

# AUSTRALIA

## AN ALLY DOWN UNDER

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Joshua Eisenman

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The U.S.-Australia alliance is one of the cornerstones of American regional security strategy in East Asia. Years of work by successive administrations in Washington and Canberra have forged both trust and synergy in the two nations' strategic objectives. Of course, no two countries share identical interests. But perhaps more than any other bilateral relationship in East Asia, America's partnership with Australia is rooted in common values and a common vision for the region.

The ties between Washington and Canberra run deep. The two countries boast decades of cooperation in both the commercial and security spheres. The U.S. is Australia's single largest investor, while Australia is America's eighth largest, and both see eye-to-eye on nearly all security-related topics. Through cooperation, interpersonal ties, and military interoperability, each has allowed the other to develop a stronger diplomatic position, project influence in East Asia, and respond quickly to challenges, whether natural, such as the 2005 tsunami disaster, or man-made, like the growth of militant Islam. In the process, the partnership between the two countries has become more than the sum of its parts.

### **The state of the affair**

The contemporary U.S.-Australian alliance may be strong, but until the tenure of premier John Howard, it was by no means assured that Canberra would pursue a U.S.-based approach to securing its interests in East Asia. Rather,



JOSHUA EISENMAN is Fellow in Asia Studies at the American Foreign Policy Council in Washington, D.C., and editor of the Council's *China Reform Monitor* and *Asia Reform Monitor* bulletins.

until recently, Australia's strategy for regional engagement oscillated between building alliances, regional ties, and multilateralism.<sup>1</sup>

To be sure, America has long occupied an important role in Australian foreign policy decision making. Since 1951, the two countries have been joined in a formal defense partnership via the ANZUS Treaty. Yet only during the last decade—and particularly since September 11th—has this relationship been truly institutionalized through practical measures, such as increased interoperability between U.S. and Australian forces, and shared objectives, ranging from the destruction of regional terrorist networks to supporting Japan's emergence as a partner in the security sphere.

### **Countering terrorism**

The Indonesia-based Jemaah Islamiyah's (JI) killing of dozens of Australians in the October 2002 Bali bombings, and the group's subsequent September 2004 bombing of the Australian embassy in Jakarta, have left a deep impression on the Australian psyche and underscored the need for a regional approach to combating terrorism. These deadly acts, and Prime Minister Howard's coincidental visit to Washington during the September 11, 2001, attacks, have solidified the War on Terror as the United States and Australia's most robust bilateral security commitment.

Indeed, over the past several years, Australia has established itself as an inimitable counterterrorism partner for both the U.S. and countries in its immediate neighborhood. Examples of this new role abound. In May, Canberra announced that over the next four years it will provide nearly \$70 million to Southeast Asian nations to combat terrorism. These funds will support increased information sharing, border controls, checks on chemical, biological, and nuclear materials, and efforts to counter terrorist propaganda.<sup>2</sup> By expanding the Australian Federal Police's (AFP) law enforcement, forensic and technical training of regional forces, the package will also supplement a variety of anti-terror initiatives Canberra has put in place since 2002.<sup>3</sup>

Canberra's efforts to combat terrorism in Asia are closely tied to Washington's. The U.S. government, through its Rewards for Justice Program, has put up millions of dollars for the capture of top JI leaders wanted in the Bali bombing attacks. And in December 2004, a study commissioned by the U.S. government concluded that terrorists operating in the South China Sea have the capability to blast a hole through the double hull of a liquified natural gas tanker. Every year, billions of dollars in Australian exports pass through the region's waterways, making this report—and a recent rise in piracy—cause for Australian leaders to redouble their efforts against maritime threats.<sup>4</sup>

These efforts have borne fruit, solidifying the bilateral security relationship while allowing both nations to build closer ties with individual Asian states. This has, in turn, affirmed both countries' continued influence and bolstered America's stabilizing presence in the region. Looking for-

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ward, however, the challenge for both Washington and Canberra will be to maintain this momentum and continue working to build the capacity of regional security forces to uproot and counter Islamic militancy.

