic development of the China question. The second chapter deals with the Liberal Governments up to 1972, the third chapter with the Whitlam Government to the 1989 Tiananmen Square Massacre, and the final chapter from after Tiananmen to the present and Howard's attempt at 'synthesis' of both Liberal and Labor approaches to the China security question.

Chapter 1

Containing China—1950s and 1960s

Introduction

Although the 'China security question' is sometimes viewed as a modern question arising from recent events, it first arose in the 1950s, with the modern debate beginning in the 1960s. What confronts us now (as it did then) is the broad question of how to 'fit' a China growing strong into Asia peacefully and without causing instability. This chapter covers the earlier attempts to deal with the question of China and how these approaches played out. In showing how the 'modern' China security challenge is actually one that bears relation to the China security question four to five decades ago, it will be useful to look at the assumptions that lay behind the Australian Government's conception of the Chinese threat during the 1950s and 1960s, how they changed and evolved, and the nature and reasons for our strategic and security policy responses.

There were three basic conceptions of China during this period: China as a communist threat; China as a 'rogue dragon' within the system; and China as an emerging great power. It is this last conception which bears the most relevance for modern approaches to China. I will therefore look only briefly at the first two, including why these conceptions faded.

Ideology and early approaches to the China question

During the 1950s, the Chinese threat was largely informed by the worldview of the communist conspiracy against the West, of which China was the junior member alongside the Soviet Union. Australia focused on two major security priorities during this time: to contain the growth of largely communist-based threats in Asia (of which China was a significant one); and to secure and manage a security alliance with the United States, which was seen as Australia's ultimate great power protector (a view that holds true today). One priority aided the other. The key was to try to maintain the US alliance while only extending commitments that appeared in Australia's immediate interest to do so. From the beginning, security was seen to depend not on the shoulders of multilateral organisations such as the United Nations, but on effective alliances with great powers. This was reiterated by Robert Menzies several years later when justifying the grand strategy of Australian reliance on great power allies:

> It will be a poor day for Australia if, in the name of some theoretical idea about the United Nations, we abandon our lines of communication with our great and powerful friends. No country in the world more than ours needs great and powerful friends.[1]

Australian security policy started from the belief that Communist China would be a permanent fixture in the international system. Therefore, the nature of the Communist China threat became a crucial assessment. That our early engagement with China was to understand the security threat it posed as being communist in nature was not surprising. The Liberal Government was handed a tough task when they were elected into office: develop a set of security policies to deal with the Chinese question in which the nature of the regime,

threat posed, and capabilities were largely unknown. Moreover, the Second World War had left behind a changed balance of power and divided international order with which Australia was still coming to terms.

Events following the Second World War suggested that the world was increasingly divided into two camps and even though the Liberal–Country Party won office in December 1949 with no firm conclusions about the Chinese threat, it was widely accepted that the Chinese were fully-fledged communists who would invariably cooperate with the Soviet Union. As little was known about China or Mao Zedong's regime, it was certainly much easier to perceive the threat as part of this hostile global movement. Therefore, the notion of the PRC emerging as the regional chapter of a global communist movement became the accepted orthodoxy.

The belief in a global communist takeover was part of the Australian political debate as early as 1949:

> Domination of China by the Reds makes possible a swift military thrust down South-East Asia from China similar to the Japanese pattern but backed this time, not by a few small islands, but by the whole might of the Union of Soviet Socialist Republics. … The Red glow from South-East Asia can clearly be seen on the North Australian horizon[2]

By 1957, following crises in Korea, Formosa and the off-shore islands, the Malayan Emergence, and rumours of a communist Jakarta-Peking Axis, this perception had truly caught on and even the 'moderate' Foreign Secretary Casey adopted this viewpoint:

> There is a very large army in Communist China and North Korea and North Vietnam. … The international communist ambition to communize the world is constantly repeated.[3]

Toward a modern approach to the China question—1960s and 1970s

Even though *Communist* China was always on the horizon in the 1950s, by the 1960s China as a security threat had truly arrived. Sir Garfield Barwick, who had been given the External Affairs portfolio in 1961, heralded the era by stating:

> We must accept, I believe, for the present that China constitutes the greatest threat to the security of the region in which we live. Indeed, there is no other major threat at this time.[4]

A common perception is that approaches toward China prior to Whitlam could be summarised under a bygone anti-communist approach to world affairs which bears little resemblance to the current situation. In fact, the present dilemma over the China security question first emerged in the 1960s. Anti-communist rhetoric was still a feature of public debate on China during the 1960s. Indeed, the increase in extreme anti-communist fervour surpassed any shown during the 1950s. One example was Menzies' comment before a 1961 Brisbane electoral meeting that:

> No one in Communist China would say thank you for any recognition which did not recognise that Formosa belonged to it. … How many Australians would agree to sell Formosa into slavery as the ALP proposes to do?[5]

One must understand the domestic political situation of the time to understand these pronouncements. Since 1950, the Liberal Party had benefited enormously (politically) from an anti-communist platform, a stance which was a convenient tool to attack trade unions and play on fears that a Labor Government would be soft on communists. For example, a poll in

1965 showed that only 16 percent of respondents would not feel threatened by Communist China if the United States left Southeast Asia.[6] That this fuelled the public *construction* of the communist threat is in some part true. The fact that a sizable number of academics and the press caught onto seeing the world as one of pro and anti-communists in battle contributed to the continuation of this kind of rhetoric and analysis.

Old political habits die hard and Menzies seemed incapable of discontinuing the characterisation of affairs in a rabid anti-communist form, in public at least. It was also proving too hard (politically and analytically) to resist applying the anti-communist view in public or for political comment on critical events, as the gaps in facts and evidence could be filled in by anti-communist presumptions:

> The Leader of the Opposition has asked what evidence there is of Chinese troops. There is no need for the Chinese to have troops in South Vietnam to be masterminding the kind of thing that is going on there because there is not the slightest doubt that the North Vietnamese are puppets of the Chinese and that the whole conduct of the war … comes out of the philosophy of Mao Tse-tung. … It is perhaps only the first round of an attack by the Chinese Communists in an effort to dominate the world.[7]

However, persistent public rhetoric which painted China as the new communist menace replacing the Soviet Union hid the subtle change taking place in thinking within the diplomatic arena. The notion that China was a subversive, dangerous country did not change from the 1950s to 1960s. Indeed, the preoccupation with the Chinese as the major enemy arguably reached its peak in the mid to late 1960s. What did gradually change was a presupposition of grand motivation behind the actions of the Chinese as an emerging great power which heralds the arrival of a more modern reformulation of the China question away from ideological perspectives.

Sir Paul Hasluck had replaced Barwick as Minister for External Affairs in April 1964. A record of talks held in October 1964 between Hasluck and Andrei Gromyko, Soviet Minister for Foreign Affairs, serves as an illustration of the shift from regarding China as a communist renegade toward China as an imperialistic great power. In particular, Hasluck outlined Australia's anxieties in Southeast Asia, which were mainly concerned with the threat of Chinese aggression in the region. Hasluck went as far as to state that China was the greatest threat to peace and stability in the whole region and that it threatened the territorial integrity of all newly independent countries. This was not unusual, except perhaps that it was a stronger statement about China as the 'primary threat' rather than simply one of a number. However, the emphasis was subtly different to the fears of the preceding decade when it was predicted that a 'wave of Communism' would sweep through Asia. There is ample evidence for this view.

Hasluck's accession to the External Affairs portfolio is frequently seen as the beginning of a hard, uncompromising, and perhaps even ignorant line against the Chinese as communists. Although public statements undoubtedly maintained the rage against the 'Communist foe', private opinion suggested otherwise. For example, Hasluck emphasised 'power balances', and the general desire to prevent one power from dominating the whole of Asia, rather than seeing the world in purely ideological terms. Indeed, Australian concerns were not based on fears of Chinese invasion but rather on the emergence of a single great power in the region and the resulting imbalance to the international system (relations between the United States and the Soviet Union were stabilised at the time.). In particular, Hasluck made it clear that he was not talking about dominance in an 'ideological' sense, but the dominance of an imperial power. In essence, 'the question of ideological dominance was less prominent in his

(Hasluck's) mind than the question of the new imperialism of China—the questions of power and nationalism'.[8] This is made even more explicit in Hasluck's conversations with French Minister for Foreign Affairs Maurice Couve de Murville a month later when the Notes of Conversation reveal that 'Mr Hasluck agreed with Couve's starting point that the struggle in the new world reflected conflicts of power between national groups of power and not conflicts of ideologies'.[9]

Moreover, Hasluck frequently spoke (as early as 1964) of the need for détente with China—similar to the détente reached with the Soviet Union (although he did consider any such détente to be a future goal.) This tends to belie the argument that figures in the Australian Government (like Hasluck) were so blinded by their enmity toward communists that no sensible or strategic moderation towards these states were possible.

Second, one can observe a subtle reformulation in the 'Domino Theory' thesis. In the 1950s, the speculative fear was about an ideological inspired sweep south by China. From the mid-1960s, this sweep south was discussed in classical imperialist power terms: Vietnam, Laos, Cambodia, Thailand and Burma all falling under the 'imperial Chinese sphere of dominance'; and the existence of the United States needed to preserve the 'balance of great powers' in Asia.[10]

Third, the use of the atomic bomb by the United States against Japan in 1945 introduced a new criterion by which to assess the power and prestige of great nations. Prior to China successfully exploding its first nuclear device in October 1964, only the United States, Soviet Union and United Kingdom possessed nuclear weapons. Once China entered the nuclear club, its seat as a 'great power' within the international system irrespective of its guiding domestic ideology had to be respected. The successful detonation resulted in what was undoubtedly a coup for the PRC's global prestige and even triggered increased international debate as to whether China should be immediately admitted to the United Nations given its now unquestionable 'great power' status. Given China's use of the atomic bomb, it was vital to no longer view China as a country with an undesirable communist regime but rather as a nation within the international security system whose great 'power' had to be managed—especially given that this development potentially meant an ability to alter the military and political balance of power in Asia. There was, therefore, an urgent move away from assessing the intent of the idiosyncratic 'Red menace' to assessing power capability and classical realist imperialistic intent. This move, from viewing China as a subversive communist state toward China as emerging imperialist in the system, is important because it signals the beginning of the modern formulation of the China question and ramifications of China as an emerging great power. It is evident that this dilemma did not begin in the 1990s, but was in fact the pre-eminent security question facing Australia by the mid-1960s.

The move toward viewing China as an imperialistic great power was neither entirely conscious nor deliberate. Why, then, did it occur? After all, events in Indochina, disputes with India, the explosion of a nuclear device and so on would all comfortably fit within the classical assumptions about the subversive and revolutionary nature of Communist China. As already noted, leaders are not generally in the habit of intellectually tracing the subtle evolution in their thought. More likely, they grab at available concepts and conceptions, for these become currency in order to best understand and explain complex events.

The first explanation for the change concerns the arrival of the so-called realist thought of conflict and international relations. This 'realist revolution' encompassed a broad school of thought within the matrix of 'power politics' and found intellectual and policy proponents in

figures such as Hans Morgenthau and George Kennan. Realist theory was largely accepted by American (and Australian) scholars and certainly influenced policymakers. Much of the popularity of the realist approach was due to the fact that it provided a convenient, thorough and extremely compelling framework with which to view the Cold War and resulting security problems. In particular, from the 1960s onwards, realist approaches evolved toward a purer form of 'power politics', decreasing emphasis on ideological conflict and focusing increasingly on objective measurements of power and balancing strategy. Under this power politics emphasis, it appeared more useful to focus on the growing material power of the PRC rather than speculate about ambiguous ideological causes and motivations that could not really be measured or assessed. State behaviour was therefore seen as more of a function of the power they possessed and less as a function of their ideology. In particular, viewing China as an expanding imperialistic (great) power (as envisaged by the realist schema) provided more clues with respect to effective strategic security responses than the previous perception of China as an inherently subversive communist state. This explicitly realist approach provided a greater certainty and rationality to explain the actions of China beyond the notion that communists desired world revolution.

Moreover, and perhaps most crucially, realism offered a framework to define and *restrict* security priorities given limited military and other resources. This was an especially important consideration for the United States given its perceived failures in Vietnam and the subsequent decline of US will to assert itself militarily as the global champion against communist all-comers. The United States and its allies had limited resources to use against the whole communist world and its supporters. By focusing on power and power balances, more effective strategic distinctions could be drawn between core and peripheral threats. The result would be a more effective containment policy. One practical formulation of this was US President Richard Nixon's exhortation that 'our interests must shape our commitments, rather than the other way round'.[11]

Second, realism and power (not ideological) politics had emerged as the dominant approach within US academic and policymaking circles. The idea that Communism was antithetical to our worldview persisted, but the strategic focus was a power politics focus. Australia's ultimate security guarantee against greater powers rested with the evolving Australian-American security relationship (i.e., ANZUS and the Southeast Asia Treaty Organization (SEATO)). Therefore Australia had no option but to tap into American strategic and security thinking and this occurred in both deliberate and inadvertent ways. For example, in early 1996, US Secretary of State Dean Rusk produced a review of China policy that differed from the straightforward anti-communist focus of John Foster Dulles. For Rusk, 'the Chinese Communist leaders seek to bring China on the world stage as a great power. They hold that China's history, size and geographic position entitle it to great power status. They seek to overcome the humiliation of 150 years of economic, cultural and political domination of outside powers'.[12] Moreover, Nixon, as a precursor to his eventual 'realist' inspired détente, wrote an article in the *Foreign Affairs* journal arguing that the United States should have, and indeed had, come to grips with China as a great power. This meant a worldview shift from ideological to power politics.

Without doubt, Australia adopted this realist approach from the mid-1960s onwards. In what could have been a formulation written by Morgenthau, Hasluck stated in 1965:

> Force is being used and in such a world where the possession of power is the main determinant of what happens, anyone engaged in foreign affairs must recognize and study the facts of power and also recognize the reality of power politics.[13]

Third, many still viewed China as a communist nation ultimately intent on world revolution, and that any coexistence with it was most prudently viewed as being merely tactical and strategic. However, efforts to 'stabilise' the region during the past two decades had produced a balance (illustrated by political and tactical stalemates in Formosa and Korea), and focusing on material power struggles of states in a strategic sense was a more useful framework (and method) than focusing on the perceived ideological reason for enmity (i.e., that China was a communist country.)

Fourth, the widening gulf between the Soviet Union and China provided *prima facie* evidence for those prepared to accept that, even if there were a genuine international communist conspiracy against liberal democracies, the differences and rivalry between the two great communists powers were too large and it made more sense to treat them as separate powers rather than as a united block. In this sense, realist power politics was more useful to guide a security policy framework than the broad brush of a communist transnational enemy.

Withering of the 'rogue dragon' conception

The Chinese threat constructed in the 1950s was largely founded on the basis of presumed hostility towards any communist regime outside the Western backed post-Second World War order. The behaviour of the PRC in the manner of a 'rogue dragon' outside the international community was consistently promulgated as the reason behind withholding recognition and denying the PRC entry into the United Nations. There was a close connection between the 'rogue dragon' concept and the subversive communist. Both depict a regime hostile to liberal democratic order, while a communist was, in some sense, by definition a rogue within the system. There were however a number of differences.

The communist was presumed to seek world revolution by overthrowing the liberal, capitalist system. The immediate strategic goal of communists in our region was presumed to be the ousting of US forces and influence in Asia followed by a sweep south, either by force or subversion. The 'rogue dragon', on the other hand, was more unpredictable. It did not seek to exist within the rules of the system, did not respect the rights, obligations and conventions agreed upon by modern, civilised nations, could not be relied upon for restraint, did not seek regional stability, tended to foment chaos, and the governance of its own people was either reprehensible or dysfunctional. In short, one could not employ the usual strategies and diplomatic norms to engage with the 'rogue dragon'. The danger from communist elements was that they sought global revolution. The danger of the 'rogue dragon' was that it was a misfit and an unknown. Neither could be trusted and both were conceived as threats but for different reasons.

