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with an afterword by Susan Windybank

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Foreword

Australia's alliance with the United States has occupied a central and enduring role in Australian foreign policy ever since the ANZUS treaty was signed 54 years ago in September 1951. That treaty has been invoked only once—50 years after its signing—in September 2001 following the terrorist attacks in New York and Washington. The attacks led to a new level of cooperation between Australia and the United States on issues ranging from counter-terrorism to counter-proliferation.

After a period of drift in the 1990s, relations between Washington and Canberra have never been closer. This has given rise to an at-times heated domestic debate in Australia, especially over our involvement in Iraq. Concern is often expressed that Canberra is too compliant and that Australia risks being taken for granted as the ally who can't say no.

This debate involves a fair amount of national navel-gazing because of the historic and ongoing centrality of the US alliance to Australian national security. Indeed, it is Australia that has sometimes appeared at risk of taking the alliance for granted, rather than the other way around. With the alliance now in its 54th year, it's time for this debate to grow up. We need to be less parochial and focus on how the alliance fits Australian needs and how changing circumstances

have altered, and are likely to continue altering, the nature of the alliance.

For this reason, we decided to turn the tables around by asking how *Americans* think about the alliance. We approached leading commentators from four of Washington's most influential think tanks—the American Enterprise Institute, the Heritage Foundation, the Cato Institute and the Centre for Strategic and International Studies—and asked them for an American perspective on the alliance. We gave them three questions to bear in mind, intended only as prompts:

- Much is made of the high levels of goodwill in Washington at the moment, but does this really translate into greater visibility and influence?
- From an American perspective, how does the alliance fit into global and regional security?
- What does the United States want—and get—from the alliance?

Not surprisingly, their answers vary. Nonetheless, a number of common themes emerge in the pages that follow. The most striking is the conviction that shared values ultimately explain why the alliance has lasted so long. Can a convergence of values trump a potential divergence of interests? We may well find out in the decades ahead.

Greg Lindsay
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Updating the Alliance for a New Era

Doug Bandow

Australia is one of America's most faithful friends. The two countries share much history and culture. The relationship is especially close today. The Bush administration appreciates the Howard government's willingness to act against Australia's interest by intervening in Iraq. Canberra's steadfastness, even after terrorist attacks in Indonesia and jihadist kidnappings in Iraq, offers a welcome contrast to the behaviour of the Philippines, for instance.

These two governments, however, will eventually pass from the scene and past cooperation is not enough to justify the alliance in the future. Differences between the two sides already are evident and likely will grow. It would be best over time to narrow the scope of the United States-Australia relationship, and especially America's responsibilities in the region. Canberra should take on a more significant role as one of Asia's sheriffs rather than as Washington's deputy.

The two countries' military relationship goes back more than a half century to the Australia-New Zealand-United States (ANZUS) accord. ANZUS never made much sense, since it was directed less at containing the Soviet Union, which had no military presence in the South Pacific, than at preventing renewed aggression by Japan, which had been decisively defeated.

ANZUS went on the critical list in 1984, when New Zealand refused to allow American ships to use port facilities unless Washington certified that the vessels weren't carrying nuclear weapons. The Australia United States Ministerial Consultations (AUSMIN) is a half-hearted replacement for ANZUS, more an intention to collaborate than a mechanism to act.

A formal alliance, in contrast to a cooperative relationship, looks outmoded for both nations. There's no hegemonic threat to deter, no aggressive power ready to engulf friendly states in Asia, including Australia. Australia enjoys splendid isolation, with no meaningful direct threats to its security. The likelihood of an attack from a serious power—China, India, Japan—is a paranoid fantasy.

Nor does Australia, which is busily upgrading its military capabilities, require America's aid elsewhere. Prosperous and technologically advanced, Canberra can meet any future security challenges. Instability in the Solomon Islands is tragic and an Indonesian implosion might spark a refugee flood, but Australia doesn't need to be defended from them by Washington. Indeed, few local contingencies are likely to even be of concern to Washington, as Canberra discovered in 1999. For America East Timor was a tragedy to deplore, not a danger to extinguish.