### ***Mitigating traditional security threats***

U.S. strategy in East Asia emphasizes bilateral and multilateral exercises with the armed forces of friendly and allied nations, Australia included. In addition to supplying its own forces to these maneuvers, Canberra also provides the U.S. and other allies with access to facilities as a way of ensuring preparedness and coordinated responses to regional crises. Such arrangements underscore the increasing importance of U.S.-Australia ties to regional security, as well as Canberra's commitment to a credible and potent U.S. presence in East Asia. During Mr. Howard's tenure, this commitment has been reaffirmed through a variety of agreements, including the 1996 Joint Security Declaration (also known as the "Sydney Statement"), which expanded combined exercises and joint training, and through Canberra's 2005 decision to host U.S. bombers. In all, there are now hundreds of defense-related bilateral arrangements in place between the United States and Australia.<sup>5</sup>

The historical basis for this partnership is sound. Australian and American forces fought together in both World Wars, in Korea, in Vietnam, and in the first Gulf War. Most recently, Australian forces have served in Operation Iraqi Freedom. U.S. and Australian forces regularly conduct joint military exercises, ranging from full-scale joint maneuvers to unit-level operations.<sup>6</sup> Joint training exercises sponsored by the Australian

Defense Force Joint Operations Command and the U.S. Pacific Command have included a sea, air, and land mock battle, a computer-simulated war, paratroop and amphibious insertions, live-fire exercises, and anti-submarine warfare.<sup>7</sup>

In November 2005, the U.S. and Australia signed a joint agreement announcing the beginning of regular B-1, B-52, and B-2 bomber aircraft training in the Northern Territory. This agreement was executed in July, when the U.S. and Australian air forces held joint bomber exercises, codenamed "Green Lightning," at the Darwin Royal Australian Air Force base. The movement of bombers into the western Pacific began in 2004 and is intended to enhance the deterrence capability of the U.S. and its allies. Such drills are seen as "a key component of [Australia's] strong defense relationship with the United States."<sup>8</sup>

In addition to bilateral exercises, the two countries have forged ahead on another front: missile defense. Cooperation between the Australian Defense Science and Technology Office and the Pentagon Missile Defense Agency has seen substantial movement since July 2004, when the United States and Australia signed a MoU outlining future Australian participation in missile defense activities. That 25-year agreement commits Canberra to Washington's missile defense program, including cooperative development of advanced radar technology capable of providing early detection of hostile ballistic missiles.<sup>9</sup> This agreement was put into practice this July, when the Pentagon unveiled plans to sell about \$1 billion worth of sea-based anti-missile systems to Australia as part of efforts to further integrate Canberra.<sup>10</sup> (Notably, however, Australia appears to have no plans to purchase the U.S. Patriot

Advanced Capability-3 (PAC-3) theater missile defense system.<sup>11</sup>

### **Integrating Indonesia**

The 1998 East Asian financial crisis hobbled the Indonesian economy and weakened that country's ability to lead the region. In recent years, however, the world's largest Muslim country has reemerged as a diplomatic force that can again shape its own destiny, as well as that of its neighbors. For this reason, it is critical that the U.S. and Australia work to bring Indonesia into the fold and collaborate with Jakarta to combat threats both within and outside its borders.

One source of tension is Canberra's attempts to end fighting in East Timor. Despite the mission's humanitarian mandate, many Indonesians see it as a ploy by Canberra to gain control of the area's oil and natural gas deposits. For its part, Australia remains deeply concerned about the growth of Islamist-inspired separatism and militancy in Indonesia. The Indonesia-based—and al-Qaeda-connected—terrorist organization Jemaah Islamiyah has targeted Australians in the past, and in September 2005 a videotape mentioned Melbourne as a possible target. In the past, similar concerns prompted Prime Minister John Howard to threaten preemptive strikes against terrorist organizations based in other countries—a statement that was vehemently rejected by the Indonesian government.<sup>12</sup>

Such disagreements notwithstanding, Australia continues to play an important role in integrating Indonesia. The AFP and Indonesian police, for instance, are working jointly to disrupt JI's terrorist activities, arrest suspects, and build cases.<sup>13</sup> On the humanitarian front, meanwhile, the Australian government's rapid

response to the December 2004 tsunami disaster helped foster goodwill among many Indonesians.

Australia has also nudged Indonesia toward greater partnership with the U.S. As Dennis Richardson, Australia's Ambassador to the U.S., has explained,

We welcome Indonesia's direction in recent years, especially under President Yudhoyono. We also welcome the significantly increased U.S. engagement with Indonesia over the past twelve months. We believe, for instance, it was a proper recognition of real change when the United States recently restored military-to-military ties with Indonesia.<sup>14</sup>

Australia's attitude is understandable. Given its proximity to Indonesia, and the fact that JI has specifically targeted its citizens, Canberra has a vested interest in ensuring that the world's fourth most populous country and third largest democracy regains its place in East Asia and projects constructive influence into the region. And, Australia understands, such a transition will be catalyzed by closer consultations and coordination between Indonesia and the U.S.

