The most evident management challenge facing the US–Australia alliance going forward is how Canberra positions itself between its leading trading partner (a rising China) and its long-standing strategic ally (the United States). For more than half a decade now—ever since the former senior defence official turned professor Hugh White sparked a public discussion on the subject—this has been the dominant foreign policy debate in Australia. It is a debate that has attracted international attention including, most significantly, in Washington.¹

This chapter begins with the observation, however, that this debate is but the latest manifestation of a long-standing tension in Australian foreign policy that reflects Canberra’s cultural and historical ties to the Western world, juxtaposed against its geographic location on Asia’s periphery. The chapter goes on to assess the arguments put forward by the two dominant camps in this debate. The first of those camps it characterises as the ‘Crusaders’, a collection of scholars and policy analysts who argue that Canberra needs to ‘double down’ on the American alliance going

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¹ See, for example, Brad Glosserman, ‘The Australian Canary’, PacNet, no. 67, Pacific Forum CSIS, 21 Nov. 2011.
forward with a view to seeing off the Chinese challenge to the US-led security order in Asia that has served Australia so well during the postwar period. The second it dubs the ‘Pragmatists’, a relatively diverse group who contend that Canberra needs to establish a greater degree of autonomy from Washington in a manner carefully calibrated to align with Asia’s changing power dynamics. While successive Australian governments have essentially sought to have the best of both worlds by actively seeking and, by and large, achieving a remarkable degree of foreign policy autonomy within the bounds of the American alliance, the chapter concludes that this course is likely to become more challenging to maintain in the future as US expectations of Australia intensify in an increasingly contested Asia.

**Torn Country**

The most extensive reiteration of the debate regarding how Australia should position itself between China and America was initiated by the publication of Hugh White’s 2010 *Quarterly Essay* ‘Power Shift’. White’s work started out with the proposition that the US-led security order in Asia that had been in place since the end of World War II was coming under challenge in the face of China’s rise. Whichever order replaced it, in White’s view, would be an inherently more contested one. Given that such an outcome would not be in Australia’s interests, White urged Australian policymakers to undertake a concerted effort to convince both Beijing and Washington to enter into a power-sharing arrangement—akin to that which operated reasonably effectively in Europe during the 19th century—rather than drifting into a dangerous strategic competition with considerable potential for war. White also saw the need for India and Japan to be included in this arrangement, given that they are the region’s other two major powers. At the heart of the power-sharing arrangement, however, was the fundamental need for Beijing and Washington to see one another as equals and to ‘share power’ in Asia on this basis. Should that outcome not eventuate, according to White, then Canberra would almost certainly be faced with an unenviable choice between its leading

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trading partner and its long-standing strategic ally, most dramatically in the case of conflict between these two heavyweights. In White’s view, this was a choice best avoided.

The debate that White’s work prompted is one with relatively deep historical roots. Indeed, Canberra has faced challenges regarding how to position itself between Beijing and Washington ever since the US–Australia alliance was conceived in the early 1950s. As Michael Wesley has observed, ‘more than any other country, China has always symbolised for Australia the immanent evolution of the Asian regional order. This has been a nagging caveat in this country’s deep commitment to, and investment in, the American-guaranteed global and regional orders’. This observation is consistent with the late Samuel Huntington’s famous characterisation of Australia as a ‘torn country’—a people who, in his words, are ‘divided over whether their society belongs to one civilization or another’. Huntington here was referring to an Australia ‘torn’ between its cultural and historical ties with the Western world and its geographic proximity to Asia.

Washington very clearly required Canberra to make a choice between its history and its geography when it agreed to enter into a formal strategic alliance with Australia in the early 1950s. At the time, the Australian Foreign Minister, RG Casey, was actively considering an alternative multilateral organisation that would include not only his country’s major power allies—Great Britain and the United States—but also the newly independent states of Asia. Even prior to that, the government under Ben Chifley was in 1949 seriously contemplating the possibility of following Britain’s lead and formally recognising the newly established People’s Republic of China (PRC) under Communist rule. After toying with and ultimately rejecting a prospective multilateral framework—akin to that which it had established in Europe following the ending of World War II—Washington made clear to Canberra that in order to secure the alliance it sought so as to ease its anxieties regarding the prospect