Perhaps the most worrisome threat facing Australia is the same one facing the United States: terrorism. But terrorist attacks like those in Bali and New York City, though monstrous, are not typically exogenous threats. Rather, they usually arise in reaction to other policies. In the case of the United States, everything from sanctions against Iraq, aid to Israel, and support for Saudi Arabia's royal kleptocracy has generated Islamic hostility. For Australia the most obvious trigger is military cooperation with America.

Thus, the *raison d'etre* for America to extend formal security commitments in East Asia has disappeared. There's no longer any reason to think of alliance relationships in

terms of a fixed security threat, whether Japan or the Soviet Union. (Even in the case of North Korea, the Republic of Korea is well able to develop and deploy sufficient military forces for its own defence.) The focus for the United States and its friends now should be the many areas of less formal cooperation—sharing intelligence, thwarting terrorists, and promoting non-proliferation, among others.

In these areas the United States-Australia relationship remains valuable. For instance, joint intelligence activities go back decades and both countries gain from identifying and assessing potential threats. Australia has unique regional assets for identifying, tracking, and seizing terrorists in Asia whilst the United States is better positioned to challenge threatening groups further afield.

The impact of proliferation, both nuclear and missile, varies widely depending upon the state involved. But cooperation on missile defence will yield benefits to both nations. The United States is a more likely target today but an increasingly assertive Australia could find itself vulnerable in the future. Moreover, Canberra, with a robust navy, is an obvious partner to aid the Bush administration's Proliferation Security Initiative.

Increased inter-operability of weapons and forces may be a plus, but it's hard to imagine many occasions for joint combat operations. Iraq looks *sui generis*. That war reflected an ideological fixation on the part of the Bush administration rather than serious military threats against America or any of its allies. The misbegotten consequences of the conflict make it unlikely that Washington will again embark upon such a war of choice. Should the United States choose to do so in, say, Syria or Iran, Washington undoubtedly would welcome support from Australia. But Canberra would have obvious reason to say no, especially since another long-term commitment by Australia no less than by Washington would reduce its strategic flexibility elsewhere.

Canberra's focus should be stability, if not democracy, in its own neighborhood. (Democracy is a good thing in

the abstract, but may yield increased security problems for surrounding states.) East Timor, the Solomons, and Papua New Guinea all illustrate contingencies in what some have described as an 'arc of instability', where Australia has an interest and America has none. The principle of self-reliance, embodied in the Nixon administration's so-called Guam Doctrine of 1969, should apply.

The greatest challenge facing the two nations is China. America's highest priority in the region is likely to become containing Beijing, and particularly defending Taiwan. Confrontation with China is not obviously wise or feasible for America—a better strategy likely would be to accommodate rather than contest the almost inevitable increase in influence of Beijing in a region that is China's backyard but far distant from the United States.

There is no reason to assume that Washington will choose wisely, however, and if it does not Australia may be forced to make unpleasant choices. Foreign Minister Alexander Downer pointedly observed that a conflict over Taiwan lies outside ANZUS, setting off a flurry of clarifications. Australian support for Washington is by no means certain, given the active flirtation between China and Australia. Indeed, polling Down Under suggests greater popular warmth towards, and less fear of, Beijing than Washington. There's nothing wrong with Australia balancing relations between the two, but it demonstrates the relationship's limits for America and risks for Australia.

Whither the alliance? The United States should end its security guarantees for populous and prosperous states, including Australia. Canberra should become even more active in promoting coalitions to respond to regional threats, such as East Timor in 1999 and the Solomons in 2003. The acquisition of long-range missiles and initiatives to strengthen maritime security further demonstrate Australia's seriousness. This is all to the good—for Australia, America, and Asia.