### **Engaging Japan**

In August, on a visit to Tokyo, Australian Foreign Minister Alexander Downer clarified Canberra's vision for Australia-Japan security ties:

[Because] our two countries share the same values and the same alliance relationship with the United States, in the same broadly defined region of the world, it's only natural that there should be some association between the Self-Defense Force and the Australian Defense Force.<sup>15</sup>

Australia has taken a lead in forging these bonds. In March, Mr. Downer hosted Japanese Foreign Minister Taro Aso and U.S. Secretary of State Condoleezza Rice in Sydney for the so-called Trilateral Security Dialogue. Those talks culminated in a joint statement in which all three agreed to “support the emergence and consolidation of democracies,” strengthen cooperation in the Asia-Pacific, enhance regional security planning, and “support Japan’s bid for a permanent seat on the Security Council.”<sup>16</sup> The statement was a reflection of the primary objectives of all three nations: promoting regional peace and stability through democracy, strengthening the American security architecture in East Asia, and ensuring Japan’s gradual reemergence and incorporation into that framework. It was also an indicator of Australia’s importance to this emerging trilateral partnership.

Today’s U.S.-Japan alliance is simultaneously bolstered and undermined by the intense mistrust and suspicion towards Japan that lingers among the people of East Asia, who remember well Tokyo’s aggression during the first half of the 20th century. This is particularly true in China, where anti-Japanese sentiment still runs high (as evidenced by anti-Japanese riots there just last year). Australia’s support for Japan is critical to Tokyo’s efforts to participate in its own security without raising the suspicion of its neighbors. As one Australian official has explained, while some observers say that letting Japan rearm is like giving drink to a recovering alcoholic, others argue that it is fine for Japan to drink—so long as it does not drink alone.<sup>17</sup>

### **Coordinating on China**

Australia is also in a unique position among America’s East Asian allies because of its friendly relations with

China. For a middle power, Canberra enjoys disproportionately strong influence in Washington, but also believes “China’s growth is unambiguously good for Asia and the United States.”<sup>18</sup> For its part, in July 2006, Beijing’s state-run press called the bilateral relationship between the PRC and Australia “an example of peaceful, mutually beneficial cooperation.”<sup>19</sup>

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Australia and China share a robust trade relationship based largely on Australia’s rich natural resource wealth and China’s low-cost manufacturing. Last year alone, Australian exports to China rose 46 percent and imports rose 19 percent, with bilateral trade rising to \$27.3 billion, a 30 percent increase over 2004 levels.<sup>20</sup> China, a developing country with a low per-capita GDP, purchases raw materials such as iron ore, uranium, and natural gas from Australia, a developed country with a high per-capita GDP.

This unique commercial relationship allows Canberra to leverage its political stability in its dealings with Beijing. Simply put, while China’s investments in resource-rich rogue nations like Iran, Sudan, and Zimbabwe come with political costs, insecurity, and moral questions, its deals with Australia do not.

One recent example of this leverage was Canberra’s insistence in April that Beijing provide written guarantees that future uranium purchases would not be diverted into nuclear fuel for weapons programs. With 40 percent of the world’s known deposits of uranium and the political



stability to guarantee a dependable supply, Canberra was in a position to make such demands, and the Chinese government acquiesced. In return, beginning in 2010 Australia will export 20,000 metric tons of uranium to China per year.<sup>21</sup>

Yet although Canberra has accommodated Beijing economically—granting Market Economy Status and beginning negotiations on a free trade deal—there is a palpable wariness of China’s military expansion among Australians that follow cross-Strait and Sino-Japanese relations. The result has been a diplomatic effort to mitigate possible conflicts and reassure Beijing that fears of a U.S.-Japan-South Korea-Australia axis are unfounded, and that it is in China’s interest to have Japan engaged rather than isolated.

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As a resource rich middle power boasting a close security relationship with the U.S., Australia today is in a historic position to affect stability in the Asia-Pacific region.