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of a remilitarised Japan, Australia needed to unequivocally support US policy in Asia. This included non-recognition of Communist China and forsaking any alternative Pan-Asian regional structures.7

Almost as soon as the ANZUS Treaty had been signed, however, Canberra was testing Washington’s limits in terms of how much leeway it would afford Australia as far as its China policies were concerned. Somewhat ironically, even as Australian troops were fighting against Chinese and Chinese-supported troops in the Korean War, Australia was already engaging in a burgeoning trading relationship with Communist China. By the early 1960s Australia had become China’s leading supplier of wheat while, by the end of that decade, it was China’s third-largest supplier of goods—second only to Japan and the then West Germany. Moreover, this was during a period when a US-led trade embargo was in place against Communist China—an instrument of economic statecraft that Canberra supported in relatively minimalist terms by adhering to the requirement it not supply Beijing with ‘strategic materials’.9

By the early 1970s, daylight was again opening up between Canberra and Washington in their respective China policies, with Australia moving more quickly towards the formal normalisation of relations with Beijing than even the revolutionary diplomacy of the Richard Nixon and Henry Kissinger years. Gough Whitlam, leader of the opposition Australian Labor Party, for instance, led a delegation to Beijing in July 1971 only a matter of days before Kissinger famously visited there as US national security adviser. Whitlam was elected prime minister in the following year and one of his first acts was to formally recognise China in December 1972. He subsequently became the first Australian prime minister to visit the PRC in October 1973, during which time he was able to secure separate trade and technology agreements, coupled with the establishment of a joint trade committee. Most significantly in the context of the current chapter, however, all of this occurred in advance of the normalisation

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8 New Zealand was originally a member of the alliance, but its participation was suspended in 1986 following a dispute with the United States over the visits of nuclear ships. For further reading see Gerald Hensley, Friendly Fire: Nuclear Politics and the Collapse of ANZUS, Auckland University Press, 2013.
of China–US relations in 1979. As Shannon Tow has thus observed, ‘these milestones were hallmarks of an emerging Australia China policy that was less calibrated with Washington’.10

In perhaps the most direct antecedent to White’s work, however, the former secretary of the Australian Department of Trade, Stuart Harris, published a monograph in the late 1990s titled simply Will China Divide Australia and the US?11 While acknowledging that the China policies of Canberra and Washington had generally been fairly well aligned, Harris also pointed out that there had on occasion been quite public differences between them, particularly in relation to human rights issues. Moreover, Harris was also of the view that such differences were likely to become sharper and more pronounced in the future ‘as the two countries accommodate, in their own responses to a changing regional environment, rising China’.12 While predicting that Australia and America would continue to have common interests vis-à-vis China, Harris was also of the view that differences would open up due to their differing geography, geopolitical objectives, national interests and foreign policymaking processes. He suggested that these differences would grow in importance and that they had the potential to ultimately divide Canberra and Washington. His monograph was thus not only an attempt to identify these differences in advance, but also to develop effective strategies for managing them.

In some respects, the story of the US–Australia alliance during the period since Harris produced this monograph has been the antithesis of what he predicted. Writing recently in Foreign Affairs, for instance, Bates Gill and Tom Switzer argued that ‘Australia now figures more prominently in US foreign policy than at any time since 1942–45, when Australian combat troops served under General Douglas MacArthur and scores of US air and naval bases and army camps were stationed Down Under’.13 The alliance has unquestionably gone from strength to strength in recent years, deepening institutionally and broadening into new areas of cooperation such as cyber security, ballistic missile defence, space cooperation and new measures

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to combat terrorism. Of particular significance, during his first visit to Australia as president in November 2011, Barack Obama announced the establishment of the US Marine Corps Rotational Force, Darwin—this force will grow to 2,500 personnel in coming years and operate as a Marine Expeditionary Unit. Even more significantly, the 2014 Force Posture Agreement between the United States and Australia enabled not only the expansion of the US Marine Force, but also the rotation of a US Air Force presence in northern Australia including B-52 (and potentially B-1B) bombers, fighter jets and air-to-air refuelling aircraft. Consistent with this, the Australian Government’s 2016 defence white paper placed particular emphasis upon the acquisition of military capabilities that will enable Australian forces to operate in close cooperation with their American counterparts, particularly in South-East Asia.