Even as late as 1966, the 'rogue dragon' depiction was in full swing. A pamphlet issued under the authority of the Minister of External Affairs concluded that 'Australia sees as possibly the greatest problem in Asia today the fitting of China into the international community there'.[14] Barwick had expressed the same sentiment a couple of years earlier stating that 'our long term foreign policy should look forward to a day when China shall once again enjoy her ancient place among the nations of the world. How speedily that day arrives, will unfortunately be more of her making than ours'.[15]

China had the clear onus to rid herself of her rogue status. There is an anomaly about this in that the standard for recognition and entry into the United Nations was higher for China than

other nations. Our focus here though is how helpful this characterisation was as far as setting security goals were concerned.

The concept of the Chinese 'rogue dragon' had its highest value as an evocative political justification for why Australia did not want to recognise and support the entry of the PRC into the United Nations. As a concept to instruct security policy, it was of limited value beyond a general suggestion that rogue regimes could not be trusted. This was superfluous anyway, as untrustworthiness was implied by pointing out that the Chinese were communists.

The particular construction of the 'rogue dragon' (in that it was entirely up to the Chinese to dispel this characterisation) was also unhelpful and indeed awkward as far as public admission of an engagement policy toward the Chinese was concerned. The branding of China as a rogue implied that one could not engage with such a regime until that regime took on more civilised qualities. Engagement could only come *after* the PRC changed their spots; and engagement was not publicly admitted as a strategy to help persuade the PRC to change. Such a passive strategy was at odds with the growing realisation of Chinese power, as the new Prime Minister Harold Holt acknowledged at the Commonwealth Prime Ministers' Conference in 1966 when he stated that 'finding a way of living with Communist China was the biggest question facing our part of the world and perhaps the biggest question facing the world today'.[16] Indeed, the need to actively engage a China becoming more powerful was the publicly stated essence of the UK argument as to why China should be admitted to the United Nations.

Several other developments had the potential to banish the 'rogue dragon' concept from government deployment. The first was the virtual withdrawal of the United Kingdom as one of Australia's great power protectors in the region in addition to some uncertainty over the longer term presence of the United States (as a result of the Nixon Doctrine). It was easier to unswervingly tow the US line on non-recognition and defend against critics of the policy by pulling out the 'rogue dragon' justification when pushed. Paving the way for engagement with a more powerful regime forming the threat was not necessarily a prerequisite for a security strategy given such powerful protectors. However, although the Nixon Doctrine enunciated in 1970 pledged to keep existing treaty commitments and provide a nuclear protection to allies whose independence was considered vital, the third element calling for allies to assume primary responsibility for their own defence sounded more ominous.

This new strategic environment that Australia found itself in from 1970 onwards precipitated internal musings about an appropriate response. Finding reasons not to engage with the growing Chinese power began to appear more like a 'head in the sand' policy and less like a necessity of (great power) alliance management. Members within External Affairs began to consider that, as China was becoming more interested in the outside world, the greater interest could 'presage greater militancy but might also create opportunities that should not be ignored'.[17] A submission by then Minister for Foreign Affairs William McMahon to Cabinet in 1971 was illustrative in making the point that:

> We are a significant country in the Asia context and it does not always do our image good in Asia to be seen to be constantly following America's lead (regarding recognition) or as progressing towards a policy exactly in step with them.[18]

A new concept of 'regionalism' was introduced to help explain the increased responsibility for Australia to shoulder its own security in the region. Hasluck had in 1967 defended Australia's

commitment in Vietnam in terms of the benefit to the 'region'[19] and regionalism was explicitly referred to in 1970 by Defence Minister Fraser who argued that:

> Australia's defence planning and preparations flow from a decision for continuing involvement in SE Asian affairs. … They rest on the premise that as events unfold in the region to which our security is permanently linked, we must ourselves be able to influence the course they are taking more independently, less as a supporter of the commitments of major powers and more as a partner with other regional countries.[20]

Moreover, as the Sino-Soviet split became obvious, the threat of global and coordinated communist action was reduced, and a new-multipolar system started to emerge. Recognising the need to bring in Communist China became plausible:

> The strategic importance of China on a global scale, and the increasing need to bring her into disarmament negotiations and the resolutions of conflicts, in particularly in Asia, outweighs the insubstantial pretension of Chiang Kai-shek to represent that country in world forums.[21]

A second point, related to the first, was that the PRC was gaining greater acceptance by the international community after the virulent period at the height of the Cultural Revolution which saw Beijing increasingly isolated. A more pragmatic and orthodox side to Chinese internal politics re-emerged from 1968 onwards. This precipitated 'the re-entry of China into the diplomatic community, and her increasing assumption of the role of a traditional great power'.[22] Admission to the United Nations was seen as increasingly inevitable. Australia was left more on its own to determine its security arrangements and foreign relations in this new strategic environment, and active engagement with the PRC (proceeding from recognition and support for admission to the United Nations) now appeared prudent rather than visionary. In the same submission, McMahon argues:

> We have now reached a stage where Peking will soon be admitted into the United Nations, irrespective of our own wishes. … The policies of Japan and the US are in a state of flux (and) if we were to find these two major countries moving substantially ahead of us towards a modus vivendi with the PRC, our own position would be exposed and our interests probably prejudiced. We would soon find ourselves singled out by Peking [and] this would affect our freedom of manoeuvre. … In the PRC's eyes the continuation of our present policy would be seen—rightly or wrongly—as provocative, and the PRC would be expected to treat us and our interests accordingly.[23]

Therefore, as far as the 'rogue dragon' characterisation is concerned:

> Australian policy towards the PRC has rested on the need to extract a 'good behaviour bond' from Peking in return for recognition or admission to the UN. This stand is becoming increasingly unrealistic in a changing political situation in which international support is swinging Peking's way.[24]

Communist China could no longer be ignored and simply branded as a rogue who needed to behave before engagement was possible. Hasluck had pre-empted this back in 1965 when he argued that 'China cannot be ignored, China cannot be suppressed. … It is a problem of coexistence with China and that lies behind all that is happening in Asia'.[25]

Explaining changing conceptions and responses to the China threat

To conclude that the period saw nothing more than two decades of anti-Communism and subservience to the United States is both superficial and incorrect. Although still reluctant to

act out of step with US policy, Australian engagement with the China security question had made significant progress in two decades, moving from viewing China as an *a priori* communist threat and international rogue towards thinking about the ramifications of China as a future great power in its own right.

The making of security policy obviously cannot exist without a prior set of assumptions that guide how we interpret events and facts. When trying to account for decisions taken in the past, it is always useful, as far as practicable, to keep taking a step back to ask why certain policies were preferred. This is why the construction of the security environment during this period is important. We began by stating the problem faced by the Australian Government when Menzies first assumed power: the twin problems of a divided and uncertain international order and an unknown China. Both worked together to influence the conception of the security environment and Australia's security policy toward Communist China.

(a)   *Early conception of the security environment—1950s to early 1960s*

Australian security strategy followed two basic directives during this period. The first was 'forward defence', which meant deploying forces in forward positions in Asia rather than simply defending Australia's territorial limits. The second directive, related to the first, was guided by the so-called 'Domino Theory'—the argument that neutral and pro-Western regimes would fall to Communism one after the other like dominos if left undefended. This was linked to 'forward defence' since if Southeast Asia fell to communism like a stack of dominos Australia would exist in a hostile region. Security pacts such as ANZAM, ANZUS and SEATO were security agreements for allies to collectively stand against the spread of communism and also as a basic requirement for the 'forward defence' strategy of a middle power that depended on great powers and other smaller powers sharing the security burden.

Where one drew the northern line for 'forward defence' and how much resources were committed to various hot spots in Asia were strategic and tactical questions based on these two directives. Why did Australia base its security on these two directives? The answer has much to do with the conception of the international system and international order, and the resulting security environment that was presupposed.

As far as most Australians were concerned, the post Second World War international system was divided into two competing camps: the Western liberal order (based on more open societies and economies) and the Communist order (based on revolutionary regimes that were authoritarian and communal production.) Granted that this paints only a very simplistic picture of reality at the time, but these were the two fundamental versions of order. Moreover, although there was in reality continual instances of cooperation (especially in trade) between the two blocs, the two versions of order were perceived as ultimately mutually exclusive.

It was this version of the international system that formed the early perceptions of the Menzies Government vis-à-vis China. The basic paradigm was one of ideological conflict and competing sets of values that gave rise to competing versions of order (liberal-democratic order versus communist order). The basic conception of the security environment formed out of an understanding of this competing order. *Security threats were seen to be linked intrinsically to the type of regime, and not just as a function of tangible power*. Liberal regimes valued stability and had the moral uprightness of wanting to promote open societies. Communist regimes were revolutionary (and therefore did not value stability) and sought to create morally reprehensible totalitarian societies. Images of an 'Iron Curtin', Orwell's totalitarian society in *Nineteen Eighty Four,* Huxley's dehumanised *Brave New World* and so

on, contributed to the popular conception of an alternative worldview worth fighting against. While disputes were bound to arise between liberal democratic regimes from time to time, the mutual interest in stability conducive to productive economic relations after the destruction of a world war, as well as the need to band together to confront the common communist threat, were thought strong enough to form a 'security community' that stood as defenders against the competing communist order.

Criticisms that Australia's early security policies were based on paranoia (i.e., divorced from empirical evidence) have to consider that the basis for this worldview seemed compelling. Communist regimes openly advocated a desire to export world revolution in highly militant terms. Western Europe stood precariously against an imposing communist bloc to her east. Communist China, advocating the same Marxist ideology, was presumed to stand ominously in Far East Asia and to be poised to sweep south toward Australia's doorstep or, at least, export the ideology throughout the whole region. Moreover, the world had recently endured a global war and the folly of appeasing regimes with hostile ideologies was considered a hard learnt major lesson. Therefore, although the domestic political advantage gained from the early anti-communism should not be forgotten, this sentiment was built upon the basic paradigm of the clash of ideological blocs within the international system. Communist regimes were viewed as a security threat by definition.

The identification of security threats used a reasoning that was almost deductive rather than empirical: communist regimes were by nature revolutionary, hostile and expansionist. Any communist regime was viewed as a threat. The China security question therefore became important because of China's geographical size, large population and, by inference, its military potential. For example, one could have speculated that China was simply reacting like any power concerned about external forces on its borders. In China's case, when US forces drove north from Korea into its backyard, China decided to launch a counter-offensive. The conclusion instead was that the Korean War demonstrated the desire of Communist China to dominate Asia. It is also not surprising that early hopes of Communist China being 'brought into' the liberal order, by exploiting rumours of disputes with the Soviets, were dashed.

Built on this conception of the security (or threat) environment, strategic decisions now had to be made. Australia was a middle power at best, not a great power like the United States. The early Menzies Administration responded with particular strategic priorities. First, security policy had to be regional rather than global because of the perceived communist attempt to drive south and cause the collapse of non-communist regimes. Such an outcome was viewed as inevitable if undefended. It was foolhardy to wait until communists were at Australia's shores. A regional 'forward defence' policy was therefore required, and Australia's security was to be strategically tied with a collective regional security.

Second, Australia had limited resources with which to underwrite both its territorial and regional security against an enemy with vastly greater numbers. Reliance was crucially placed on great power protectors—increasingly the United States as the United Kingdom withdrew from the region. This meant a reliance on strategic alliances shared between regional nations that supported the liberal order—ANZUS and SEATO in particular. Moreover, it was important that these alliances secured Australian vital interests but did not over-commit Australia to fight for interests beyond its 'forward defence' limits. Therefore, Australia was prepared to commit troops to Korea, Vietnam and Southeast Asia, but did not want SEATO to cover Formosa (which was seen as peripheral).

The worldview conception of ideological conflict also limited the ranged of perceived options at the diplomatic levels and influenced whether Australia was to *engage, confront, contain,* or *ignore* a security threat. Realistically there were only three options, since ignoring a potentially immense Chinese security threat was never feasible. Of course, the options were not mutually exclusive. One might choose to confront a threat through use of force with the ultimate goal of containing that threat, but the guiding end would be containment in that situation, not confrontation.

It was clear that confrontation was not the first choice approach favoured by Australia in the 1950s. This stemmed once again from the basis that, as a middle power, Australia was unwilling to commit forces against a greater enemy unless the enemy breached our 'forward defence' perimeter (or successful alliance management with the United States demanded it.) The use of force in that situation would be seen as defensive and most likely part of a standard containment policy. Moreover, the growing level of trade with the Chinese in 'non strategic goods' made a confrontation policy seem unnecessarily provocative when Australia's security policy was essentially viewed as defensive. Seeking confrontation with China would almost certainly jeopardise this trade.

Policies of containment or engagement therefore appeared the most sensible (and also the most flexible). There is no doubt that Australia followed a general containment policy. This seemed appropriate for several reasons. First, this was the preferred policy of the United States leading the fight against a global communist enemy. In particular, the United States wanted to hem in China by using a 'defensive' chain of positions in Korea, Formosa, Philippines and Japan. A smaller power like Australia could hardly deviate from the US set strategy. Second, it did not make sense to engage with an enemy that appeared to be intent on an ideologically-inspired domination of Asia. Engagement could only succeed against a regime that could be encouraged to develop common interests (and values) or be genuinely appeased. Any engagement was purely a tactical means by which to further containment objectives. Third, China was a rogue in the international system and any fundamental engagement policy would be fraught with danger and end in likely disappointment. China was assumed not to act like a normal state and the usual diplomatic tools to smooth over disagreements would therefore prove ineffective. Recognition would have been a first step toward engagement and this seem unattractive given the lack of reciprocity offered by the Chinese to the British following the UK's offer of recognition (as well as the fact that the United States was vehemently against it.) Finally, Australia was allowed to follow a hard-line security objective of containing the Chinese whilst still benefiting from trading non-strategic goods with the enemy. Although China considered Australia as one of the US lackeys in the region, it allowed Australia to have its cake and eat it too.

(b)   *Altering the conception of the threat environment—1960s to early 1970s*

The change from a worldview based on ideological conflict to one of realist (great) power politics was not a publicly heralded one and would not have been noticed by the overwhelming majority of the Australia population. Communist bashing was still an effective domestic political strategy and this continued unabated until the early 1970s. Moreover, it was not as if the Chinese menace seemed any different. As far as popular perception was concerned, the threatening Chinese hordes remained in Asia.

However power politics offered a new set of security assumptions and strategic puzzles. The Chinese threat was no longer presupposed simply because the ideology of the regime was communist. China was now increasingly viewed as a great power with imperialistic or

expansionary ambitions. One might argue that, even so, the alteration in conception of threat environment was purely academic since a potentially hostile PRC remain and hitherto security strategies that were in place to contain Communism could remain in place to contain imperialistic China.

In fact, there were important differences offered up by switching to a realist power politics conception. The first is that China could now be viewed as a security threat distinct from the Soviet threat. There was less need to connect a security strategy vis-à-vis China to a global strategy to combat communism, hence ensuring a much more focused and prudent use of security resources. Indeed, as tensions between the Soviet Union and the West decreased during the 1960s, the same period saw China viewed increasingly as the primary threat to the West.

Second, the China question could now properly be seen almost entirely in regional (Asian) terms. China's expansionary ambitions were now viewed as the imperialism belonging to that of a great power aspirant, not as part of a global communist takeover. As the 'domino theory' thesis underwent reformulation from the threat of communist takeover to the threat of countries falling under the 'imperial Chinese sphere of dominance', appropriate strategies were now focused on balancing against the Chinese specifically rather than on assuming coordinated transnational communist action.

Third, a focus on power politics rather than presumed ideological intention meant that a new 'rationality' was attributed to the Chinese. It was no longer tenable to assume that the Red Chinese were bent on a crusade to communise the world. They now bought into the same power game that all great powers bought into and were constrained by the same means-ends strategic decisions that constrain all powers in the realist world. In other words, the end game of the Chinese was to increase and protect Chinese state power and influence, not to increase communist domination of the world per se. In this sense, Chinese behaviour could now be understood within that framework of 'strategic rationality' which is applied to all great powers. They were not a *sui generis* security case.

This led to an increased set of options and new flexibility as far as security policies at the diplomatic levels were concerned. Under the ideological political threat conception, containment was preferred over engagement since there was a belief that there was little benefit gained from engaging a communist enemy eternally determined to impose their order. Now that the threat was viewed as an imperialistic great power, more options appeared viable.

Containment was still plausible. Containing the expansionary ambitions of a great power was one way of trying to prevent that power from dominating Asia. This could be achieved by the usual mix of alliances, treaties and tactical forward positions to balance against the capacity and will of the imperial power to expand their sphere of dominance.