Prime Minister John Howard's vision of 'the three great Pacific democracies'—America, Australia, and Japan—ensuring regional security is both too broad and too narrow. It should reduce reliance on the United States while reaching further afield, especially to India. South Korea has begun to look beyond the Korean peninsula. The ASEAN nations also can play a role.

Melding such diverse countries into a coalition won't be easy, but creating a framework for cooperation might be possible. The East Asia Summit in December is yet another regional forum in which Australia can play a role. On the vast majority of issues Australia should work with its neighbours without expecting Washington to become involved.

There still will be much for the United States and Australia to do together. Economic and trade issues will remain important, though that framework has been established through the free trade agreement. Intelligence and military officials should scan the horizon for potential threats and discuss possible responses. Washington should be ready to act if a serious hegemonic threat, such as from China, arises that allied states cannot contain.

But alliances should be created for a purpose, not as permanent organisations constantly seeking a new *raison d'etre*. America's security commitment to Australia has served its purpose: Canberra is now capable of promoting stability throughout the South Pacific. Many shared interests remain, but it's time to adjust both nations' policies and the forms of bilateral cooperation to changing strategic realities.

Towards an East Asian Strategy

Dan Blumenthal

The warmth of US-Australian ties since September 11, 2001 stands in stark contrast to the tension between Washington and some of its traditional transatlantic allies. Both Washington and Canberra have benefited from the upgraded relationship: Australia has gained influence over its superpower ally and has enhanced its prestige in Asia, while Washington has received what it most needs for its post-September 11 foreign policy—an *imprimatur* of legitimacy.

The contrast between the Australian alliance and the damaged alliances in Europe raises an essential question: are Canberra and Washington witnessing a fleeting moment of American-Australian convergence thanks to the close personal relationship between Prime Minister John Howard and President George W. Bush? Or, is there something inherent to the alliance's *raison d'etre* that will sustain it over time?

It is useful to recall that after the 9/11 attacks America's allies faced two challenges: responding to the terrorists and dealing with the wounded superpower that was now intent on using the full force of its national power to exact justice. In responding to both challenges, Prime Minister Howard decided to throw his weight behind the United States.

While many nations expressed support for America's war on terror after the 9/11 attacks, Australia was one of the few to

send troops to fight alongside Americans in both Afghanistan and Iraq. Howard shared President Bush's strategic vision that the only way to defeat radical Islamic terrorism is to create a more liberal political order in the Middle East, by force if necessary. The Prime Minister also understood the need for decisive, and sometimes unilateral, action. Indeed, after the bombing of a Bali nightclub that killed 88 Australians, Howard embarked on his own aggressive counter-terrorism operations throughout Southeast Asia and on nation-building in Australia's neighborhood. He showed a willingness to act unilaterally when he sent Australian troops to establish order in the Solomon Islands without waiting for a United Nations mandate.

Howard's shared vision for defeating terrorists only partly explains his support for American strategy. The other reason is Australia's dependence upon the American-led security order in Asia for its own regional security. Indeed, Australians recognise that America's commitment to Asia is ever more important as the region remains in strategic flux, characterised by the uncertain strategic direction of an increasingly powerful China, Japan's desire to act as a normal country in international security affairs, North Korea's nuclear breakout, and ongoing instability in the young democracies of Southeast Asia. While Paris and Berlin can indulge in fantasies about the need to promote multipolarity and constrain America's 'hyperpower', Canberra still lives in a very dangerous region. A strong, successful and hegemonic America, then, is in Australia's interests.

Can the current era of mutual good feeling sustain and translate into an enduring alliance? Should Australians heed Charles de Gaulle's warning that great powers are 'cold monsters', unmoved by gratitude or long memories? The answer is that the alliance will endure and probably grow in importance. The reason is that America needs Australia as it begins to fashion an East Asian strategy in the face of so many challenges to the security order.