That said, Beijing’s claims to Taiwan mean that Washington may need to count on Australian support in the unlikely event of a regional conflict over the island. Both Washington and Beijing know Australia’s commitment in this scenario is uncertain, and thus, most coveted. Yet, both also know that if the United States recoils from its commitments to Taiwan, its predominance in East Asia and the Asian security architecture to which Canberra has entrusted its nation’s defense may be irreparably damaged—a prospect that one U.S. observer writes should “horrify” Canberra.<sup>22</sup>

Such fears surfaced in 2004, when Foreign Minister Downer made statements on a trip to China that seemed to indicate his government would not automatically support America in a conflict over Taiwan. According to Downer’s interpretation, the ANZUS Treaty would be invoked only if Australia or the U.S. were attacked and not in the case of “some military activity somewhere else in the world.” In a response that underscores Washington’s sensitivity on this subject, the Bush administration is now known to have sent no fewer than five diplomatic cables seeking Canberra’s immediate explanation for the comments.<sup>23</sup>

But because in the short term a conflict over Taiwan is unlikely, both the U.S. and Australia will continue, as Ambassador Dennis Richardson said in June, to “want China to play by the rules.”<sup>24</sup> This has led Canberra to support the White House’s efforts to encourage China to accept policies supportive of current international institutions and frameworks through mechanisms like former Deputy Secretary of State Robert Zoellick’s Senior Dialogue. The rationale of this approach is that greater cooperation from China is essential to the smooth functioning of the international system. To Australia, this means encouraging Beijing to move toward greater transparency regarding the pace and scale of its defense modernization. It also means continuing to work to improve Beijing’s human rights practices and support rule of law and poverty reduction initiatives, all of which the U.S. also backs. Unfortunately, however, successes in these areas are notoriously difficult to measure given China’s massive population and the Chinese Communist Party’s recalcitrance.

## Looking forward

As a resource-rich middle power boasting a close security relationship with the U.S., Australia today is in a historic position to affect stability in the Asia-Pacific region. Preserving this role in the years ahead will require Canberra and Washington to continue to work with Tokyo, integrate Indonesia, and coordinate regional counterterrorism initiatives and their policies toward China.

Development of the Canberra-Tokyo security relationship remains a critical priority. Foreign Minister Downer's August visit to Tokyo ought to be the start of a series of talks that strengthen the so-called "third leg" of the Trilateral Security Dialogue. Although upgrading the relationship to a full alliance may be premature (and could be perceived as threatening in China), efforts to integrate Japan into regional security plans should nonetheless be pursued, and explained to China as a necessary step to prevent Japan's isolation. Interoperability is a key component of these efforts, and Canberra would be well served to continue procurement of U.S. systems and joint training with the U.S. military and other regional forces. This is critical if Australia is to retain its unique status and influence in both East Asia and Washington.

Continued cooperation on counterterrorism is also important. Australians are well aware of the dangers of Islamic extremism in Southeast Asia. It is for this reason that the AFP has become a regional leader in counterterrorism training and intelligence collection. Expanding collaboration with Washington—and working closely with authorities in neighboring countries, particularly Indonesia—will be crucial to preserving Canberra's gains in this arena.

Finally, the United States must

expand its commitment to East Asian security, and Australia's leading role in preserving it. Today conflicts in Iraq and Afghanistan rightfully loom large at the Pentagon, but given the economic strength of East Asia, the commercial costs of militancy there are far greater and require continued attention. It would be wrong to allow the war in Iraq or a resurgent Taliban in Afghanistan to overshadow the very real gains made in East Asia.

New challenges will doubtless emerge on the horizon. But regardless of their nature, the foundation of the U.S.-Australia relationship remains strong because, as one observer recently noted, "We share values. We share ideals. We share a simple outlook about right and wrong in this world, and it brings us together."<sup>25</sup>



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  11. John Liang, “Defense Minister: Australia Won’t Buy PAC-3,” *Inside Missile Defense* 12, no. 14 (2006).
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  14. Dennis Richardson, remarks at the Nixon Center, Washington, D.C., June 9, 2006.
  15. “Downer Flags Closer Japan Military Ties,” *Daily Telegraph* (Sydney), August 2, 2006.
  16. “Trilateral Strategic Dialogue, Joint Statement, Australia-Japan-United States,” March 18, 2006, <http://www.mofa.go.jp/region/asia-paci/australia/joint0603-2.html>.
  17. Author’s interview, July 2006.
  18. Dennis Richardson, remarks before the Brookings Institution, Washington, D.C., January 24, 2006.
  19. “China-Australia Ties an Example,” *People’s Daily* (Beijing), July 2, 2006, [http://english.people.com.cn/200607/02/eng20060702\\_279298.html](http://english.people.com.cn/200607/02/eng20060702_279298.html).
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