However, the power politics conception meant that engagement could now sensibly be explored. From the mid-1960s onwards, even at the height of the construction of the Chinese threat, future engagement strategies with China were increasingly discussed within government circles. These included the need for détente with China, the need to balance between following the lead of the United States and building an independent relationship with the Chinese in a new multipolar world, enmeshment strategies to avoid future tensions with China, recognising that China was a great power, and engaging China to bring it into the orb of normal diplomacy. A whole new language of engagement was made possible following the

adoption of the power politics conception since China was simply one of several great powers within the same anarchic international system rather than a renegade (communist) state that had an alternative worldview of international order. The new challenge under this increasingly accepted power politics worldview was simply that China was now seen to be an aggressive, expansionary power rather than a status quo one. Realist logic would contend that this is an age-old challenge in a system with established and emerging (great) powers and that China existed as a significant security threat that had to be managed using the normal range of realist security strategies. China was not an exceptional case and its imperialistic character (given its growing power) was to be expected.

By 1970, as the legacy of anti-communist paranoia was fading and China as a growing power was examined with less ideological baggage, some doubts were cast as to whether the 'Chinese threat' was all that substantial. There was no doubt that China wanted greater influence in Asia, but there was little evidence that Australia was in its desired sphere of dominance (reluctantly recognised by the Liberals in 1967). Moreover, China would not be the dominant economic or industrial power in Asia for many years. As a nuclear power, China remain a considerable factor in any Asian power balance, but there was little evidence that it was engaging in any kind of aggressive nuclear diplomacy. All this paved the way toward greater normalisation of relations, which culminated in the US-China détente and the embarrassment of the Liberals and William McMahon in particular. In this new multipolar world of power politics, the anti-Communist ideological approach appeared not only outdated but morally flawed as a prominent article notes in response to McMahon's savaging of Gough Whitlam's visit to China:

> The sight of McMahon running from one end of the boat to the other as the realities of the China question overtake his policies will cause some people to gloat and others to excuse him. To be fair to him, the Prime Minister is a prisoner—albeit a willing one—of years of cynical misuse of China for domestic political reasons.[26]

The enduring legacy of the Liberal Party's embarrassment was that any future strategy that failed to engage China in some sense would be seen as backward, obdurate and self-defeating. Subsequent Liberal leaders Malcolm Fraser and John Howard subsequently fought hard against any perceived return to Liberal approaches of the 1950s and 1960s. As we will see, this was compellingly brought into public focus by Whitlam.

Chapter 2

Engaging China—1970s and 1980s

Introduction

For the first time after the Second World War, Australia faced an emerging multipolar geopolitical world. This new strategic environment was a result of a new 'realist' worldview conception that emphasised the jostling of sovereign states based on power calculations and balances rather than ideological blocs, a perceived decline in US power relative to other international powers, and the rising fortunes of countries like Japan and China. From Australia's point of view, the strategic environment was no longer singularly defined by a fight to the death (in any immediate sense anyhow) alongside its US protector against a communist bloc.

The 1970s and 1980s is the story of engaging China in this new strategic environment, the possibility to explore new directions in the China security question, and the beginning of the modern desire to form genuinely bi-lateral *partnerships* with China. That this new environment offered new and varied possibilities is demonstrated by the administrations of Whitlam, Fraser and Hawke, all of whom sought greater engagement or enmeshment with China albeit for different reasons. The legacy of this period was also one of deference, if not neglect, of the China security question which was an extraordinary development given the notion of the 'Chinese menace' in the preceding two decades.

Engaging China in the new strategic environment

Following the electoral success of the Labor Party in 1972, the popular historical verdict was to praise the vision of Whitlam and to condemn the backward-looking obduracy of McMahon. Whitlam had been calling for the recognition of China since the late 1950s and history notes that the gamble he took in leading a delegation to China paid off handsomely. Although John Gorton and McMahon had acknowledged that the ostracising of China would inevitably end someday, they were not willing to move ahead of, or push the issue with, the Americans.

The change in policy toward China following Whitlam's victory was immediate and wholesale. The PRC was offered recognition within three weeks and the Taiwan embassy was closed. The Taiwanese diplomatic mission in Australia was also removed. Just as opposition to the Chinese Communists was a crucial election issue for Robert Menzies in 1949, the new approach to the China question was one of Whitlam's platforms in 1972. As E.M. Andrews notes, change, independence and rationality were three themes constantly reiterated by Whitlam leading up to the election and for Whitlam himself, 'With no nation is our new aspiration symbolised more than it is with China'.[27]

The popular verdict is that the new approach to China is a testimony to the force, inclination, and charm of Whitlam's personality. There is no doubt that Whitlam had viewed the non-recognition of China as a senseless diplomatic anomaly and was personally committed to bring China into international mainstream diplomacy. Whitlam also took great pride in talking

about a 'more independent Australian stance in international affairs' and a desire to 'shed the old stultifying fears and animosities which have encumbered the national spirit for generations and dominated, often for domestic partisan purposes, the foreign affairs of this nation'.[28] Whitlam saw his China policy as part of a general move away from an obsession with security threats and subservience to great powers towards a more balanced, less paranoid existence. For Whitlam, responses to the China question illustrated the difference between his progressive government and the paranoid, fearful governments that preceded his. Nevertheless, one should not be tempted to focus solely on the headline-making recognition initiative. Recognising China in itself tells us very little about the question of China as a security issue. It is also important not to focus too exclusively on the personality of Whitlam in understanding the general decision to increase engagement with China and the strategic significance of it. The non-recognition of China was plausibly viewed by Whitlam as a diplomatic nonsense and an anomaly. Mao Zedong's regime had control of the mainland and was, for all practical purposes, governing the mainland. However, developments external to Australia had opened the door to the change which Whitlam was so eager to embody. These developments are addressed below.

Entering a multipolar world

By the early 1970s, the United States in particular had a fresh new construction of the world and new strategic possibilities. One had always been aware of Japan's growing economic might and China's, economic and military potential, whilst the Soviets were already an established great power. However, once one gave up the worldview of power and politics as divided into (two) ideological blocs and instead identified state-based centres of power, this instantly changed the conception from bipolar to multipolar. Declining US economic dominance, the Sino-Soviet split, the rise of economic Japan and the revival of nationalism in Western Europe forced a revision from sole US leadership to joint US leadership in maintaining a stable balance amongst the newly anointed great powers as far as the United States was concerned.

Moreover, the multipolar conception narrowed the identification of core interests as a matter of prudence and stability. The United States no longer saw its role as protector of all liberal democracies, and in particular, protector of Southeast Asia against China. Asia would have to live with the reality of China. This is the context of Richard Nixon's exhortation to shape commitments according to (core) interests, rather than vice versa. This multipolar configuration not only called for a revision of existing strategy but offered new opportunities for Nixon and Henry Kissinger. In brief, Nixon's visit to Beijing (and Kissinger's secret visit in 1971) set out to achieve two related objectives. The first was a public relations exercise to gradually reassure Americans that the Chinese were not the menace they had been made out to be for the best part of three decades. The second more important objective was to achieve a clever piece of geopolitical strategic manoeuvring designed to stabilise US–Sino relations, free up US military resources currently in the Taiwan Strait, and isolate the Soviets who were now seen as the primary threat. The immediate bone of contention had been Formosa or Taiwan. The United States agreed to withdraw its combat forces from Taiwan 'as tensions in the area diminished', while China agreed not to object to the US defence treaty with the Nationalists in Taiwan. The communiqué was really made possible because both the United States and China identified the Soviet Union as their greatest threat. The United States no longer wanted excessive energy and resources used against China, while China

were happy for the United States to maintain a presence in Asia to counter-balance the Soviets.

The perception that US strategic interest in Asia was waning might have been feared by the Liberals but it was viewed as a new era of opportunity for Whitlam who was eager for more independent action. The new strategic environment seemed tailor-made for Whitlam's suspicion of US ambitions, dislike of rigid security policies dictated by a single great power ally, and the high value he placed on the notion of middle power independent action. Furthermore, Whitlam considered that the more complex multipolar balance could be worked to revive a tradition for smaller powers such as Australia to exercise diplomatic leadership both in our region and vis-à-vis great power allies. The language of realist strategy designed to maximise one's own 'national interest' was a comfortable fit with Whitlam's inclination and rhetoric of 'even-handedness' and 'balance' rather than an exclusive focus on alliances and taking sides. The new era was later summarised by Whitlam's Ambassador to China Stephen FitzGerald who wrote that:

> Breaking the bi-polar balance … offers great opportunities for smaller powers to align themselves according to their own interests, but only on issues and not automatically with any one power … The problem is not simply that normalization of relations with China means breaking the clear line which the US once tried to draw between China and Asia, but that what has happened since late 1970 has destroyed much of the rationale for previous foreign policies, and the China question itself has confronted these countries with the necessity to rethink, not simply their China policies, but the whole range of their foreign policies.[29]

In terms of strategic security concerns, some attitudes were easy to explain. For instance, the lip service paid to SEATO was one such attitude. SEATO was formed to contain the spread of Chinese Communism. In the new environment, where the communist element was downplayed, SEATO was seen as an anachronism and any commitment to SEATO was offered only as a gesture to avoid offending the United States.

However, the mere acceptance that international politics should be viewed in multipolar state-based terms cannot in itself explain why China was so suddenly and dramatically no longer viewed as a threat. China had immense military and economic potential and no credible history of a close friendship with Australia. Moreover, the older Chinese tradition of viewing itself as the great 'Middle Kingdom' within Asia prior to its 'humiliation' for 150 years by the West was well-known. There was perceived to be a new power balance in Asia within which China was a legitimate and permanent power. Whitlam was satisfied with the balance of great power interests in the region and keen to maintain this balance. The United States and China were therefore 'contained' by each other, with the United States happy to undergo a limited strategic withdrawal from Asia and China happy just to secure its immediate borders for the time being. Australia welcomed this balance or equilibrium, but by the same token would oppose any moves that disturbed this equilibrium. Why were there not fears that China would attempt to disturb this equilibrium and shift the balance to their advantage? Why was there a perception that China would be a satisfied and cooperative great power? Would China as a new member of the 'nuclear club' remain satisfied with the existing nuclear balance vis-à-vis the United States and the Soviet Union?

To say that Whitlam followed a general diplomacy of positively engaging the Chinese is no revelation. However, the fact that Whitlam attempted to draw China into the circle of Southeast Asian and Pacific nations, which would include Australia, China, Japan and India, as well as the ASEAN nations to conclude a loosely defined 'zone of peace and understanding', strongly indicates a belief that China would define its interests in accordance

with its regional neighbours (or at least in communion with Australian interests.) Whitlam did indeed take great pains to emphasise the continuation of the American alliance as an ultimate middle power insurance policy, and denied any desires for a special relationship with the Chinese which would offend some other Asian nations. However, he publicly and privately downplayed the China threat. An example is his argument that, rather than a prudent instrument of containment, the existence of SEATO was more likely to provoke China to be expansionist—clearly a reversal of the logic of the previous two decades. It was one thing to recognise the existence of a multipolar configuration; but quite another to conclude that Australia's interests could be diplomatically aligned with Chinese ones. This would necessarily entail a significant diminution in the perception of a Chinese security threat (in contrast to most ASEAN nations who had significant Chinese populations and still feared China's support for 'liberation' movements within their respective countries.)

There are perhaps two reasons for this softening Chinese threat perception. The first was simply a matter of great power balancing. As far as the China question is concerned, Whitlam was neither the great idealist his admirers claim nor as naïve as his critics would believe. He clearly read the signs of realist inspired great power détente:

> The Cold war confrontation is being replaced by a more complex and variable web of international relationships. … These changes have occurred for different reasons, a relaxation of tensions best suit the interests of China, the US and the Soviet Union. [However] détente will be durable and genuine to the extent that the superpowers continue to perceive that it best serves their common interests.[30]

The Whitlam Government therefore relied on a particular strategic constellation in which China and the United States saw a common interest in imposing restraints on the Soviet Union when Japan was trying to balance between them and it was seen as desirable for Australia to avoid making an explicit choice between the powers on most issues.[31] This neutrality would avoid both unnecessary commitments and incurring the displeasure of great powers, especially China. However, Whitlam professed to see beyond the straitjacket configuration of realist great power rivalry where the struggle to pursue interests defined in terms of power was eternal and every other decision was merely strategic or tactical. Although acknowledging that the current configuration was temporary, Whitlam went on to speak about a 'progressive transformation of the global political environment' and argued that 'the obsessive concerns of former years, such as fear of China and dependence on the United States, have vanished like the phantoms they were'.[32] The strong suggestion is that the rapprochement with China was not merely strategic but an overdue recognition that the Chinese threat was never as serious as once believed. This brings us to the second reason for a fundamental softening of the China threat perception.

Bringing China in from the cold

Whitlam began a tradition that subsequent Prime Ministers Hawke and Howard (in the version of the last three or four years) enthusiastically embrace for varying reasons; that is, for Australia to play a major role in bringing China in from the outside. It is the attempt for a middle power to punch way beyond its weight in terms of bilateral relations and influence on a greater power like China. Admittedly, both Whitlam and Hawke seem to genuinely believe that China ought to take her rightful place as one of the centres of power in the world, while Howard's motivations are more pragmatic. In all cases, it represents a desire to escape from

the logic of great power strategic competition and escalation, or to at least remove Australia from this scenario.

Garry Woodard calls the period between 1971–76 as the 'Getting to Know You' period between Australia and China.[33] Recognition was a significant step in ending the 'rogue dragon' conception of the Chinese which was, by the 1960s, already withering. China was no longer the main threat and therefore no longer the central factor in Australia's security policy. For reasons of regaining a longstanding trade market in wheat, and reading the obvious signs of rapprochement between the United States and China, Australia could not plausibly stand alone in perpetuating the 'rogue dragon' characterisation. Ostracism of China was therefore unnecessary as there was now a desire to deal with China as a *legitimate* great power.

Besides, the Chinese were finally signalling that they were prepared to behave like a 'normal' state within the system. In the 1960s, the PRC gave ample fuel to sustain their depiction as an outsider to the system, given their 'promotion of a vision of a world in flux, one where hegemons had to be weakened and old political orders overthrown, rendered it a determined opponent of international society, not a potential new entrant into the club of responsible states'.[34] From the late 1960s onwards, a more pragmatic attitude retook the reins of power within the regime, and the advantages of being accepted into the 'great power club' appeared to outweigh those of being a challenger to the international system. China could no longer afford to behave like a recalcitrant against the system. Its leaders were concerned about the possibility of a Soviet-US-Japan *entente* and were forced to re-brand China as a credible balance partner. By the early 1970s, China was expanding its foreign economic and political contacts, and this new posture certainly weakened the probability of US military involvement in Asia. This in turn reassured China that limited US presence in the region was advantageous as a bulwark against the Soviet Union (which unsuccessfully proposed a Soviet-Asian collective security pact involving Japan.) Moreover, at worse, China was now assumed to be either a 'system maintainer' or a 'system exploiter', but not a 'system challenger'.[35] China's entry into the United Nations in 1971 (and later in the Bretton Woods institutions in the 1980), as well as the normalisation of relations with the United States, signalled that a new challenger *within* rather than *to* the system had arrived. In the context of Australia, the slaying of the 'rogue dragon' conception meant that China was no longer deductively identified as untrustworthy, sinister, and a persistent threat to Australia. Rather, it would be assessed through the same looking glass as one might assess other states.

From Australia's viewpoint, the multipolar balance and China's entry as a legitimate great power gave Whitlam the *tabula rasa* he yearned to rewrite relations with China as part of Australia's more independent foreign policy. More than this, Whitlam wanted to rewrite the *role* of foreign policy, to go 'beyond an approach to foreign policy which is solely an extension of defence policy'.[36] Praising President Nixon for 'ushering a new and saner phase in our relations with China',[37] Whitlam saw the opportunity to transcend the power politics of Nixon by pursuing two strategies with China that could be considered to enhance both security and foreign relations outcomes.