Australia is, in many ways, leading America when it comes to shaping the future of the Asia-Pacific. American foreign policy is still characterised by a Euro-centrism left over from its Cold War days, and more attention has been paid to the problematic transatlantic relationship than to the structure of security in a fast-changing Asia. Australia has urged Washington to broaden its engagement with Southeast Asians beyond the issue of terrorism. In addition, as American policymakers reconsider how to maintain the current security structure in Asia, they have been fortunate to find that Australia and Japan are willing partners for deeper security cooperation.

Since 9/11, both Japan and Australia have provided almost unconditional support to the United States, which has been met by efforts to upgrade ties with both countries. Tokyo and Washington are transforming their alliance by enhancing mutual responsibility and burden sharing, steps that will allow Japan to assert itself in allied decision-making.

Washington and Canberra have also taken concrete steps to build closer ties: in 2004, the two countries signed a Free Trade Agreement, a memorandum of understanding on missile defence cooperation, and a joint statement on interoperability and the establishment of a combined training facility. The latter two agreements will tie American and Australian armed forces closer together and help Australia meet its objective of forming a more expeditionary force capable of undertaking coalition operations. Not long after, Foreign Minister Alexander Downer and Secretary of State Condoleezza Rice upgraded the ongoing US-Japan-Australian trilateral security dialogue to the ministerial level.

The United States will continue to develop its relations with Australia and Japan because they provide essential support for its leadership in Asia and the world. Although America's power in the region remains unmatched, the legitimacy of its leadership has come under increasing attack—a natural response by weaker countries to a sometimes bullying

superpower. Collaborating with Australia in the region will help Washington formulate policies that will garner more support in Asia.

One area where Australia is clearly not ahead of America in its vision for Asia's future is the challenge posed by the rise of China. Canberra takes the view that Sino-American relations have improved to the point where a clash could only occur as a result of diplomatic incompetence. In contrast, Americans look at Beijing's rapidly increasing military power, its seeming acceptance of a nuclear North Korea, and its hostility toward Japan and Taiwan as indicators that there are fundamental disagreements on matters of vital national interest. Worse, this behaviour indicates that China is working toward the day that it can supplant the American-led security order in the Asia Pacific. If these trends continue, the United States will ultimately have to shift its China policy toward a more assertive balancing posture, and Australia will be asked to play a key role. The newly launched trilateral security dialogue may be the place to begin that effort.

The Australian-American alliance will grow in importance because the two countries share an interest in the success of Washington's National Security Strategy of creating a 'balance of power that favours freedom'. Unlike the French and German leadership, the Howard government believes that American hegemony is in its interest. For Canberra, then, alliance management is a question of securing as much leverage as possible. For America, having a democratic ally at its side confers upon it global and regional legitimacy and a trusted sounding board for its Asia policies. The irony of a closer alliance is that Australia will sooner or later be asked to do what it would rather avoid doing—joining Washington in constraining Beijing's regional ambitions. Whether the alliance can survive that challenge is an open question, but the alliance's endurance through a host of challenges is cause for optimism.

The Great Britains of Asia

Kurt M. Campbell

An interesting feature of the Bush Administration policy towards Asia is how often the Great Britain comparison has been rhetorically employed when discussing some of America's allies in the region. Over the last few years, Japan, Australia and occasionally even Singapore have been variously described as having qualities that approach the British gold standard of fidelity with the United States. This is unusual given that most Asians are reluctant to accept European analogies when reflecting upon the complex and very different realities of Asia in the 21st century. Nevertheless, the American aspiration for Asian alliances to be more like Great Britain has been a fascinating subtext for alliance politics these last few years. Particularly since 9/11, it has been the state from Down Under—Australia—that has received the most acclaim as being the new 'Great Britain of Asia'. Both American and Australian politicians often talk of how the country has been elevated to the exalted position of most favoured friend, a very small club numbering no more than a handful of nations.