All of that said, however, differences between Canberra and Washington over China policy have also become more pronounced and more visible in recent years, precisely along the lines that Harris predicted. Perhaps the starkest example occurred in April 2015 when Australia opted to apply for membership of the Chinese-led Asian Infrastructure Investment Bank (AIIB). Canberra’s decision was especially significant because it occurred in the face of strong and rather public opposition from the Obama administration. In October of the same year, further tensions were generated by the Australian Government’s decision to grant a 99-year lease to Landbridge, a Chinese company with alleged links to the Chinese Communist Party (CCP). While the Australian Department of Defence had reportedly given the ‘all clear’ for this deal to go ahead, the Obama administration was reportedly disgruntled that it had not been consulted. Andrew Krepenivich summarised the mood in Washington at the time by suggesting that the Landbridge lease ‘threaten[ed] to undermine Australia’s relations with its closest security partner, the United States’. As a consequence of this episode, coupled with Canberra’s reluctance to adopt a stronger position in response to China’s growing assertiveness in the South China Sea, reports soon emerged that Australian and American officials were engaged in ‘emergency talks’.

16 Andrew Krepenivich, ‘Darwin Port Deal with China’s Landbridge Group an Unforced Error’, Australian, 17 Nov. 2015.
The fact that such episodes were taking place against the backdrop of the debate sparked by White back in 2010 is by no means insignificant. It is a debate that has not gone unnoticed in Washington. Indeed, as two well-placed American commentators, Michael Green and Zack Cooper, observed in July 2015:

for much of Australia’s history, its leaders have been nervous about abandonment by its primary ally ... In the midst of Asia’s ascent today, however, it is Australians who worry about entrapment by Washington and Americans that worry about abandonment by Canberra.18

It is to the debate sparked by White in 2010 that this chapter now turns.

**Crusaders**

It is possible to characterise the various participants in the debate in a number of different ways. As will become apparent throughout the course of this chapter, there are also subtle variations *within*, as well as these clear differences between, the Crusader and Pragmatist camps.

Before proceeding to outline some of the primary contributions on either side of this debate, it is worth emphasising that the question at its centre is how much strategic autonomy Australia should exercise from the United States. To be sure, over the years a handful of scholars and analysts have suggested abandoning the American alliance altogether. The most recent example of this is a controversial book authored by former Australian prime minister, the late Malcolm Fraser.19 In this book, Fraser characterises the alliance as a ‘dangerous’ strategic tie and one that critically inhibits Canberra’s capacity to engage with its Asian neighbours. By and large, however, the vast majority of debate around the American alliance has not seriously considered the abandonment option. As Tow has observed, for instance, even the revolutionary Whitlam government of the 1970s was cognisant of this. In her terms:

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Whitlam was acutely conscious that Sino–Australian relations should not develop at the expense of Australia’s core strategic relationship with the United States. Although Whitlam is popularly represented as the harbinger of a more independent Australian foreign policy, he was acutely aware of Australia’s strategic dependence on the American alliance.20

Those falling within the Crusader camp argue that, in a more contested Asia, Australia will not have the same luxury that those such as Whitlam have enjoyed in years gone by in terms of how much autonomy Canberra is able to exercise within the alliance. Instead, they argue that the very survival of the US-led security order in Asia, which has served Australia so well in the period since the end of World War II, is being fundamentally challenged as a direct result of China’s growing power, influence and strategic ambition. In response to this challenge, Crusaders argue that Canberra needs to join American efforts to balance against China’s rise. As Peter Jennings, Executive Director of the Australian Strategic Policy Institute (ASPI) and a prominent member of the Crusader camp, puts it:

the strategic choice Australia faces is not the pulp fiction one of picking between the US and China. It’s a choice about us: do we crouch or do we stand? Stand, that is, with a strong defence capability, a powerful alliance and a global network of friends. No choice at all, really.21

As Jennings’ quote implies, these balancing efforts involve not only siding with the United States, but also coordinating much more closely with other American allies and partners to add further weight to Washington’s position in Asia. There is a strong values-based logic underpinning such arguments, with Crusaders advocating closer collaboration between Canberra and other democratic partners and allies of America to preserve what Condoleezza Rice once famously characterised as a ‘balance of power that favours freedom’22 in the Asia-Pacific region. Andrew Shearer, another prominent member of the Crusader camp who served as a senior adviser to former prime minister Tony Abbott and who is now affiliated with the highly regarded Center for Strategic and International Studies (CSIS) in Washington DC, embraces this logic by encouraging ‘the development of a network of like-minded partners who have both the political will and the capacity to contribute materially to maintaining a favourable balance

of power in a rapidly changing region’. Such arguments are consistently made by those in the Crusader camp to advocate closer strategic relations bilaterally between Australia and Japan, trilaterally to include Australia, Japan and the United States, and quadrilaterally by adding India into that mix.