The first came down to an attempt to escape from Whitlam viewed saw as the self-defeating trap of Australia's general defence policy regarding China up to his time. By blindly following US strategic policy and unquestioningly projecting a 'China threat', Australia placed itself in an inflexible, and ultimately untenable, strategic security situation of its own provocation and making. The projection of the Chinese threat created an enemy and conjured up the problem of a China security question which Australia did not need to have. By blindly following US

strategic and security policy and placing overwhelming emphasis on ANZUS as its security policy, Australia unquestioningly bought into a US security outlook that was paranoid, and more likely to provoke China and exacerbate the situation, while also denying itself the opportunity to fundamentally lead and re-orientate US strategy and outlook, since Australia saw no option but to be a follower of its great power protector. Moreover, it follows that the previous strategic defence responses of 'containment, forward defence and ideological confrontation are not only no longer relevant but counter-productive'.[38] This explains the sudden low regard for SEATO, which was seen as an example of a counterproductive containment instrument resulting from this flawed strategic thinking. In other words, Australia had unwittingly been a participant in a strategic security framework that created unnecessary enemies, wasted resources, and weakened its ability to actually exercise any leadership that was essential for 'a serious contribution to the preservation of peace and the promotion of the welfare of our neighbours, while at the same time and by the same path, promoting her own interests and security'.[39]

In particular, Whitlam noted the intensive commercial, scientific, technical and cultural exchanges between the United States and the Soviet Union prior to strategic agreements and cooperation such as the Strategic Arms Limitation Talks and in ending foreign interventions in Vietnam. The first strategy therefore was to engage and enmesh with China in order to build the foundations for cooperation and for Australia and China to be future partners. Australia no longer needed to be afraid of moving out of step with US policy because there were no immediate threats it needed protection from and any possible future China threat would melt away as a result of the 'understanding, mutual benefit and a growing degree of cooperation between Australia and China'.[40] 'Rogue dragon' depictions were to be banished; there was no sense to viewing China as a security threat, as this would only provoke them into being one. Moreover, taking a leading role in bringing China in from the cold made good economic and diplomatic sense and was, ultimately, in Australia's security interests.

Second, Whitlam expressed dissatisfaction with a strategic security approach based too heavily on containment alliances (i.e., SEATO) and balances. Australia's over-emphasis on hard military alliances such as ANZUS created distrust as it was seen to be a lackey of the United States, while such an emphasis ignored the power of soft diplomacy through trade, investment and cultural links to reduce mistrust and misunderstandings between regimes. Although, like every Prime Minister since the Second World War, Whitlam expressed a desire to maintain the US alliance, he believed that the benign regional security environment, in which there were no foreseeable threats for at least a decade, opened the door to new possibilities for a 'progressive transformation'. This transformation of the security environment became known as Whitlam's 'zone of peace':

> One of the forms which the quest for longer-term security measures has taken is in proposals relating to zones of peace and neutrality in South-East Asia and the Indian Ocean. We consider that these proposals have essentially the same objectives as our conception of a new regional community, namely, to allow peaceful development and the adjustment of relations among the countries to our west and north, free, so far as is possible, from outside interference.[41]

The logic of this vision was that regional tensions were too often the result of the interplay of far away paranoid great powers pushing their security agendas and rivalries into the region. The Menzies way of security policy, which relied on inflexible great power alliances, failed to engage bilaterally with states in the region and therefore failed to build genuinely strong bilateral relationships that were seen to be the foundation of any future peaceful zone.

Moreover, in order to 'help prevent existing differences in political, ideological and social systems from disrupting peace and progress in the area of Asia and the Pacific',[42] developing countries must be 'allowed to arrive at genuinely national solutions to their own internal problems [and] movements toward political, economic and social betterment in these countries should proceed along their course with as little outside interference or intervention as possible and in a climate of security'.[43] This principle of moral non-interference and respect was particularly relevant to the sea-change in approaches to China in which 'ignorance, prejudice and Cold War hostility had excluded [China] for a generation from its rightful place as a member of the international community of nations'.[44] If not a genuine security community, Whitlam wanted to build a region (in which China was included) whereby the depth of mutual engagement and understanding rendered regional members immune to outside (great) powers unwittingly provoking tensions between them.

Engaging China in the new strategic environment: Fraser after the honeymoon

The Labor Government concluded that in this new environment there were no foreseeable genuine threats on the scene for the next 10 to 15 years. It was this assessment that underpinned Whitlam's hopes of creating a genuine zone of peace and understanding and moving away from relying solely on great power protection. That this initiative largely failed should not be surprising for several reasons.

First, the fact that the new strategic environment gave rise to a multipolar configuration does not automatically lead to the conclusion that a new zone of peace was possible. The new configuration merely meant that China in particular was part of a balance against perceived Soviet expansionism and was participating in a present state of balance with the United States and Japan in Asia. Any zone of peace would presumably be contingent on the maintenance of this balance (which would be impermanent), not on any more intrinsic 'progressive' foundations. Power politics was still at play despite the new era of cooperation. Subsequently, smaller ASEAN states perceived the 'zone of peace' as merely a strategy for Australia to enhance relations with great powers China and Japan. Moreover, Whitlam's stated desire was to take advantage of the new stability to move beyond reliance on a US protector in our region. Yet, Whitlam himself acknowledges that

> the maintenance of our alliance with the United States under ANZUS remains most important for our security, since by its very nature it has created and guarantees in the Pacific a zone of peace in which the peoples of the region have for the past 20 years been free to pursue their political, economic and social goals without fear of hostile intervention or attack.[45]

In other words, notwithstanding a desire to escape from the 'US orbit', Whitlam must still rely on the US presence as regional stabiliser and as ultimate Australian protector.

Second, as relations between the United States and Australia were at a diplomatic low given Whitlam's constant criticism of past and present US aims and actions (particularly in Vietnam), the United States was hardly prepared to underwrite Whitlam's initiative for a zone of peace.

Third, China had always been more of an issue for us than we were for them. Australia was simply not very relevant to the broader Asian region as far as China was concerned. We were, at best, a small 'Group 2' power in Mao's view of the world. Finally, the Chinese would

have wanted Australia to take sides on the Sino-Soviet split, something Whitlam refused to do.

When the Fraser Government took power, and China ceased to be a major electoral issue, it was predictable that the government would be keen to maintain 'good working relationships' and 'close links' with China. Fraser also did not wish to be tarred with the same brush as the Liberals of a decade before. Moreover, the international strategic situation demanded it. The United States and China had both decided that the Soviet Union was the major threat. This meant that the United States would not aggressively oppose China's presence in Asia, and Asia would simply have to accept China as a fact of life. Just as not being against the Chinese Communists would have been unthinkable two decades ago, failure to further engage the Chinese would have now been unthinkable for the Fraser Government.

Fraser adopted the Whitlam approach of being careful not to be seen to pass judgement on the domestic policies and problems of China. Upon arriving in China in 1976, he stated: 'We approach foreign policy not on the basis of a country's ideology or its social system, but on its international policies and the way it relates to other countries'.[46]

However, this sentiment must be viewed in the strategic context. The Australian Government was willing to dismiss breaches in human rights within China as not being a security concern, yet it was also willing to tolerate Chinese nuclear tests and give China the benefit of the doubt regarding support for insurgencies in Asia—the latter two being clearly relevant security considerations. The point is that a more correct interpretation of Fraser's general position was that Australia took great pains to avoid any confrontation or disagreement with China given the greater Soviet threat. It is in this light that we can understand Secretary of DFAT Alan Renouf's seemingly contradictory statement a couple of years earlier that whilst 'the foreign policy of previous governments lingered too long in a cold war atmosphere', on the other hand 'I personally don't believe that our foreign policy has changed that much'.[47] Regime types still mattered to Fraser who argued that

> as long as Australia values freedom and respect for the individual, the United States is the power with which we can realistically establish close and warm friendship and with which we can most closely work to advance world peace and the humane values we share.[48]

Ultimately, Australian security was still reliant on ANZUS (although what ANZUS actually meant beyond our 'last hope' remained elusive.) Doing business with communists was now legitimate but only if the balance of power called for it.

This makes further sense when we consider that Fraser, like post-war Liberal Prime Ministers before him, personally adopted a hard-line anti-communist stance. Whilst Whitlam tried to go beyond the power politics balance to establish his 'zone of peace', Fraser remained firmly within the power balancing logic where the Soviet Union, although not a direct physical threat, constituted the primary threat. Fraser had the best of both worlds. He could denounce the Soviet Union in order to enhance his anti-communist stance, yet talk up the Chinese in the name of realist power political priorities and common interests. The engagement with China to unite with the United States against the Soviet Union:

> enabled him (Fraser) to out-trump the ALP on its China policy. … It also meshed in easily with his personal inclination towards a hard-line anti-Communist stance (or at least an anti-Russian one) … and the psychological need to identify a devil-figure threatening the virtuous and peaceful nations. It served also to counter some of the anxieties aroused by the Communist victories in Indo-China

> in 1975. And later events played into his hands very conveniently when Vietnam's invasion of Kampuchea in 1978–9 transformed the Southeast Asian international power balance.[49]

Indeed, Fraser's frequent Russia-bashing gained an enthusiastic follower in China and was also prominent enough to be noticed and condemned by the Soviet Union. Wherever they looked, the Fraser Government found evidence of Soviet expansionism and Chinese restraint, as depicted by Andrew Peacock's interpretation of China's invasion of Vietnam:

> China's incursion into Vietnam can only be understood as a reaction to Vietnam's treaty with the Soviet Union, its invasion of Kampuchea and the installation there of a pro-Vietnamese Government. … China, if left alone and unprovoked, would prefer peace and stability at this stage of its development.'[50]

The benefit of the doubt given to Chinese ambitions can be largely attributed to the fact that after Mao Zedong's death, the 'Three World Theory' was being abandoned in substance if not in name. Stripped to its bare essentials, the theory enunciated by Deng Xiaoping in 1974 was a theory of anti-hegemonism designed to strengthen the weak and poor (including China) and to undermine the strong and rich. It was an unfolding and protracted struggle by the global underdogs to transform the international system and was therefore a system-transforming approach to order.

In practice, the Three World Theory was used to attack the Soviet Union, which was seen as the new hegemons instead of the Americans or the West. Although the language of the 'Three World Theory' was still being used as late as 1978, Deng Xiaoping, having consolidated his power, began to map out a new foreign policy course which included expanding economic, political and strategic ties with Japan, western Europe and the United States. The fact that China was in league with the rich Western-backed 'First World' was conveniently forgotten as references to 'Three World Theory' were slowly excluded in Chinese pronouncements. At most, Deng justified China's growing engagement with the West as based on an 'anti-hegemonic principle' against the Soviet Union. In reality, it was classic realist balancing and prescription: 'the enemy of my enemy is my friend'.

From Australia's point of view, post-Mao Zedong China was now an important ally in the maintenance of a global balance for international stability, as Chinese strategic aims broadly mirrored those of the West. China's desire to modernise its military through contracts with, and purchases from, the West was viewed with little trepidation by Australia or the West (provided the weapons were primarily to aid territorial defence against any superior air and land invasion). China also appeared to be assuming the role of 'responsible great power' after Mao Zedong's death, stressing economic development and trade above ideological and revolutionary struggle. From the late 1970s, although the realist power politics paradigm was still the underlying model, the notion of an 'international community' gained speed. Although states were still assumed to engage in a ceaseless competition for power and influence, cooperation through regimes and institutions was promoted in order to assist in reducing tensions and 'security dilemmas'.[51] There was an expectation that a responsible and 'trustworthy' great power would be actively involved with arms control agreements, UN peacekeeping operations, generic trade agreements as so forth—all areas in which China increased its participation. Australia formally revised down the China threat in the 1976 White Paper, and by the late 1970s was encouraging cultural enmeshment with China. During the Whitlam and Fraser years, there was a clear belief that 'demystifying' Chinese society and culture would help engender a more sensible downgrading of any immediate Chinese threat, the highlight of which was the creation of the Australia-China Council in 1978. Enmeshment

(in the absence of a perceived Chinese threat) was also promoted to improve trade relations, which came to define the Australian-Chinese relationship from the late 1970s onwards.

A sense of drift in the China question

The novelty of the absence of an immediate threat during the Whitlam and Fraser years was an obstacle as far as projecting a clear security and defence direction was concerned, especially when it came to China. No definitive conclusions about China emerged beyond support for a vaguely-defined Chinese role in the region. On the one hand, there was no point in demanding certainty when the global situation was uncertain. Given the situation, a firm security strategy was neither possible nor desirable.

However, there is a difference between diplomatically engaging China (undoubtedly the most sensible thing to do) and engagement with the Chinese security question (which was not undertaken, but rather left to languish in preference for talking up achievements in the trade and cultural realms). Whereas the Whitlam Government chose to speculate about 'neutral zones' or 'zones of peace' in defiance of realist power politics principles that gave rise to the new perception of the multipolar balance, the Fraser Government more or less substituted the Soviet Union for China, although the former was seen as operating beyond Australia's sphere of immediate interest (and there was no return to the 'all the way with LBJ' sentiment). In both approaches which claimed to be based on pragmatic self-interest, the Chinese security question was neither cogently argued away nor replaced by a new vision. The question was left simply to drift away and dissipate. At best, the extent of the Fraser's Government's engagement with the Chinese security question was to seek an accommodation with China to balance against the Soviet Union.

This was a potentially serious omission. By the late 1970s, the United States no longer considered Southeast Asia as a theatre of large-scale armed struggle and Vice-President Walter Mondale had confirmed 'our determination not to intervene in the internal affairs of Southeast Asian nations'.[52] Even though ANZUS was still upheld as our security guarantee, its meetings began to lose their intensity and relevance and the US ultimate guarantee was starting to appear shaky. Fraser abandoned 'forward defence' in favour of a 'regional defence' strategy (i.e., securing the South Pacific against invaders). China now hardly rated a mention as a security question and clear directions regarding the US alliance were left to languish.

Losing sight of the China security question in the 1980s?

Both the Whitlam and Fraser Governments reached out to China. Whitlam did so because it appeared a sensible and progressive approach, while Fraser did it on geopolitical grounds believing that China was an essential balance against the Soviet Union. The common assumption was that China was a permanent and massive presence in the region, could be engaged with, and was a country with enormous economic and perhaps military potential. Finding a stable accommodation with China notwithstanding the ulterior motives was desirable.

Coral Bell noted in 1964 that 'a vague sense of China as a distinctively alarming force is woven into the original fabric of Australian national attitudes'.[53] Given the orthodoxy that

China would be an immense regional presence, the remarkable thing when the Hawke Government came to power in 1983 was the lack of emphasis given to China as a security question. The perception of threat had all but disappeared from the strategic radar. I argue that there were three reasons why China was no longer seen as a critical security question— all with variable degrees of plausibility and prudence.

The strategy of enmeshment and China as responsible power

The Whitlam Labor Government proceeded on the basis that any fear of China was largely imaginary and out of proportion to the actual threat. A better approach was to seek bilateral accommodation of China through trade and dialogue. This would produce two beneficial outcomes: the development of better bilateral relations between the two countries (and the elimination of any sources of misunderstanding that might lead to animosity); and by this strategy of enmeshment, the ushering of China into the modern international order (where it would form interests in common with Australia and the West, follow a more rules-based approach in international relations, and thereby reduce the fundamental basis for difference and conflict).

The Hawke Government took up this tradition enthusiastically. As Bob Hawke reported to Parliament following his 1986 visit to China, 'the development of a broad, sustainable relationship going beyond commercial and foreign policy matters'[54] is now the major theme with China.

There was some evidence that enmeshment was appropriate and working. Australia started to engage with China bilaterally and there were notable cultural and educational exchanges. The prediction that China would become a major economic centre in Asia also weighed heavily in the minds of the government who were keen to establish strong economic relations in this period. Australian exports to China were not as robust as expected, which Hawke and Foreign Affairs Minister Gareth Evans both acknowledged.[55] Reaching a peak of 4.5 percent of exports in 1986, the export share to China actually declined to 2.9 percent in 1988 even before the Tiananmen Square massacre in 1989.[56] Nevertheless, the rationale was that economic engagement not only established a present and potentially huge future market for Australian primary products, but that any persistence in trade furthered policy objectives of general enmeshment. Australia in this respect did manage several diplomatic successes, which included two visits by Chinese Prime Minister Zhao Ziyang, a visit by General Secretary of the Chinese Communist Party Hu Yaobang in 1985, and then by Prime Minister Li Peng in 1988.