In the past, Australia sometimes appeared ambivalent to be embraced so closely by Washington, fearing that such a deep, publicly acknowledged connection could imperil Australia's ambitions to play a major role in Asia's vibrant trade and diplomacy. Under the leadership of Prime Minister

John Howard, however, Australia has cast off any uncertainty over being too closely aligned to the United States in favour of being Washington's 'deputy sheriff' in the Asia-Pacific region. While this bold strategy has clearly alienated some major players in Asia, it's difficult to discern any real consequences of Howard's gambit. Quite the contrary, in some Asian circles, Australia's standing has actually risen. There are no longer the tortured diplomatic formulations emanating from Canberra, designed neither to alienate Washington nor Jakarta (to name but one Asian capital that occasionally grates at Australia's ambitions).

What we find today is a relatively robust Australian commitment to support the alliance with the United States even in spite of some public opinion polling that suggests that President Bush is not everyone's favourite mate. As a consequence in Washington, Australia has very unusual clout for a country of its relative size. Indeed, it is often said that Australia punches well above its weight in international settings. Its Ministers receive almost unique access in Washington and Australians are now brought into the most intimate diplomatic, strategy and military planning operations. Howard has visited both Crawford and the White House and was indeed with the President during the tumultuous days immediately after September 11, 2001 in Washington, D.C.

Australia's influence in Washington quietly grates on other Asian countries, nevertheless. For instance, South Korea sent over 3,000 troops to Iraq with little notice or thanks from the Bush Administration while Australia has received immense praise from executive and legislative leaders alike for its contingent, which only numbered in the low hundreds before the recent additional deployment. Other Asian leaders long to have the ability to draw top inside political players to their events like the Aussies do regularly.

Most Americans who do not live in a cosmopolitan city like Washington, New York, or Los Angeles find it difficult to understand—or even believe—that the United States is

as unpopular as it is in much of the world. Indeed, a recent survey by the Pew Foundation in Washington, D.C. has found that authoritarian China has more so-called 'soft power'—that is, the attractiveness of the country as a role model or friend—than democratic America. Thus, it is particularly reassuring to Americans to have so many positive interactions with Australians. It's fair to say that Americans just generally like Australians and it doesn't hurt that senior Australian diplomats and officials are particularly expert at engaging Americans—and even manipulating them on occasion! There is always the right blend of humour, humility, doggedness, and shared sacrifice that plays particularly well with American sensibilities.

Time will tell how enduring the current close partnership will continue to be between the United States and Australia. My hunch, however, is that the closeness will continue to grow for a variety of reasons. Washington and Australia have now institutionalised much of their defence, trade, and intelligence interactions, with free trade agreements and high level security dialogues. Australia has also pioneered important ways for working with the United States in crisis situations, such as through the provision of its Special Forces. Given that Australians are particularly useful in a tough situation, this aspect of the relationship will remain crucial. There is no reason to imagine that even with other people or parties at the helm in both Canberra and Washington that Australia and the United States should drift apart.

The one uncertainty over the horizon will be the question of how to deal with China. Australia's elite are generally united around the belief that peaceful and positive engagement with China is essential and there is a deep anxiety about the occasional confrontational tone in American policy towards Beijing. This gap in China perceptions is not well understood in Washington and with all the good feelings lately about how the United States and Australia are getting along, no-

one wants to spoil the party by pointing out this potential (immense) roadblock ahead.

This reality suggests the fundamental inadequacy of the Great Britain analogy because it suggests that China is the Soviet Union, and for most informed Asians and Asia watchers, nothing can be further from the truth. China is an enormous challenge, yes, but the parameters of that challenge differ markedly from those presented by the unlamented Soviet Union. In the end, it is probably best to refer to Australia simply as the 'Australia of the Pacific' given the unique characteristics of our alliance, the region itself, and the national qualities that Australia brings to bear. And in the final analysis, isn't that enough? For most Americans, the resounding answer is that it's more than enough.