Unlike in the past, when Canberra has had little reluctance when it comes to issuing statements reflecting its strong rhetorical support for the American alliance, Crusaders also argue that Australia needs to undertake much more in the way of concrete action to actively support a strong US presence in a contested Asia. In recent months, such arguments have increasingly been made with reference to the South China Sea. This has been especially so since the United States began demonstrating its commitment to military overflight and freedom of navigation with respect to this body of water, as first evidenced by the October 2015 transit of the USS *Lassen* within 12 nautical miles of five features in the disputed Spratly Islands. As Ben Schreer and Tim Huxley, two prominent voices from the Crusader camp argued in the aftermath of this operation, ‘words alone are not sufficient to stop China’s maritime assertiveness. Expecting the US will somehow stand up to China on its own is a tall order. The cherished assumption that Australia can sail easily between China and the US is a flawed one’.

In a similar vein, following Beijing’s February 2016 deployment of anti-aircraft missiles to Woody Island, Jennings argued that ‘urging restraint and calm as prime ministers Malcolm Turnbull and New Zealand’s [John] Key did last Friday is sensible enough, but realistically, the South China Sea issue is morphing from a dispute into a crisis. More is needed than soothing talking points’. Jennings then went on to propose:

> a better approach would be to strengthen and coordinate American and regional responses to China. This must include a shared, stronger, diplomatic response to Beijing and for a number of countries—not just the United States—to exercise military overflight and freedom of navigation manoeuvres.

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25 Ben Schreer & Tim Huxley, ‘Standing up To China is Essential, Even if Costly’, *Australian*, 21 Dec. 2015.

Pragmatists

Juxtaposed against the Crusader camp, another school of thinking argues that Canberra should instead be seeking to distance itself somewhat from the alliance as Asia becomes more contested. There are a number of different variants of this argument. A particularly interesting feature of this line of thinking, however, is the significant number of former senior Australian politicians and officials who have associated themselves with the Pragmatist camp.

One notable example is former foreign minister Bob Carr, who argues that, by aligning itself too closely with the American alliance, Canberra risks entrapment within a conflict in which it has only peripheral interest. Carr has made this argument recently and publicly in relation to rising tensions around the East and the South China Seas disputes. To substantiate his arguments on the East China Sea, the Australia–China Relations Institute (ACRI), of which Carr is head, has undertaken polling of the Australian public showing that 71 per cent of Australians were against Australia taking sides in a conflict between China and Japan over the disputed Senkaku/Diaoyu Islands, whilst 68 per cent were of the view that the Australian Prime Minister should refuse any request from his American counterpart to provide military support in the event the United States were to become involved in any such contingency.27 On the South China Sea, Carr contends that it would be a mistake for Canberra to follow the course suggested by the Crusaders with respect to so-called freedom-of-navigation operations given that few, if any, other Asian capitals would be willing to engage in these. In Carr’s terms, ‘do we want to be the only American friend, partner or ally to be donning a deputy sheriff’s badge, glinting in the sunlight and running these sorts of patrols?’28

A second strand of the Pragmatist line of thinking argues that any decisive tilt towards the American alliance would be premature given the uncertain trajectory of the Sino–American relationship. According to this line of reasoning, while there will be competitive elements to this relationship in the foreseeable future, it is important not to underestimate the potential for Beijing and Washington to manage their differences and

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for the cooperative dimensions of the relationship to prevail. The classic
statement from Canberra reflecting this logic can be found in the 2013
defence white paper, which stated:

the Government does not believe that Australia must choose between
its longstanding alliance with the United States and its expanding
relationship with China; nor do the United States and China believe we
must make such a choice.29