Much of the basic faith for this enmeshment strategy was that, from the late 1970s onwards, China had publicly disavowed its revolutionary aims to focus on its domestic priorities of the 'Four Modernisations' (in industry, agriculture, technology, and defence.) The Hawke Government's view was that China was merely transforming itself into a largely defensive power, seeking to stabilise its society, establish domestic prosperity, and secure its borders—objectives reasonably expected of any state. By establishing strong economic relations, the economic benefit to Australia in the future as China grows would be considerable. By supporting China's participation in international organisations such as the International Monetary Fund and the World Bank, China could be encouraged to take its place as a 'system maintainer' that plays by the rules—an objective made even more important by it being a permanent member of the UN Security Council.

Former Secretary of DFAT Stuart Harris summarises Australia's attempts to enmesh China in the following way:

> Encouraging China to become part of the regional and global system was Australia's purpose in the 1980s; and in practice, albeit slowly and reasonably steadily, what China was doing was just that. I believe it is fair to argue that Australia also exercised some effect on the reform process itself in China. … At the same time, the over exuberant approach in the 1980s was a reality—despite efforts of some of us to moderate it.[57]

Harris goes on to argue that Australia's attempts to 'moderate' China, although not spectacularly successful, were impressive given Australia's relative irrelevance to China and indeed the world. He goes on to argue that 'there was a degree to which we helped to limit the impact of ideologically based response to China in the West',[58] but 'excessive claims were made for our knowledge of China'[59] and 'the unnecessary hubris that came to be associated with these achievements was not only unhelpful but irritating'.[60] This false exuberance as to Australia's moderating influence on China came out in our extreme but short-lived reaction to the Tiananmen Square massacre in 1989. It was extreme not because one would deny the savagery of the event, but rather because there was a failure to understand that the massacre 'was only an episode, albeit a bloody and tragic one, in an epic story that stretches back to the twilight of the Maoist era and a continuation of a movement that had challenged the (Chinese Communist) Party since 1976'.[61] The argument is that the Australian reaction of shock and dismay demonstrated a lack of perspective and understanding of China's internal political landscape and that the era of understanding prior to Tiananmen had been over-played and over-romanticised from the Australian perspective. China was not merely a large, placid and misunderstood state that could easily be encouraged to support a global neo-liberal peaceful order based on economic development and respect for human rights. Even though Australian-Chinese relations were restored after a short time following Tiananmen, there was a new 'maturity' in the assessment of China. However, this new maturity still left alone the China security question and focused on the more liberal domestic objective of encouraging China to improve its adherence to human rights. Enmeshment in the 1980s was a step toward greater understanding between Australia and China, but hopes that such a policy would 'tame the Chinese dragon' were wide of the mark.

Plausible deference—China as a future great power only?

At the peak of the China threat perception in the 1960s, it was recognised that China was a significant power, yet only a potential great power. China's population made it a significant presence, but its economy was undeveloped, its industrialisation in its infancy, its planning was questionable, and its military hardware relatively backward. Labor Governments from Whitlam to Hawke have seized upon these facts to portray the Liberal's historical anti-Chinese stance as being out of proportion and based on cynical opportunism designed for domestic consumption.

Although it was formidable in a defensive capacity, China's incursion into Vietnam in 1979 demonstrated the limitations of the People's Liberation Army (PLA) as an aggressive force. When Hawke came to power, China's military still did not have the makings of that belonging to a great power. Moreover, of the 'Four Modernisations', modernising its defence was the lowest priority and China successfully portrayed itself to the West as a country striving to peacefully modernise rather than as a regional aggressor. Interestingly, the security perspectives of ASEAN and East Asian nations vis-à-vis China were quite different. For

example, a 1982 study revealed that China was ranked second (after Japan) among Asian states on the basis of formidability and war capability.[62] Brought up more on social traditions that highlighting a perpetual 'Chinese threat', this 'Asian' viewpoint saw China as relying merely on diplomacy rather than belligerence while it reorganised and modernised other aspects. Nevertheless, unlike the West whose attention was now on the Soviets, for Asian nations, which had always viewed China with a mixture of admiration and fear, China had always coveted the title of regional hegemon in Asia. It was only a matter of time before China was capable (and willing) to challenge for regional supremacy.

There is no doubt that China's foreign policy during the early 1980s was that of a country trying to reduce the likelihood of war with neighbours (with the exception of Vietnam.) There were negotiations with the Soviet Union on reducing forces on their common border. There were talks with India to stabilise relations along the Himalayan frontier. China had also made active efforts to aid a peaceful settlement in divided Korea, for instance, by sending a high-level delegation to Seoul in 1983 to negotiate the return of a hijacked CAAC airplane (hence signalling a *de facto* acceptance of two Koreas.) It is no surprise that Australia viewed China as a force for stability in the region.

Yet, one can also make a strong argument that, even though the extent of any threat cannot be objectively known (until it is upon us), to defer or dismiss the China security question to the extent that occurred in the 1980s was shortsighted. In 1980, Paul Dibb wrote:

> Even though it is highly likely that the scale and complexity of problems facing the Chinese people over the next twenty years will prevent full realization of the leadership's goals, China has the physical resources, the racial identity, the cultural confidence, the deep sense of nationalism, and the historical imperative to become a powerful state by the turn of the century.[63]

It is surprising that China's professed focus on their 'Four Modernisations' did not trigger greater interest in the China security question in the 1980s, since the modernisation of its defence forces was explicitly mentioned (albeit the one with the lowest priority.) This is particularly the case since, from the mid-1980s onwards, the modernisation of China's forces moved from mere planning to implementation. As Gerald Segal noted in 1988,[64] China began to move toward the formation of a modern military doctrine determined by military professionals rather than political bureaucrats. There was a move away from a revolutionary people's war tactic to 'swallow up enemies in the heart of China' toward newer theories of active and positive defence based on a combination of nuclear deterrence, conventional wars to target and save high-value objectives, and modern force structures (rather than reliance on untrained militia.) Younger, better trained military professionals were increasingly given leadership positions.

Moreover, China began to modernise her weapons and hardware. The defence budget began to rise in real times after 1985, which was significant when considering the savings obtained from trimming one million men from the armed forces. Completed in 1988, this achieved a more organised and efficient force structure and had the paradoxical effect of rendering the Chinese Army more formidable rather than less. Military industries were also rationalised, thereby reducing overlap and improving efficiency, while research and development was increasingly contracted out to more proficient firms within the civilian sector. The success of armaments production was such that, by 1985, China had become a significant arms exporter with sale of over US$1 billion every year,[65] the profit of which was poured back into updating hardware and technology. By the late 1980s, China would boast that they owned the third most powerful army and air force in the world. Of particular note,

China's forces were no longer merely defensive following considerable acquisitions and advances in long-range bombers, in-flight refuelling, long-distance naval replenishment, amphibious tanks, and the development of a well-trained marine corps.[66] As Segal notes:

> The PLA has also demonstrated that it can project power more forcefully into [all of] Asia. Its navy proudly boasts of its sailings around the disputed Spratly Islands, into the Indian Ocean, its mid-Pacific replenishment and its operations down to the South Pole. This is a dramatic change from the navy once described as 'for coastal defence only'.[67]

China's nuclear weapons were also modernised, with intercontinental delivery systems and submarine launched ballistic missiles all in production. By 1987, China had a notable submarine nuclear capacity and had tested nuclear weapons in 1984 and 1987. In 1987, Yang Shangkun (who was second in command of the PLA) prominently argued that China would become a 'world power' of the 'first rank' within 60 years, but to do so would require avoiding the 'Japanese model' of being a first-rate economy without a proportionate military capacity.[68] There were also definite clues that China was developing the domestic structure required of a great power in terms of building the stability necessary to continue to develop and modernise the military. The PLA retreated from interfering in Chinese politics and was content to play the role of an apolitical professional military getting on with the business of modernisation.

Whilst the decision to concentrate defence planning on narrowly defined regional security zones (Australia's borders and the South Pacific) during the 1980s can be understood as a practical and realistic measure based on Australia's limited resources and power projection, the lack of strategic security planning for a fast-growing Chinese military power cannot. The evidence that China would be a resurgent military power and eventually a great military power was clear. This emergence of China as a great power also undermines the third pillar of reasoning behind deferring the China security question.

An (un)stable balance of power?

The rapprochement with China from the West occurred because within the realist and neo-realist framework, China served as a valuable partner in the containment of, and balance against, the Soviet Union. It is clear that China also viewed the rapprochement in the same way in terms of it having a geo-strategic basis. Notably, the arch geo-strategist Kissinger had suggested that, in his dealings with China, it understood triangular power politics better than most other powers.[69] Although China bent over backwards to accommodate Western interests in the 1970s, since the Soviet Union was the overriding threat, by the 1980s the Sino-Soviet situation had calmed down—the greatest consequence of which was the withdrawal of 100,000 Chinese forces from the common border. By 1985, Soviet forces in East Asia were reduced by about 80,000, and by 1987 the Soviet Union had withdrawn a division of troops from Mongolia. Therefore, just as the Sino-Soviet split fundamentally changed the balance especially in Asia, any Sino-Soviet détente was just as likely to yet again alter the balance. Coupled with China's increasing modernisation of its forces, as well as signs that the United States was in gradual decline, the notion that any balance could remain indefinitely was not a prudent one. China's cooperation with US interests only rested on its hitherto strategic and military weaknesses vis-à-vis the Soviet threat. For instance, China's support for the US–Japan Mutual Defence Treaty was merely a result of Chinese weakness. Likewise, China's agreements with the United States over Taiwan such as the joint communiqué in 1982[70] could not be expected to survive indefinitely as China grew more powerful, since the Chinese still resented what they perceived as US dominance over a

Chinese province. Furthermore, both the United States and China continued to view Taiwan as a strategic asset: Taiwan was America's 'unsinkable aircraft carrier' in China's backdoor, while China's ability to influence developments in Japan would be greatly increased by controlling Taiwan.

The greater engagement with China was based on the fundamental principle that China was a force for peace and stability in Asia. Regional stability in Asia was seen to depend on a still considerable US presence alongside a defensively focused China to counter the Soviet Union. Several strategic and tactical factors served notice that this would not be sustainable.

As far back as 1988, the US 'Discriminate Deterrence' report predicted that China would have the world's second largest economy by 2020. During the 1980s, the reality of growing Chinese power meant that China became less fearful of the Soviet Union and began to pursue a more independent foreign policy, including a move towards détente with the Soviet Union and increased criticism of US policy in the Third World and Korea. Furthermore, China established closer relations with US enemies such as Cuba and Nicaragua and began to sell cheap arms to developing countries (although this was motivated mainly by money rather than influence).

The military balance was also changing. China began to develop long-range missiles and long-range support naval vessels, testing them in the Pacific and Indian Oceans whilst maintaining the argument that such capacities were still primarily 'defensive'. The development of a growing 'blue water' navy did not escape the attention of countries like Indonesia who acutely felt a 'Chinese threat'.

Perhaps most significantly, China's stated ambitions should have alerted greater interest in Australia than it did. It was true that, during the 1980s, China focused primarily on domestic stability and economic growth, but it was also intent on defence modernisation. This in itself was not hugely threatening. However, as Yang Shangkun made clear, China's aim was to become a *great power*. More specifically, China openly professed a desire to unite all of its territory, including Taiwan and the disputed islands in the South China Sea. Moreover, force was openly declared to be an option (although only in the future) to achieve this 'unification'. While this still did not threaten Australia directly, pursuing these aims forcefully were clear threats to the status quo in Asia which Australia was keen to maintain.

What happened to security?

The proverbial power politics creed declares that allies are temporary and only interests are permanent. As the power configurations were changing, why did the China security question all but disappear?

Undoubtedly the strategic and security scene was ambiguous and open to interpretation. China overtly declared its alliances with the West as one of strategic convenience, yet made significant moves towards reducing the likelihood of war in the region. It openly professed a desire to conduct a more independent foreign policy from a future position of strength, yet continued its integration with the regional economies of Asia-Pacific and also with the United States. Moreover, China began to criticise US policies, yet continued to maintain that the Soviet Union remained the greater threat.

To understand this period, one has to return to threat construction. The Fraser period was easy to understand. Fraser bought into the realist orthodoxy of viewing the Soviet Union as the greatest threat during that time, and accommodation with China as being merely strategic. Although it might be strange to say, Whitlam was perhaps a product of the Menzies period in that his hurry to discard the China security question arose from his many years in scornful opposition to this period where the Chinese threat in Whitlam's view was reprehensible, anti-communist nonsense. Moreover, during the 1950s and 1960s, the broader 'China security question' was practically equated with the notion of a 'China threat', and once this threat ended so too did the need for asking about a 'China security question'. Whitlam's contribution that remains even today is the idea that China should not be viewed as an *a priori* security threat, and engagement with China can offer the possibility of genuine partnership. The interesting period was really the Hawke years. The anti-communist rage of the 1960s had retreated, Whitlam's zone of peace was a memory, and the China security question could be assessed anew. Why then was there minimal engagement with it?

One reason might be that there was little need to. China was not yet a great power, increased trade with China was a constant carrot, the United States did not push Australia to engage with Chinese security issues, and the Chinese made no immediate moves to threaten Australia's interests. However, as mentioned above, this explains why it was plausible to focus on narrowly-defined regional issues in terms of then current defence planning, but is not reason enough to effectively discard the question of a future Chinese threat.

The emergence of the realist paradigm in guiding strategic thought has already been addressed. In the 1980s, two different perspectives began to take shape in academic and political analysis. The first was *liberalism*. Unlike realism, liberalism did not put forward the notion of ceaseless competition for power and dominance, but rather emphasised the inherent harmony of interests between individuals which would decrease the likelihood of conflict if the preferences of individuals were given greater expression in that state's regime. Presuming that individual human beings inherently detested war, conflict and wars only occur because regimes fail to give expression to the desire for peace that all people seek at the basic level. This was to find its ultimate expression in the so-called 'democratic' or 'liberal peace' thesis—the notion that true democracies have not, and will not, war with each other. Liberalism therefore advocated the promotion of consent-based regimes (i.e., democracies) and strongly supported human rights, not only because this was morally desirable but because the regimes reflecting these values would fundamentally reduce the likelihood of conflict and war.

To be sure, no Defense White Paper would ever place primary faith in the liberal theory as a security policy. However, liberalism was an intuitively seductive and politically virtuous worldview for many in the West. Moreover, a more liberal approach was an attractive one for a moderate power like Australia since there was less reliance on military force as the determinant of influence and more room for the exercise of diplomatic and moral leadership via a tradition that was not unfamiliar to Australia's Western heritage. The uptake of a liberal worldview had two effects. The first was to view the cause of conflict not in realist terms of ceaseless power competition, but as a result of regime type. The less liberal the regime, the more likely it was to use war as an instrument of foreign policy. This meant that rather than focus exclusively on the strategic and tactical aspects of security competition, one could legitimately push for the (gradual) transformation of the society and regime that was once perceived to be a primary security threat. Therefore, the China threat was 'deconstructed' as a threat that could be defused and the promotion of a human rights dialogue became one

more important instrument of security policy instead of simply a moral indulgence. The second served to emphasise that a foreign and diplomatic policy focusing only on hard security questions was unimaginative and backward looking, whilst focusing on the positive transformation of Chinese society and regime toward more liberal and democratic principles was progressive and visionary. The extent of liberal values held by China's rulers was now a relevant security concern (although the term 'stability' was preferred to 'security').

It is significant that the Western countries drawn most to pushing a human rights dialogue with China were those that most strongly condemned the Tiananmen Square massacre. After all, millions more had died during the Cultural Revolution and Tiananmen Square was a small domestic incident by comparison. The depth of the Western reaction genuinely surprised the Chinese who had no liberal intellectual traditions to draw from. For Australia, the shock was profound since the Hawke Government had a genuine belief that Australia was contributing meaningfully to the peaceful evolution of the Chinese regime toward a more tolerant and less authoritarian power that was communist in name only. Even though Australia had not publicly pushed human rights aggressively as an issue with China prior to 1989, private appeals had been made and the Australian sense of 'betrayal' was acute. After the initial chorus of condemnation and economic sanctions that lasted for just under two years, the outcome from Tiananmen Square eventually demonstrated to Australia that its influence on the domestic behaviour of the Chinese regime was limited. A phase of 'quiet' and perhaps more 'mature' diplomacy[71] thus began under Paul Keating's Administration.