Global Partners, Regional Partners

Peter Brookes

Despite a long, rich history of partnership, especially on the battlefield, the US-Australia alliance is, arguably, stronger than it has ever been. Re-forged in the crucible of the tragic events of 9/11, Australia has more than proven its mettle as America's ally.

Without question, Canberra's contribution to democracy, freedom, and international peace and security since 9/11 has been significant. Australian support for these important free world principles has not gone unnoticed in Washington. The relationship has come a long way since the alliance floundered over dealing with the challenges of Indonesia's transition and East Timor's independence in the late 1990s.

The American people will not forget Australia's response after 9/11. I know I will not, having sat next to Prime Minister John Howard on September 10, 2001 in his meeting with Secretary of Defense Donald Rumsfeld while serving as Deputy Assistant Secretary of Defense for Asian and Pacific Affairs. Along with the United Kingdom, Australia was one of the first countries to commit troops to coalition action in Afghanistan against the Taliban and al-Qaeda. Australia deployed 150 elite Special Air Services (SAS) forces, along with aerial tankers to Kyrgyzstan and P-3 patrol aircraft to the Persian Gulf region. The highly capable Australian SAS was

largely responsible for reconnaissance and surveillance and directing air strikes in close cooperation with the coalition forces in Afghanistan.

Lowering its military presence, Australia later committed more than $80 million in assistance to Afghanistan. In April 2005, Canberra pledged $12 million for the delivery of basic health and education services, combating opium cultivation and heroin production, and assistance for upcoming September elections.

In March 2003, Prime Minister Howard announced that the Australian government had decided to commit troops to the American-led coalition forces in Iraq to unseat the Saddam Hussein regime. Despite some unpopularity at home over the decision, Australia currently maintains over 900 troops. To date more than 2,000 Australian defence force personnel have served in Iraq.

In addition to supporting both the reconstruction efforts in Iraq and coalition military operations against the insurgency and terrorism, Australian defence forces are conducting maritime interception operations in the northern Persian Gulf, providing intra-theatre airlift and sustainment and logistics support too. They are also giving training to the Iraqi Armed Forces, including officer and logistics training.

In February 2005, Howard announced the decision to enhance Australia's commitment to the coalition operations in Iraq with the deployment of an additional 450 personnel to the southern Iraqi province of Al Muthanna. The Task Group will provide security for Japanese Self Defense Force reconstruction efforts as well as training for the Iraqi Army in the province. The total number of Australian military personnel in Iraq will be brought up to 1,300 once the deployment is completed.

Australia has also pledged more than $78 million for humanitarian relief efforts in Iraq since 2003. The Australian contribution consists of $13 million for international agencies operating in Iraq, $30 million for urgent humanitarian relief

operations under the United Nations Flash Appeal, and $35 million for further humanitarian requirements and priority reconstruction activities. The Australian government also provided 100,000 tons of wheat through the World Food Program, sufficient to feed almost two million Iraqis for six months.

Australia has long been a proud leader in preventing the proliferation of weapons of mass destruction, and the alliance has also been strengthened by new cooperation on the weapons non-proliferation front. Australia is one of the 11 nations that initially backed the creation of the Proliferation Security Initiative (PSI) in 2003. At present, Australia is among 63 countries that have signed up for the PSI. Australia hosted and chaired the second PSI plenary meeting in Brisbane in July 2003, which advanced an operational framework for the proliferation effort. Australia also led the first interdiction exercise, 'Pacific Protector,' in the Coral Sea in September 2003, involving Australian, Japanese, French and American military and law enforcement assets.