More recently, the recently retired Australian Secretary of Defence,
Dennis Richardson, has continued to famously run a similar line.
In Richardson’s terms, ‘our relationship with China and the United States
can be summarised by one simple phrase: friends with both, allies with
one’. Lest this be mistaken for a softer version of the Crusader line of
argument, however, Richardson also places himself firmly within the
Pragmatist camp by going on to observe that ‘as close as we are to the
United States, we do have our own interests and set our own course.
Our relationship and interests in China are sometimes different to those
of the United States’.30

A third strand of the Pragmatist school argues that, by distancing itself
from Washington, Canberra stands the best chance of contributing—to
the extent that a middle-sized power such as Australia possibly can—
toward ameliorating deepening strategic competition between China and
America. White’s argument that Canberra should be urging Washington
and Beijing to ‘share power’ in Asia places him squarely within this camp.31
With specific reference to the South China Sea disputes, Wesley takes
a similar line to White, arguing that Canberra needs to take a less timid
approach in relation to these disputes and to draw inspiration from some
of Australia’s most activist diplomatic initiatives of days gone by—such as
its promotion of a creative solution to the Cambodian conflict during the
late 1980s and early 1990s—particularly given the considerable interests
it currently has at stake in Asia. In Wesley’s words:

29 Commonwealth of Australia, *Defence White Paper 2013*, Canberra: Department of Defence,
2013, p. 11.
30 Dennis Richardson, ‘The 2015 Blamey Oration: The Strategic Outlook for the Indo-Pacific
31 In addition to Hugh White’s 2010 Quarterly Essay, see also Hugh White, *The China Choice: Why
were Washington to become embroiled in a conflict in the South China Sea, it is highly likely that Australia would be expected to fulfil its alliance obligations alongside US forces. Australia’s acceptance as part of the Asia-Pacific region might also be challenged, a status that has been contested in the past and could be again in the future. An Australia that stands aloof from one of the region’s key flashpoints could well be an Australia whose commitment to regional issues is questioned in future international relations.32

Trouble Ahead?

The voluminous scholarship on alliance politics has engaged surprisingly little with the issues surrounding the management of alliances. Instead, the focus of this work has been predominantly upon questions relating to the formation, persistence and collapse of these arrangements.33 This is especially true of scholarship addressing Australia’s alliance with America. In one of the few works to specifically address alliance management issues, however, the doyen of alliance politics Glenn Snyder points out that central to the task of managing any alliance, ‘the parties will want to shape and control it so that it maximizes their net benefits’.34 The analysis presented in this chapter suggests that, historically, Australia has certainly endeavoured to do so in its alliance with America, willingly accepting its characterisation as a ‘Dependent’ and ‘Dependable’ junior ally to the United States, but in practice actively seeking and successfully exercising a remarkable degree of independence within the bounds of this alliance relationship.

One could argue that Canberra has been able to exercise this degree of independence precisely because Washington has ultimately afforded it the luxury of doing so. Indeed, as detailed earlier in this chapter, after initially requiring Canberra to commit to US policy in the Asia-Pacific as a non-negotiable requirement for first entering into a formal alliance with America, Washington has generally during the period since afforded Canberra considerable latitude—especially so in its China policies—and has opted not to impose significant costs upon it, even in instances when

Australia has clearly gone against the wishes of its senior ally, such as in April 2015 when Canberra applied for membership of the Chinese-led AIIB. Do outcomes such as these suggest that the Pragmatists are ultimately likely to prevail over the Crusaders in their ongoing debate as outlined in this chapter? Not necessarily.

Indeed, a case can be made that the future management of the American alliance may become more rather than less challenging and that history may not serve as a reliable guide for Canberra, particularly in an increasingly contested Asia. The noticeable degree of interest that Washington has paid to the Australian debate between the Crusaders and Pragmatists, for instance, points towards the possibility of an impending sea change in American attitudes towards the alliance. As Michael Green and Zack Cooper note, ‘these public debates by the United States’ closest ally in the Pacific have some senior US officials quietly questioning whether Japan may in future replace Australia as the most trustworthy ally should US and regional tensions continue mounting with Beijing’. 35

In the final analysis, therefore, while Australia’s alliance with America is today in seemingly very good shape, as this relationship continues to both broaden and deepen and should Canberra expect to exercise the same degree of independence within the alliance that it has done historically, the task of managing its relations with Washington could well become more challenging and the potential costs associated with exercising such independence considerably greater.