The second was the rise of *neo-liberal* or *institutionalist* perspectives in this period. This perspective accepted basic power politics assumptions, but, unlike realists who focus only on hard power competition, institutionalists emphasise regime building, and the relevance of norms, rules and models of interdependence. The relevant point is that institutionalists would see traditional security studies (that look mainly at the strategic aspects of power and security competition) as inadequate since these realist perspectives leave out the possibility and opportunity for *cooperation*. In realist thinking, states could generally only balance against, or bandwagon with, rivals. In institutionalist thinking, the realist 'security dilemma' could be avoided since systems and processes of cooperation can be improved through the building of regimes (with rules and norms) that guide interaction between states and stabilise relations between them. The idea then was to create incentives for states to cooperate and, where competition was inevitable, for states to compete within the rules and norms of the regime.

Institutionalist perspectives gain favour because these perspectives are much more useful than realist ones for explaining economic relations and trade aspirations between states. In the 1980s, Australia was ahead of other countries in the West in terms of recognising the enormous economic presence that China would eventually enjoy in the region and the world. Emphasising the building of common regimes and processes was therefore an appropriate diplomatic strategy to assist Australian hopes of building a significant market for itself in China. Maintaining a realist-guided 'fear of China' no longer seemed appropriate as an analytical or diplomatic perspective. Ross Garnaut argues that 'the central objective of Australian economic policy in China in the 1980s was to encourage economic reform and a high degree of international orientation in that reform'.[72] With Hawke as the champion of this perspective, the idea was to bring China into the international (economic) order, encourage it to play and compete according to the rules, and also to secure for Australia a strong foothold for future economic relations as a result of leading and promoting this vision.

Certainly Australian relations and policies toward China during this period carry the stamp of a middle power pushing for its vision of bringing in an emerging great power from the outer and, in this process, entrenching economic relations with the 'next great market' in the world: the Australian preference to divorce human rights from its Most Favoured Nation status (in contrast to the United States), conceiving the China Action Plan which set ambitious targets for exports to China,[73] and so forth. The problems of dealing within only a partially reformed economy were substantial, but Australia did lead the vision of a future 'benign' China 'open for business' during this period. Such an institutionalist perspective naturally drew attention away from traditional 'security' questions toward those aspects of relations that dealt most with mutual advantage, including economics, trade, and cultural and educational exchange.

Conclusion

Diplomatic successes with China especially during the Hawke period were notable. British Ambassador Sir Richard Evans noted in 1986 that 'the Chinese leadership spends more time thinking about the Australian relationship than about any country other than the big three of the Soviet Union, the United States and Japan'.[74] Australia saw itself as a significant partner with China in the latter's 'journey' on the path towards becoming a modern state and economic power. China spoke the language of 'reform' and communicated a desire to share in and contribute to a future prosperity. That it was undertaking 'only the first hop of a triple jump'[75] toward economic growth and development was readily accepted as a sign that China would eventually take its rightful place at the centre of a future prosperous and stable region. That China would also undertake a journey toward being a modern military power to back her growing economic and political influence in Asia was left alone, and the China security question consequently appeared a by- product of a previous generation.

Chapter 3

Towards Howard's Modern Synthesis

Introduction

In terms of this period for Australia, one might have expected a revival of the China threat since there was no longer a Soviet presence to balance against. However, this did not occur, which demonstrates how much had changed in less than two decades. It now appears that current approaches to the China question draw from both Liberal and Labor traditions in terms of a return to alliance-based security guarantees and continued support for a strong US presence in the region while at the same time talking the language of genuine and profound enmeshment with China. Whether Australia can continue in this direction will be one of the most important questions facing us as 'China grows strong'.

The general theme of this period is also not just about the ending of the notion of a Chinese threat but the beginning of a period of deep uncertainty as 'China grows strong'. Although the global strategic environment and perception have changed from the Menzies era, there is a sense of déjà vu about the questions that confront Australia today, ranging from China as a threat/opportunity to regional security architecture and the United States as the security guarantee for Australia and the region, to US–Sino strategic competition and Australia's response. Even though modern approaches correctly resist equating the broad 'China security question' with nothing more than the extent or absence of a specific 'China threat', there is hesitancy and even reluctance to answer these questions explicitly. The uncertainty is crippling imaginative Australian policy into the future. This is untimely and needs to be addressed, as it is clear that the recurrent China security question will return and great power politics seems poised to make a comeback into the region.

After the Cold War—end of the China security question?

After Tiananmen Square in 1989, the Australia–China relationship eventually entered what some consider a more 'mature' relationship devoid of the warm and cosy sentiment of the Hawke years and focusing more on entrenching a solid economic relationship. By 1991, almost all sanctions against China had been lifted and Prime Minister Paul Keating visited China in 1993. The Keating Government was determined to maintain the relationship on primarily a commercial basis and eschewed any notion of a 'special relationship' left over from the Hawke years. Consequently, the 1993 visit focused only on trade and economic relations and left alone more sensitive questions concerning, for example, human rights and defence.

When the Howard Government took office in 1996, many were bracing for a return to hard core security concerns vis-à-vis China. Howard took a series of actions early in his leadership that dug up concealed frictions between the two countries. Keen to reassert the Australian alliance with the United States which he believed had been languishing under the Labor Governments, Australia not only publicly supported the US dispatch of two aircraft carriers to the Taiwan Strait in 1996 (during the Taiwan Strait crisis), but initiated talks with

Taiwanese authorities for a possible sale of uranium to them. This was followed in September 1996 by the Australian Secretary for Industry leading a delegation to Taiwan. Moreover, in the environment of deteriorating US-China relations, Australia and the United States issued a joint statement on enhancing their security and strategic partnership into the next century, including the expansion of military cooperation and Australian support for a US-led security framework in the Asia-Pacific. Little sensitivity to Chinese feelings was also evident when Australia permitted the Dalai Lama to visit despite protests from China, with Howard personally meeting the exiled leader in Canberra. China regarded this as a direct and deliberate interference in Chinese domestic affairs and even suggested that it would affect political, economic and trade relations. Finally, China carried out a nuclear test in June 1996 and another a month later, which Howard condemned (although China signed the Comprehensive Test Ban Treaty shortly thereafter.)

Australia-China relations then just as quickly made a volte-face. Leaders of both countries decided to arrest the deterioration in relations and agreed at the Asia-Pacific Economic Cooperation (APEC) Summit in late 1996 in Manila for Howard to visit China in April 1997. From that moment onwards, great diplomatic efforts were made by both sides to complement the other and play down any fears or suspicions of the other. In 1997, Australian warships paid their first port visit to China and Chinese warships returned the gesture the following year. Australia offered strong support for Chinese entry into the WTO, which was gratefully received by China.[76] Australia also defied US pressure to refrain supporting a co-sponsored annual UN motion which condemned China for human rights abuses—the first time Australia adopted this position since 1989.

By the start of the new millennium, the Australia-China relationship was arguably as warm as it had ever been and Australia took great pains to downplay any notion of the China threat or even to publicly ponder security questions with respect to China. For example, in 2001, Foreign Affairs Minister Alexander Downer stated that Australia does not share the 'paranoia about China that some people might have'.[77] In 2003, Chinese President Hu Jintao visited Australia (simultaneously with US President George W. Bush) and affirmed the desire to be Australia's 'long-term partner' in a Parliamentary address that received a standing ovation from both sides of the House. A White Paper produced by DFAT in 2003 stated that Australia seeks 'to build a common understanding of how we can manage relations in a way that makes the most of our shared interests while acknowledging our differences'.[78] The aim was to build 'a strategic economic relationship with China similar to those Australia established with Japan and Korea'.[79] In late 2004, Downer took the next step by claiming in Beijing that

> we agreed that Australia and China would build up a bilateral strategic relationship, that we would strengthen our economic relationship, and we would work together closely on Asia-Pacific issues, *be they economic or security issues.'*[80] (emphasis added)

Indeed, Howard from his second year in office onwards has taken every effort to highlight Australia's partnership with China and downplay any differences. The excerpt from an address below is highly typical:

> Two countries with very different political systems, very different histories, very different cultures can build a strong future together if they focus on the things that they have in common rather than the things that they don't have in common.[81]

The common wisdom in accounting for the volte-face is that it was undoubtedly pragmatic and built on an economic foundation. Australia offered China a reliable supply of much needed raw materials for her economic expansion, while China offered Australia a massive

market for raw materials that appear almost insatiable. The North West Shelf Venture chosen by China as the sole supplier of liquefied natural gas (LNG) in 2002 is worth $20-25 billion in export income and is the most notable outcome of this pragmatic turn.

Basis for present relations with China

If one looks at the strategic outlook during the mid 1990s, the question of a China threat was a remerging one which makes the volte-face even more remarkable. In the early 1990s, Australia had concerns about the longer term role of the United States in the region. US military numbers in the region had reduced from 130,000 to 100,000 and, as the modernisation of the Chinese military continued, Australia held genuine concerns about a more assertive China in the region. As Howard moved to reinforce the alliance with the United States in 1996, Australia was once again thrust into the middle of great power politics. China had strongly argued at this time against the need for a US military presence in the Asia-Pacific, and against alliances with the United States by countries in the region. Moreover, the Chinese had begun to reassert themselves. In 1995, Chinese forces occupied an unoccupied reef in the Spratly Islands claimed by the Philippines. In 1995 and 1996, China provocatively staged missile tests and large-scale military exercises in the Taiwan Strait as a demonstration of opposition to pro-independence sentiment in Taiwan. As the crisis grew, Australia and Japan significantly supported the US decision to send two aircraft carrier groups close to the Taiwan Strait. While Australia denied that their alliance and support of the United States was a China-containment initiative, China considered the Japanese and Australian alliances with the United States as part of a northern and southern 'pincer' alliance against China. Moreover, it is clear that the reconfirmation of these alliances, which reaffirmed a central role for the United States in the region, was opposed to China's vision for the region's security. Significantly, in December of 1997, Howard's statement in 'Australia's Strategic Policy' expressed serious concerns about the potential for regional instability as a result of a rising China competing with the United States and her allies. Such a concern placed the onus on China to accommodate the status quo in stating that 'China will need to work hard to assure the rest of the region that its national objectives and the means it uses to achieve them will be consistent with the basic interests of its neighbours'.[82] What then caused the change in perception from China as destabilising status quo challenger to essential partner for stability and peace in the region?

There was a Sino–US relaxation of tensions from the late 1990s onwards that facilitated a rapid Australia–China relaxation of tensions. China refrained from attacking alliances with the United States in the region and also refrained from any occupations of disputed territories. It also stopped military displays near the Taiwan Strait during Taiwanese political events, made it clear that it was to be internally focused on development, sought prosperity and stability in the region to underpin its own development, and the United States reciprocally reaffirmed support for a 'One China' policy. These events help determine the timing for the relaxation of tensions, but the progressive yet systematic move away from China as a security question has deeper and more complex roots.

War on Terror

The first concerns a move away from linking security questions with great power politics, or more precisely, identifying the primary security threats as coming from great powers. This

had first occurred in academic circles following the collapse of the Soviet Union, but this focus on great power politics had made a comeback by the mid 1990s. In 1997, the 'Australia's Strategic Policy' paper was dominated by concerns about the military balance in East Asia and Australia's stated interests included the avoidance of 'strategic competition between the region's major powers' and to 'prevent positioning in neighbouring countries' of hostile forces.[83] This in effect put the focus on the US–China relationship.

The 1997 Asian Financial Crisis absorbed much of the attention away from East Asia toward Southeast Asia, and also shifted focus toward failing or weak states in Australia's immediate region.[84] However, the biggest impact on great power de-emphasis in modern times has been the global 'War on Terror' following the 11 September 2001 terrorist attacks in New York and Washington, and subsequent attacks by Islamic Fundamentalist groups around the world, in particular the Bali bombings of October 2002. As the recent White Paper argues:

> The terrorist attacks of 11 September 2001 in the United States and 12 October 2002 in Bali have been defining events. They have changed Australia's security environment in significant ways.[85]

This not only directed attention and resources toward these threats in a practical sense but introduced a fundamentally new threat perception. The clash was no longer between competing great powers but instead between ideas about way of life; in particular, secular regimes versus (extreme Islamic) theocracies, and those who support globalisation with 'market-orientated and outward looking policies'[86] versus those who do not. This brought to focus the construction of two major threat genres in the 2003 *Defence Update*: terrorism by Islamic groups and the spread of weapons of mass destruction (WMDs) that might make their way to terrorist organisations. The notion of 'asymmetric' threats is absorbing attention and resources away from viewing threats in the traditional state-based construction.[87] This takes the focus away from the China security question in three ways. First, security threats are increasingly seen to come from rogue groups and elements within states, not from that state's regime itself (unless the regime is closely linked with the terrorist group such as the Taliban in Afghanistan). Great power threats are therefore sometimes treated as a construction more applicable to the previous century and non-state threats as the new challenge at the beginning of this century.

Second, China has no significant Islamic terrorist groups operating within their territory that would concern Australia. On the contrary, the shift away from East Asia to Southeast Asia is driven by known terrorist groups such as Jemaah Islamiyah operating in Southeast Asia and Indonesia in particular. Moreover China, afraid of any terrorist groups creeping inside its borders, has been supportive of the US-led 'War on Terror'. For example, the Regional Security Dialogue with the Chinese in 2002 focused heavily on counter-terrorism.

Third, even if significant terrorist groups made their way into China, much of the fight against terrorism involves cooperation between internal bodies within states such as the intelligence and police forces, customs, financial regulators and so on. Such cooperation is predicated on strong functional relationships between the respective states and any moves to publicly bring China under a threat assessment spotlight would prove counterproductive to prosecuting the 'war on terror', a threat that is viewed as transnational (and operating within states) rather than national. Cooperation (not competition) between states is seen as the primary global strategy to defeat terrorism.

The emphasis on asymmetrical security threats since the attacks 11 September 2001 and October 2002 is evident in numerous documents and initiatives since late 2001. The

Australia Group formed in 1985 and chaired by DFAT stepped up its work to deny states vulnerable to terrorist infiltration access to WMDs. DFAT's 2001–2002 Annual Report reported the immediate shift from East Asia stability toward terrorism and WMDs as the great security challenge of our time and prescribed regional and bilateral security dialogues with Southeast Asian nations to combat this problem. The DFAT 'Advancing the National Interest' White Paper in 2003 follows the same theme in terms of identifying terrorism as the major security threat to Australia. For example, in introducing the major challenges for our time, the Paper states that

> relations between the major powers are now more stable than they have been for many years. But the security of Australia and many other countries is threatened by other international developments, notably terrorism, the proliferation of weapons of mass destruction, regional disorder and transnational crimes.[88]

Further:

> Terrorist attacks will continue to be in the form of 'asymmetric' responses to the military, economic and political power of the US and other Western countries. … Further, terrorist attacks are almost certain and the threat will only diminish with concerted and sustained domestic and international action and counter-terrorism measures. … Of greatest and most immediate concern to Australia is the growth of Islamic extremism and terrorism in South-East Asia.[89]

Break with historical China threat conceptions

The question of what to do about China when she becomes a great power has been seriously considered since the 1950s. The history of the China security question in the 1950s and 1960s was largely understood as China being a 'threat' that needed to be contained. Where the threat perception diminished in the 1970s and 1980s, a tradition of equating the 'China security question' with a 'China threat' meant that there appeared no urgent security question to ask. In the modern era, the lack of urgency to confront the China security question owes much to the fact that historical constructions of the China threat held by Australia no longer seem appropriate or applicable. One by one, the various historical threat conceptions of China have been held, reconsidered, and eventually dismissed. Past conceptions of the China security question no longer fit into any of the current security threat frameworks or categories.