Supporting the PSI, in December 2004 the Australian government announced plans to impose a 1,000-nautical mile (nm) security perimeter around Australia that far exceeds the traditional 200nm economic exclusion zone (EEZ). Ships passing within the zone would be required to provide comprehensive information such as ship identity, crew, cargo, location, course, speed and intended port of arrival. Cargo vessels penetrating Australia's EEZ would be asked even more detailed questions. Ships suspected of transporting illicit cargoes, especially nuclear related materials and or terrorists, would be intercepted and boarded. The project has since been scaled back because the Australian government has no legal jurisdiction to enforce such a zone and no interdiction rights to board ships outside its EEZ. But ships will still be asked to provide information on a voluntary basis when they come within 500 nautical miles offshore.

Australia has been an important partner on missile defence. In July 2004, Australia and the United States signed a framework memorandum of understanding (MOU) outlining future Australian participation on cooperative missile defence activities. The 25-year agreement lays the groundwork for joint US-Australian missile defence system development and testing, and includes Australia as a participating country in the US missile defence programme.

Canberra has been a leader in its region in counter-terrorism as well. Australia has concluded ten bilateral memorandums of understanding on counter-terrorism with Malaysia, Thailand, the Philippines, Fiji, Cambodia, Papua New Guinea, Indonesia, India, East Timor and Brunei. These MOUs support practical and operational-level cooperation. In February 2004, Australia coordinated a regional ministerial meeting on counter-terrorism held in Bali, Indonesia. The meeting identified ways of strengthening the region's counter-terrorism efforts in the critical areas of law enforcement, information sharing and legal frameworks.

Despite unprecedented levels of cooperation, some will argue that the current honeymoon in American and Australian relations will wane. This is sure to be the case, especially as our respective governments change from liberal to conservative—and back again. It is a certainty that they are not always going to be in synch on all issues. The issue of trade comes immediately to mind. But a relationship based on shared values has a greater chance of weathering the tough times than one that is based on an incidental overlap of interests.

This is the case with the US-Australian relationship. The US-Australia alliance is firmly anchored in our shared values of personal freedom, democracy and free markets. And the alliance is much more than the bravery and courage exhibited by American and Australian forces in WWI, WWII, Korea, Vietnam, Afghanistan, or Iraq. It is a mutually beneficial

relationship, fortified by vibrant people to people contact and friendship.

Matching America's size with Australian grit and determination benefits both countries. The United States and Australia are not just regional partners; they are global partners, sharing global responsibilities for making the world a better and more secure place for themselves and others. Based on mutual respect and understanding, it is an alliance that is sure to endure well into the 21st century.

Afterword

Charles de Gaulle once said that alliances are like young girls and roses—they last while they last. This certainly describes the uncertain state of transatlantic relations at the moment. By contrast, Australia's alliance with the United States, now in its 54th year, has never been stronger. Of course, France is renowned for being a high-maintenance ally prone to kicking up a fuss to get more attention. Australia—as the four contributions to this paper make clear—is viewed in Washington as an undemanding and unquestionably faithful junior partner. Indeed, Peter Brookes notes that Australia has fought alongside the United States in every major conflict from World War I to Iraq. At issue is whether past loyalty raises expectations about future Australian policies and actions that may not be met.

Doug Bandow argues that this loyalty masks growing differences between Australia and its great ally, the United States. He puts it bluntly: it was not in our interests to get involved in Iraq and it would not be in our interests to get involved in a conflict between the United States and China over Taiwan. His contribution recalls Machiavelli's warning that small states should not form alliances with great powers except in cases of dire necessity. For the greater the gap in power, the more dependent and subordinate the smaller

player is likely to become. That dire necessity existed for Australia in 1942. But today, as Bandow points out, there is no hegemonic threat or aggressive expansionist power to deter. Alliances, he concludes, should be created for a purpose, not as permanent organisations constantly seeking a new *raison d'etre*.

