

PM flubs her lines: not even US puts China in a corner

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Australia's relationship with the US works on two levels. On the surface we see the warmth and emotion displayed so vividly by Julia Gillard and her hosts this week in Washington. Underneath is the cold calculus of national interest - the critical accounting of what the US does for Australia, and what we do for them.

We all love the affectionate banter between the Prez and PM about football and Vegemite but it is the unsentimental foundation that really matters. An alliance that does not serve the deeper interests of both countries will not last, no matter how warm the welcome or how heartfelt the praise.

The biggest mistake in alliance management is to confuse the gush for the substance. Gillard's golden reception in Washington had all the warmth you could want, but it did little to strengthen the alliance's foundations by making sure the US's interests and ours remain aligned.

In fact on the biggest question of our time - China - Gillard took the US-Australia relationship backwards. China poses the starkest challenge our alliance with the US has faced in the 60 years since the ANZUS treaty was signed because there is a real risk that American and Australian views on how to deal with it will sharply diverge.

The US is drifting towards strategic confrontation with China, as China's growing power challenges American leadership in Asia. How far that drift has gone was clear from John McCain's bellicose remarks about China when he met Gillard this week. Washington and Beijing will need to take a step back from that kind of talk if they are to avoid escalating hostility. It will be a disaster for Australia if they do not succeed.

For the sake of Australia's national interests, Gillard needs to talk much more frankly to US leaders about these issues than she has this week. She encouraged Congress to accept China's growing prosperity because "the global economy is not a zero-sum game". But this coyly evades the reality that strategic power is a zero-sum game. As China's power grows, US power will wane and the US faces a momentous decision about how to respond - accommodation or confrontation.

Instead of urging restraint and accommodation, Gillard encouraged those in the US who want a hard line on China. She talked up prospects for more military co-operation between Australia and the US in response to China's growing power, and apparently said nothing to discourage the US from pushing China into a corner.

This not only encourages America down a path that does not serve our interests, it also misleads Americans about where we might stand if they take that path. It is far from inevitable that Australia would, or should, line up behind the US in a clash with China.

If China is determined to try to subjugate and dominate Asia, Australians would of course support the US to resist it. But our attitude would be much less clear if the US helps provoke hostility by resisting any accommodation of China as its power grows.

The idea of deeper military co-operation came up repeatedly in Washington this week, as it did when Gillard spoke to US leaders during the AUSMIN meeting in Melbourne in November. Much of the attention has focused on the idea that the US might seek to base forces permanently in Australia.

This is unlikely to happen, not because Gillard and her colleagues would not accept them but because for budgetary and geographical reasons the US is unlikely to want that . Geographically Australia is too far from China to be much use as a base, and financially the cost of big new bases is too big to squeeze into a shrinking Pentagon budget.

But that does not mean Australia is off the hook. If people in Washington believe what Gillard seems to have said about Australia being keen to line up at their side against China, they will not be thinking only about sending US forces our way. They will be much more interested in asking Australia to send forces in their direction.

The smart thing for the US would be to ask Gillard to base some of our capabilities - maybe our new F-18 Superhornets - alongside the US forces on Guam in the central Pacific, which the US is developing to counterbalance China's growing naval power. Would it be in Australia's interest for the US to say yes? Not as things stand.

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