The ideological basis for this threat conception lost its credence for several reasons. First, there is no longer the fear that communism stands as a competing system. The fall of the Soviet Union and the end of the Cold War put paid to that. Second, although China is the sole remaining great power communist regime in name at least, it has long let go of its revolutionary communist inclinations and seems content to deal with the non-communist world. Third, the prevailing role for ideology in identifying threats is now about the clash of Western and secular 'civilisations' with fundamentalist religious worldviews, rather than communism with liberal-capitalist worldviews. Moreover, Australia no longer sees China as a 'rogue' state within the system, a view that was withering from the 1970s onwards. In Australian eyes, China has showed itself to be concerned with its international image and identity as a 'responsible state' and subscribes to the usual logic, international conventions, and diplomatic norms of so-called rational states within the system. Chinese actions that fail international standards of diplomacy are usually quietly dismissed as mere 'clumsiness' (e.g., China as clumsy 'elephant' instead of 'dragon' in some circles) rather than a signal of aggressive intent. Finally, in terms of China as destabilising power within the system (i.e.,

threat to US dominance in the region and Chinese desires for regional hegemony), the Australian position is that:

> In the foreseeable future, no other country or group of countries will be able to challenge the United States' overall capacity to shape the global environment. Tensions might grow over US dominance. But so long as the United States continues to demonstrate successfully its strength, none of the other major powers is likely to risk serious confrontation with it. China … is focused more on their economic and strategic relationships with the United States than on contentious issues that remain between them.[90]

In other words, since the perceived multipolar world of the 1970s and 1980s, the United States has re-emerged as the only superpower; meaning that China is forced to be a status quo power for the foreseeable future—hardly a far-sighted approach. The argument that 'China's intentions are perhaps even more important than its capacities'[91] raises little concern in contemporary Government circles. The observation that 'China has instilled a nationalistic determinism not to be humbled again and therefore will never kowtow'[92] is viewed by the United States as ominous but by Australia as merely a sentiment of sovereign self-determination and the legitimate right of a rising power to peacefully erase a history of humiliation. (Significantly, China is highly disapproving of Japanese foreign policy which China sees as 'kowtowing' to the West.)

Finally, Chinese human rights standards are still poor by any Western standards. However, the Australian appraisal has been much more lenient than the American one, signalling a direction that the liberal values of a regime are seen to be desirable but aspirational rather than a basic prerequisite for secure relations. Whilst the United States has adopted a more aggressive stance on these liberal issues, Australia now tends to separate 'responsible behaviour' in the international context and 'human rights' in a domestic context (for China anyhow) and seems satisfied that China is no longer the rogue element in the international system and is making progress in the human rights area. Moreover, as this latter concern does not impact on security issues, a pragmatic approach to bilateral relations with China is the best way forward. At the very least, as a middle power with very little leverage over the human rights policies of the Chinese, Australia has been content to leave the issue alone. By our silence, the Howard Government appears to tacitly and pragmatically accept for the time being the Chinese view that internal stability of such a vast country is currently better served via an authoritarian rule that provides singular direction than one that opens up the society to the potential chaos of greater democracy. Hence, it is not uncommon that some form of praise is offered for the Chinese regime that has 'united the country, ended decades of civil war, sustained civilian rule, pacified the country's borders and, most recently, brought millions out of poverty'.[93]

Howard's modern synthesis

The above have dealt with the 'negative' reasons for the passing off of the China security question in that past threat conceptions have been gradually dismissed. What about the 'positive' reasons why there now appears little fear of China?

When Howard first came to power, it appeared that he would be a modern incarnation of older Liberal Party approaches to the China question: encourage continued US involvement in the region, ally with the United States, and contain China either through direct diplomatic confrontation or encircling alliances. For the past three or four years, the Howard

Government's approach has been to attempt to draw from what it perceives are the best aspects of both the Liberal and Labor historical traditions. From the Liberal tradition, encouraging the United States to remain dominant and engaged in the region, and the continued alliance with the United States remain Australia's top security priorities. Successful alliance management goes as far as active support for US military action. The unpopular decision to join the 'Coalition of the Willing' in Iraq was an emphatic instance of this.

However, the approach becomes more delicate when it comes to China and it is in the current soft power and diplomatic approaches to China that Labor traditions become evident. The context is a current environment with only one superpower and a future environment that takes into account China as regional great power. Although Howard supports the traditional Liberal desire for China to 'fit into' an Asia whose security and stability is still fundamentally underwritten by US power,[94] the strategy to 'help bring China in' and to engage or enmesh rather than contain the Chinese is historically a distinct Labor approach. Howard has adopted Whitlam's rejection of foreign policy as merely an extension of defence policy. Note also the Howard Government's schizophrenic portrayal of Australia as both a staunch, one-eyed ally of the United States and a member of an Anglo liberal-democratic security order versus Australia as a committed member of an Asian region that promotes a regional security architecture based on mutual understanding and cooperation. With respect to the latter, Howard's preference is for a methodology of building strong bilateral relationships that might lead to multilateral ones, rather than the other way around.

To be sure, Howard would believe that he has little alternative given present circumstances. China is too important to the Australian, Asia-Pacific and global economy to antagonise. Multilateral cooperation in soft power matters within Asia is increasing and this lends itself to China exercising influence though its size and power. As the recent *Defence Update* notes, 'the key factors shaping North and East Asia globalisation, economic growth, the formation of new regional consultative forums and the increasing economic and diplomatic influence of China'.[95] Meanwhile, the United States remains unsure how to deal with China and how to interpret China's rising power. Attitudes range from a containment policy (toward reining in a China as the next serious challenger to US power) to using existing alliances with Japan, South Korea and Australia (to pressure China into 'behaving') to accepting that China is a benign power with no interest in challenging the United States. While the debate in the United States continues, it has not yet decided upon an uncompromising containment approach towards China (and has subsequently not yet insisted that Australia do so). In the absence of both strong alliance pressure (from the United States) to take a more hard-line stance towards China and in the absence of a specific China threat perception, the pragmatic benefits from engagement are clear.

However, what makes Howard's current approach such a synthesis of, rather than a return to, hitherto partisan traditions is that he seeks on the one hand to base Australia's security overwhelmingly on the US alliance and to strengthen the already intimate alliance with the United States, and on the other hand to play the traditional Labor role of being a friend and partner that brings China in from the outside and encourages China to peacefully assimilate into the present system. Moreover, unlike Whitlam, Howard has no desire for any different security architecture or system away from one founded on US dominance. It is important to note that this approach is a synthesis of historical approaches, not a duplication of them. Unlike Whitlam who was sceptical of US intentions and wanted to establish a security community not reliant on alliances, Howard is adamant that alliances with great powers (i.e., the United States) are Australia's ultimate guarantee of security (despite finally agreeing to sign the Treaty of Amity and Cooperation) and that US presence is the ultimate guarantee of

regional stability. Unlike Hawke who believed that Australia could share a 'special relationship' that could encourage the positive transformation of domestic Chinese society and policies, Howard views China as an economic and perhaps strategic partner with little reference to societal transformations—hence Howard's reluctance to follow the United States in pushing human rights issues with the Chinese. Finally, unlike Fraser, whose main concern was to balance against the Soviet Union, the current policy of engagement with China is not founded on any power-balancing imperative but is rather an acknowledgment that China is an essential partner in Australia's future.

It is clear that, in producing this synthesis, Howard implicitly draws heavily from the institutionalist perspective based on growing interdependence between China, Australia and the Western economic order. Australia argues that China is tied into the current security status quo in Asia (with the United States as the predominant power) because it needs a stable region in order to grow its economy—China's overwhelming priority.[96] The argument extends further that China needs good relations with the United States in order to build its economy and that it desires to have good relations with Australia, best evidenced by the recent conclusion of the Trade and Economics Framework as a possible precursor to a Free Trade Agreement. Therefore, even though the recent White Paper acknowledges 'China's rising economic, political and strategic weight is the most important factor shaping Asia's future',[97] the same document speaks mainly about building a 'strategic economic relationship with China similar to those Australia has established with Japan and Korea'.[98] China is now an important part of the global liberal economic order and Australia takes 'China's accession to the WTO and support for the war on terrorism as positive signs that it takes seriously its international responsibilities as a major power'.[99] In other words, China is presumed to generally have too much to lose to challenge the status quo, challenge the liberal economic and political order, and take the military option in the resolution of disputes.

While some arguments might be made that 'economic development and mercantile success precede a would-be hegemon's ability to project military and political power',[100] the presently more favoured perspective believes that power is becoming less coercive because of the economic interdependence that serves as a systemic constraint on state behaviour, pushing states to move in line with globalised norms of international behaviour and acceptable competition.

Australia and the future of the China security question

Although I argued that Howard's approach is a synthesis of the most pragmatic aspects of Liberal and Labor traditions (yet distinct from each of them in important ways), articulating the nature of current 'engagement' with China is difficult. On the one hand, Australia and China are moving toward being security partners of sorts. As the Department of Defence recently noted, 'the defence relationship between Australia and China, which has experienced a period of unprecedented growth in recent years, is now better than it has ever been'.[101] On the other hand, we can see that the Howard Government is not engaged in any security hedging 'strategy' in the deepest sense as the United States remains Australia's foremost security partner and the alliance our ultimate security guarantee. On the face of it therefore, there is currently a strategic ambivalence in terms of Australia's approach to the China security question. There is nevertheless some inner logic to this apparent ambivalence, although the broader reasoning and wisdom of it could create serious problems for Australia in the future. What is this inner logic and why could it be problematic?

Current logic of strategic ambivalence

In many ways Australia finds itself in a novel strategic environment. Since Federation, strategy has generally been a matter of attaching itself to one of the Anglo great powers (first the United Kingdom and then the United States) and finding a role within their geopolitical security outlook. This approach suited a situation in which there were clear distinctions between powerful friends and powerful enemies, but it is less useful when categorising great powers as friends or enemies is not as straightforward.

As we have seen, China was always a significant security question, but a *prima facie* benign China that is increasingly engaged with the world presents a new set of challenges. China is the most diplomatically energetic country in the region, with more diplomatic missions than any other power in Asia. In the last few years, China has hosted and participated in more state and official visits throughout the region than any other country in an attempt to win the confidence of neighbours. Chinese diplomacy has been described as 'a thing of beauty'[102] and as DFAT has recently observed:

> China, like other countries, employs a mix of bilateral, regional and multilateral strategies to further its national interests, and it does so increasingly effectively. I think it is true to say that it is only in relatively recent times that China has developed the broad based expertise that it has now to deal effectively in all of those different institutions—regional, multilateral and bilateral—that it is now a part of.[103]

The world, and Asia in particular, is now used to having China as an increasingly great power. The consensus is that China needs a peaceful regional and international environment in order to focus on domestic development and growth, upon which the (internal) legitimacy of its authoritarian regime increasingly depends. The notion of China as a 'threat' therefore has taken a backseat as far as diplomatic language is concerned. Countries in the region, including Australia, find it more rewarding to tap into economic opportunities resulting from good relations with China and treat the once 'rogue state' as any other engaged in legitimate forms of economic competition.

Australia stands to massively gain from China's economic rise, particularly in terms of resources and energy exports. Australia is simply, like most countries, being drawn toward China's rising economic clout. China has made a good fist out of transforming its image from 'rogue dragon' to one of 'responsible great power' through its active participation in regional forums and its general smile diplomacy advocating peace, stability and principles of non-intervention and 'live and let live'. However, diplomacy and strategy can be two very different things. Good diplomacy tends to play a facilitating role—in this case facilitating China's economic engagement with the region. It has no doubt enhanced China's image as a 'good neighbour' and reduced fears about China's immediate intentions and actions. China's 'smile diplomacy' has been an enormous success.

'Smile diplomacy' however has its limitations. Security strategy will ultimately respond to (the perception of) national and security *interests.* Despite China's immaculate diplomatic skills, there are still questions and doubts about its future intentions and interests. This is well summed up by US Secretary of State Robert Zoellick who observed:

> 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.[104]

That this is the case is not surprising. China's actual behaviour in many respects is likely to cause concern. Its reported military budgets are a third or less of sensible estimates, while its spending on military modernisation—especially with regard to its navy, air force and missile capacity—seems to be beyond what is necessary for any Taiwan Strait conflict. Such thinking is not clearly explained, thereby inviting speculation as to Chinese future planning.[105] In an attempt to guarantee future energy security, China has no qualms about moving closer to 'rogue and 'problem' states' like Iran and Sudan, hence undermining US strategy to isolate these regimes. In an attempt to win influence throughout the undeveloped world, China oversees a private 'aid' program, especially in Africa in which aid is controversially unattached to any of the usual conditions involving governance, corruption and human rights. Moreover, China's bidding war with Taiwan in the South Pacific through 'developmental aid', in order to secure assurances of recipients supporting a 'One China' policy, feeds persistent fears about a dominant Chinese sphere of influence in the region. If nothing else, China is fuelling fears that it is out-manoeuvring the United States (and regional Pacific powers like Australia) for influence. Finally, China still claims the whole of the South China Sea as its territorial waters, remains intransigently belligerent over the Taiwan issue, and remains keen to continue and even promote the historical and strategic rivalry with Japan in East Asia. It is hard to know where the remarkable growth of Chinese hard and soft power is heading, and there are few signs as to how the Chinese intend to deploy it in the future.

Ambiguity about China's future intentions and interests, and disagreement between China watchers about how to view current developments, is at the heart of the current challenge. Even though the nature of the competition and rivalry remains uncertain, the United States is anxiously watching China's influence grow and expects China to be its primary regional, if not global, rival in the future. Notwithstanding China's often inscrutable intentions, by a process of elimination there are no other candidates with China's potential.

The current challenge for Australia is that China, as the region's most promising market, also exists as the most serious strategic rival of the United States, our superpower protector. What China will do and what it will become, and how the United States will respond, is largely out of our hands even though its future has enormous consequences for Australia. As Allan Gyngell notes:

> For the past 50 years … Australia has not had to make choices between its principal ally and its most promising market [Japan] But it may now face the uncomfortable challenge of having to maintain constructive relations with both Washington and Beijing. Its success in doing this will depend critically on two things: U.S. strategy towards its emerging Asian competitor and China's own behavior.[106]

The official Australian response to these uncertainties, as we have seen, is to emphasise that 'escalating strategic competition' between the United States and China is not inevitable—the basis for our current 'strategic ambivalence'. If future developments are largely out of our hands, there is no point explicitly committing to a future-orientated security policy (vis-à-vis China.) For the government, the risks of committing to a security policy *now*, that presumes either the inevitability of serious competition between the two powers or the absence of it when the evidence is unclear, are too great.

Despite the appearance of fence sitting, the logic is not entirely passive. The ultimate US security guarantee remains the bedrock of Australian and Liberal Party security strategy as it has for decades. This is still the starting point of any fundamental security strategy. However, in light of the growing pull and influence of China in the region, 'strategic ambivalence' toward China is perhaps better understood as a *tactical* approach that aims to prevent the

likelihood of and also eliminate instances in which Australia will be forced to 'choose' between the United States and China. In other words, while the Howard Government takes the view that Australia's capacity to influence US–China relations is limited, current Australian policy will largely be a matter of reducing the risk in which Australia would have to be involved in the event of any US–Sino tensions.

This risk-reduction tactic takes a dual approach. First, Australia seeks to set the terms and limitations of its alliance commitments with the United States in such a way as to preclude its involvement in any likely conflict with China (whilst keeping the alliance on foot.) This also involves downplaying the menace of China in order to support the softer Australian position against China. Second, Australia has focused on reassuring China that our alliance with the United States (and Japan) is not part of any Chinese 'containment' policy and that we accept the premise of China's peaceful rise. Of course, embarking on this dual approach is one thing; getting both powers to accept each one is the more difficult challenge. I will discuss these two aspects briefly below.

(a)   *Limiting alliance commitments and downplaying the Chinese menace*

Taiwan is the most likely theatre of a US–China conflict and, for this reason, stands as the single most awkward issue for the Howard Government to manage. Taiwan remains the most enduring symbol of China's decades of humiliation, and the full integration of Taiwan back into the PRC remains a non-negotiable objective of Chinese policy. Such policy is even included in the Preamble of China's Constitution. Were Taiwan to be lost by force or plebiscite, the domestic authority and even fundamental legitimacy of the Communist Party of China would suffer a severe blow. 'Smile diplomacy' does not apply to the Taiwan Strait issue, and China has repeatedly warned that 'as much force as is needed' would be used to prevent Taiwanese independence.

The current US position remains firm but ambiguous. Soon after taking office in 2001, US President George W. Bush stated that the United States would do 'whatever it took' to defend Taiwan against Chinese attack[107]—the first time any US President had explicitly pledged to use force to defend Taiwan. However, since then, the United States has reverted to its default position to both affirm its commitment to the 'One China' policy but also to offer Taiwan access to hardware with which to defend itself against any Chinese attack. Meanwhile, the United States retains a policy of studied ambiguity and is watchful against both Chinese unilateral attempts to reunify Taiwan and provocative Taiwanese initiatives to move away from the 'One China' position.