Should Australia therefore become the Switzerland or Sweden of the South Pacific? A quick glance at the map demonstrates why neutrality has never been an option for Australia. We live in a relatively dangerous part of the world, as Dan Blumenthal reminds us. The balance of power is brittle in East Asia as rivalry intensifies between Japan and China. Flashpoints in the Taiwan Straits and on the Korean peninsula remain unresolved. In Southeast Asia militant Islam is on the rise and transnational terrorism is a clear and present concern. An isolationist stance under such circumstances would be extremely risky for a country like Australia dependent on sea-borne trade for its prosperity and faraway allies for its security.

Blumenthal argues that the United States views Australia as a 'trusted sounding board for its Asia policies' *precisely because of* its unquestioning loyalty. Certainly, John Howard has been able to tie Australia closer to China and other Asian powers without raising alarm bells because his credentials as a staunch ally are not in doubt in Washington. Moreover, Howard rightly saw that stronger relations with America would be an asset rather than a liability in our relations with the region. As Kurt Campbell points out, Washington and Canberra have 'institutionalised much of their defence, trade and intelligence interactions' over the past four years or so. Australia has invested in the US joint strike fighter and has agreed to cooperate on missile defence and to host a joint military training facility. We have also signed a free trade agreement with the United States. (That this was dubbed the economic equivalent of the alliance says much about its strategic value.) These are all structural changes that tie Australia much closer to American

strategy. They will outlive both the Howard government and the Bush administration.

Whether ever-closer relations affect the 'wiggle room' or independent discretion available to the Australian government as the smaller player in the relationship is the perennial sixty-four million dollar question. But another way of coming at the issue is to ask whether Australia would enjoy greater independence and freedom of action without the alliance—and without a strong American presence in the region. I suggest we would find life pretty uncomfortable.

This does not mean that all will be smooth sailing. The biggest challenge to future Australian-American relations in general and the alliance in particular—as nearly all the contributors to this paper point out—is the deepening strategic competition between China and the United States. To date Australia has pursued a highly successful strategy of increasing economic relations with China, on the one hand, and closer strategic and political ties with the United States (and Japan) on the other. This makes perfect sense and with smart and agile diplomacy it should be possible to avoid the choice between Washington and Beijing that Blumenthal and Campbell acknowledge Australia most definitely does not want to have to make. But we should forget the notion that Australia can act as a mediator or bridge between China and the United States. Bridges get walked over. Instead we should focus on keeping America engaged so that China's rise is indeed peaceful.

Reconciling the interests of a regional middle power like Australia with the global interests and strategy of our 'great and powerful friend' will remain a major challenge for governments in both countries. This task will be complicated by the vagaries of domestic politics and challenged by the rise of China.

Peter Brookes concedes that there may well be turbulence ahead, but argues that a relationship based on shared values

is more likely to weather tough times than one based on an 'incidental overlap of interests'. True enough. But shared values do not necessarily always translate into shared interests. The risk is that this convergence of values may obscure a divergence of interests. We must therefore remain alert to how changing circumstances affect the nature of the alliance and how the alliance fits Australian needs if the alliance is to continue serving Australian interests.

Susan Windybank
Foreign Policy Research Director
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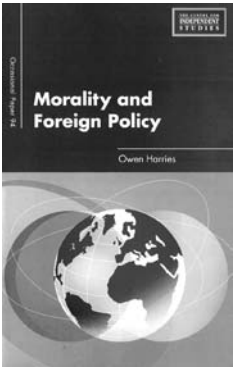

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The intense debate over the war in Iraq and American foreign policy have unearthed age-old questions about the rights and wrongs of intervention in the internal affairs of sovereign states. In this paper, Harries explores the intellectual heritage of two opposing positions on morality in foreign policy; the hands-off realist school and idealist liberal internationalists. Harries considers both positions seriously flawed, and argues that: 'the morality that is appropriate to, and that can be sustained in, the soiled, selfish and dangerous world of power politics is a modest one, whose goal is not perfection—not utopian bliss—but decency', and whose guiding principle is prudence.

Owen Harries is Senior Fellow at The Centre for Independent Studies.

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