The Taiwan issue illustrates Australia's 'cat-and-mouse' risk-reduction security policy. Australia is under pressure from both sides. China's President Hu Jintao has consistently asked Australia to play 'a constructive role' on Taiwan (meaning support for the 'One China' status quo and neutrality in the event of a Taiwan Strait crisis), while Australia's robust support for the US action during the 1996 Taiwan Strait crisis reaffirms that China will not lightly forgive any Australian Government that supports an action against the Chinese over this issue.

On the other hand, the shadow of the so-called 'Armitage scenario' persists. In August and September 1999, former US assistant Secretary of Defense visited Australia purportedly with the message that the United States would expect Australia to support American military action in the Taiwan Strait if asked. If such support was not given, ANZUS would be threatened if not terminated.[108] Although the 'Armitage scenario' has never been officially

confirmed as policy by either side, it does reveal ongoing US concerns that Australia is being drawn towards China's influence. While Australia has since built up significant alliance credits as a result of its support for US actions in Afghanistan and Iraq, there are signs that the United States will not allow ANZUS to be a choose-for-yourself 'a la carte' alliance.

Of course, any war in the Taiwan Strait would have profoundly negative consequences for regional stability and economic growth in East Asia. War is clearly not a desirable option for any party should economic growth continue to be strong. American preparedness to go to war with China (and subsequent expectations that Australia follow suit) would depend on the circumstances and perception of how the conflict began. Were Taiwan to unilaterally declare independence, the United States might have less stomach for a military showdown against China. If China were seen as the provocateur, the chances of US involvement would be much higher. The point remains, however, that despite all parties (China, Taiwan and the United States) remaining ostensibly committed to the precarious status quo, the possibility of miscalculation by any of these parties persists.

Australia's response is to push for as much leeway as the United States will allow, whilst always keeping the alliance on foot. Since Australia's ANZUS commitments tend to be more a matter of political rather than legal construction (as the Treaty commitments are only vaguely stated), it is a case of a constant 'cat-and-mouse' diplomacy to redefine and manage US expectations.

Compared to Howard's first term in the mid 1990s where support for US action vis-à-vis China was swift and unbending, pushing the diplomatic envelope with its alliance partner for the purpose of promoting relations with China has become increasingly common in recent times. Notably, Foreign Minister Downer has more than once quipped in passing that Australia would prefer to remain neutral in the event of any crisis in the Taiwan Strait.[109]

Certainly, Australia has given the United States clear indications that China is no longer considered the region's most likely menace that it once was. This has come out in instances displaying a preparedness to disagree with the United States on Chinese issues, for example by refusing to join US calls for the European Union to maintain its arms embargo against China in early 2005. However, the most radical incarnation of the 'Howard synthesis'— radical from the point of view when compared to historical Liberal approaches—occurred in July 2005. As Hugh White reported at the time:

> Standing next to Howard, Bush described US relations with Beijing as 'complex' and 'complicated'. 'We've got issues when it comes to values,' he said, and asked Howard to 'work together to reinforce the need for China to accept certain values as universal.' Howard turned him down, flat. He told Bush: 'We have a good relationship with China. It's not just based on economic opportunity. We are unashamed in developing our relations with China. I'll do everything I can in the interests of Australia to ensure it develops further.' The day before he said his approach was 'to build on the things that we have in common, and not become obsessed with the things that make us different'.[110]

What this indicated to Bush (and no doubt to the delighted Chinese) was that Australia would deal with China at face value irrespective of China's domestic set-up. Its self-titled 'peaceful rise' thesis first put forward in 2003 would inform Australian policy. Further, Australia would not automatically support the US tendency to reject the claims by China's leadership of rising powers based on its poor domestic human rights and democratic commitments. This is a clear move toward a realist and pragmatic recognition of China's rising influence away from a more doctrinal *liberal* approach to the China question.

The recent separation of domestic values and the (legitimate) acquisition of regional power and influence also signals that Howard has all but given up on the idea that the United States can and will shape the nature of China's rise. It is recognition that China's economic clout is too large and that any strategy to influence the nature of its domestic politics from without will have come too late. Indeed, this really points to the effectiveness of China's diplomacy in the region since the turn of the century, in which viewing China as a 'responsible power' has become the short-term regional orthodoxy at the least.[111] Moves by Japan and the United States to limit or 'contain' Chinese power are being increasingly viewed as clumsy and confrontational by many Asian countries in the region, rather than prudent. (This is not to say that these countries do not retain an implicit fear of what a powerful China might do in the future.) The point is that the current government is increasingly keen to prevent Australian policy from becoming an extension of US foreign and security policy when it comes to China.

(b)   *Australian 'neutrality' and reassuring China*

As already mentioned, the key to Howard's fundamental strategy has been to keep the US alliance on foot whilst benefiting from closer relations with China. One necessary corollary of this has been to secure China's acceptance of the US–Australian alliance. This was particularly challenging since China has generally issued rhetorical objections to alliance systems. These objections in recent times have been squarely aimed at perceived US alliances that underpinned a general Chinese 'containment'. The critical factor for the Howard Government, therefore, was to convince China that the ongoing ANZUS Treaty was not part of any explicit or *de facto* containment strategy led by the United States.

Australia has gone about this in a number of ways. As already noted, the first has been the limiting of alliance commitments away from issues that involve China, particularly with regard to the Taiwan Strait.

The second has been confidence building measures through 'personnel diplomacy', with an emphasis on 'nurturing senior officer ties' between Australian and Chinese defence counterparts.[112] Such measures have the advantage of signalling Australia's friendliness to China without committing to any structural or strategic deepening of military relations. Although military 'friendships' cannot endure when interests diverge they do serve the purpose of enhancing diplomacy when interests are not in conflict.

The third is more about a rhetorical emphasis that emphasises Australia's pragmatic rather than ideological approach to the region. This is the basis for Howard's generic emphasis on focusing on the points of commonality and common interest between Australia and Asian states rather than the points of difference—the crux of Howard's engagement with Asia and China specifically. On the face of it at least, Howard has been generally quite successful in this endeavour.

Even though Howard seeks Australian integration into the region, this does not mean dissolving Australia's identity as a country with primarily Western roots. By retaining this Western identity and image, but making it pragmatically irrelevant as far as greater integration into the region is concerned, Howard cunningly avoided the trap that his predecessor Paul Keating found himself in when articulating his vision of Australia as an 'Asian country'. For many Australians outside elite circles, Keating was seen to be compromising Australian Western heritage and values by being too eager to become part of Asia at all costs. Pushing forward the rhetoric that Australia was now an 'Asian country', without placating existent and embedded anxieties, appeared to compromise Australia's

preferred sense of identity built on Western foundations. By emphasising pragmatic interests as the glue and removing cultural differences and values from the diplomatic and security discourse, Howard retained the freedom to promote Australia as both a nation with a proud Western heritage (for a domestic audience) and as an enthusiastic and active member in the Asian region (to a regional audience). In other words, different 'cultural values' were no longer an obstacle to further Australian integration in the region.

Howard therefore made no apologies for being a close alliance partner of the world's sole superpower but also re-branded his Government and Party as a realist and pragmatic one willing to constructively embrace the realities of power shifts, Asian politics and Asian diplomatic etiquette. In a revealing interview with Melbourne University's Asialink following the APEC meeting in Vietnam in November 2006, Howard triumphantly remarked that:

> [Australia] brings assets and qualities to region not brought by other countries but it is also, I believe, respectful of large power realities. ... I was regarded as somebody who wouldn't comfortably deal with the countries of the region. But I did. One of the things I have continued to believe is correct over the 10-and-a-half years is that there is never any point if you want to build a strong relationship with another society ... in pretending certain differences don't exist. … We understand that there are deep political and cultural differences but there are common bonds, the shared membership of the fastest-growing economic region in the world.[113]

Although Australia has joined US military actions in Afghanistan and Iraq, Howard has been keen to repackage Australia's security policy in Asia as one in line with that of our Asian neighbours—guided most notably by ASEAN inspired principles of non-interference and non-intervention in the affairs of other states. Howard's rebuttal of President George W. Bush by separating values and power was part of the philosophical ground work for such an approach. Australia ultimately agreeing to sign the Treaty of Amity and Cooperation (TAC) in order to take their seat at the East Asia Summit (EAS) in 2003 was further evidence of Australia's regional commitment to the Asian way, while Howard's reluctance to criticise China's poor human rights and democratisation standards in bilateral meetings must be read largely in this light.

Although many Asian countries such as Malaysia, Singapore, Philippines and Thailand still depend on the US presence as the ultimate guarantee of protection and stability against future Chinese ambitions, ASEAN non-interference principles have become the current orthodoxy for the region. China, in particular, has latched onto them as a protection against outside criticism of its authoritarian system and as a defence against any calls from outside entities (e.g., the United States) to speed up democratisation processes within the country. Principles of non-interference have also allowed China to extend the argument that any resolution of the Taiwan issue is an 'internal matter' that should be immune from outside intervention.

This point is that Howard's acquiescence to this Asian way in the region affirms Australia as a 'neutral' country of sorts, or at least a country whose security policy fits agreeably into the existing regional security architecture and doctrine. In doing so, Howard is giving China the message that, despite Australia's Western cultural values and existing alliance with the United States, it is a country with an unexceptional security policy in the region. Australia, like most of Asia, accepts at face value the doctrine of China's 'peaceful rise' and there are no immediate moves to support any pro-active US moves to encircle China or to push for political reform within China. In terms of the China question, Howard is eager to distance Australia from being the 'Deputy Sheriff' of the United States. In doing so, Howard is meeting

the 'minimal terms' of engagement that China demands from smaller powers in the region as a pre-condition of improving economic relations.

Challenges ahead for Howard's modern synthesis

Since 1949, Australia's security attitude and strategic dimension vis-à-vis China has been predominantly determined by its relationship and that of China's with the United States. Whether Australia's current attempt to emphasis both the US alliance and greater enmeshment with China can be sustained is one of the key strategic security questions.

For the Liberal Party in particular, there has been a five decade-old presumption that the United States is Australia's ultimate guarantor in security matters. In terms of the perceived global interest for supporting the dominance of the United States, Australia continues to attribute to the United States and its power what Reisman describes as the 'actor of last resort in matters of fundamental importance to contemporary politics'.[114] That much has not changed.

There is much to applaud with respect to Howard's achievements. Australia's relations with China are healthy and productive, yet its alliance with the United States remains firmly on foot. Australia seems confident and well placed in the region, highlighted by strong relations with all major powers: the United States Japan, and China. Engagement with Asia and China in particular appears to have been achieved on largely favourable terms. Howard would no doubt point to the offering by China's Ambassador that China did not view Australia's alliance with the United States as targeted against China, and that the alliance would not 'in any way harm Australia's relations with China'.[115] This is the basis for Downer's recently expressed confidence that 'For Australia, China's growing influence does not require us to make a strategic choice between the US alliance and our developing relationship with China'.[116]

Howard's pragmatism is less about trying to shape future security environments and more about avoiding complicating commitments and entanglements. It is also very much a series of bilateral approaches—building stable relationships with individual countries—rather than building networks involving Australia and several countries. It is, as Howard stated in 2003, about 'promoting its own interest' through 'helping friends',[117] not fixing disagreements between them. Most notably, Australia's relationship with the United States often proceeds as if Australia's relationship with China were a separate issue and vice versa. This stems from a determination to avoid being drawn into any issue that divides the two great powers, and explains Howard's consistent rejection of playing any 'bridging' or 'intermediary' role between the United States and China, preferring instead to remain on the sidelines. For instance, responding to the encouragement of Bush for Australia to take up human rights issues with China in 2005, Howard stated:

> From Australia's point of view, well, we don't presume any kind of intermediary role. That would be absurd. We have relationships with the United States, which I've talked about and categorized in an unambiguous way. Everybody understands the centrality of that relationship to Australia. The Chinese understand it. But we are unashamed in developing our relations with China, and I am pleased with the way the economic relationship has developed. And I'll continue to do everything I can in the interests of Australia to ensure it develops further.[118]

Australia's strategic ambivalence was more a tactical initiative to remain on the sidelines, and the primary security strategy (i.e., the US alliance and security guarantee) remains as it has for decades. It is more a matter of pushing the envelope with the United States to pursue

Australia's interests in the region. In this sense, the Howard Government is not 'security hedging' since security is still linked with the US alliance and regional presence. This explains Howard's elevation of APEC (in which the United States is a participant) as the 'pre-eminent regional institution' above the EAS which was described merely as an 'important gathering'.[119]

China is not seen as a foreseeable security threat. There has been little evidence of any bilateral issue serious enough to lead to conflict. However, the Howard Government has also paid little strategic attention to the notion that Australia should conscientiously prepare for serious tensions between the United States and China as 'China grows strong'. Although the *Defence Update* in 2005 recognised that 'with China's growth will come increasing competition with the United States for strategic influence',[120] Howard merely argues that 'Australia does not believe that there is anything inevitable about escalating strategic competition between China and the US'[121] and that 'Australia has an enormous stake and a helpful role to play in the management by the US of … its complex relationship with China'.[122] Indeed, Howard has stated that:

> I count it as one of the great successes of this country's foreign relations that we have simultaneously been able to strengthen our long-standing ties with the United States, yet at the same time continue to build a very close relationship with China.[123]

Australia has no doubt strengthened ties with the United States and has also without doubt built a very close relationship with China. Has the Howard Government really succeeded in putting a square peg into a round hole? Are we in such a prime position to continue to benefit from relations with both powers? There is an empty truism in the statement. Strategic competition is hardly ever 'inevitable'. However, security and foreign policy hardly ever deals in inevitability, and is much more frequently called upon to deal with 'likelihood' or 'probability' or, for those who prudently exist in the future, even with 'possibility'. As Australia's future relationships with the United States and China are seen to be its two key relationships, only coming to terms with strategic competition when it is 'inevitable' seems a little too late. With the genuine potential as a flashpoint leading to war, Taiwan remains a stalemate. China's 'New Security Concept' remains in opposition to existing US power and presence in the region. As Hugh White has observed, 'Beijing has made it clear that economic opportunities are conditional on strategic and political alignment. China is using its economic potential to build a sphere of influence, and we are being drawn in by our purse strings'.[124] A position that Australia should seek only to minimise the possibility of 'miscalculation'[125] or 'misunderstanding'[126] between United States and China seems to understate the growing rivalry and the challenges these two nations will create for Australia. Despite Howard's successes, Australia is not prepared for the real possibility, if not likelihood, that strategic competition will deepen between China and the United States. Besides, putting forward and dismissing the worse case scenario arising from strategic competition—'an inevitable breakdown [of relations between the United States and China] leading to potential conflict'[127]—is to ignore less extreme manifestations of competition that will still be uncomfortable for Australia. As Peter Jennings has argued, 'Australian strategic policy will suffer a strategic failure if we are ever forced into the position of having to decide between support for the US alliance or the viability of our relationship with China'.[128]

Even though how the United States proceeds with the China question, as well as what China will 'become', is largely out of Australian hands, it appears that Australia's handling of the China security question remains hopeful rather than proactive. Managing its alliance with the United States and building closer relations with China still means avoiding awkward

questions and issues. Even if it is forced to *choose* as it were, it can influence the choices that are put before it at a future date. Being 'friends' and being 'liked' by both countries—whilst avoiding discussing awkward issues with both powers—cannot be a primary strategy and does not reduce the likelihood that Australia would be forced to make the kind of choices it would rather avoid. More clearly identifying its current and (more importantly) future interests, and managing American and Chinese expectations based on those interests, seems a better way to go.

The future of the China question is clearly about what China will become and how best to fit that new China into the regional and global system. How the United States will respond to these questions is also at the core of the puzzle. Although there are reasons to avoid playing too active an 'intermediary role' between China and the United States, Australia is historically and currently well positioned to encourage the United States to look beyond the 'War on Terror', to become more creatively and imaginatively engaged with the China question, and to rethink regional roles for various powers. Encouraging or allowing newer (balancing) roles for Japan and perhaps even India would open up alternatives and provide natural barriers against possible future Chinese hegemony. The complex security environment requires a wisdom that is beyond simply attaching Australia to a great or superpower against a common enemy. Australia has already recognised this, but the point is that passively remaining on the sidelines while the great powers sort themselves out seems too hopeful, and ultimately more hazardous than prudent.

Notes

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