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# Australia and New Zealand from Alliance to Realignment

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## Abstract

Sino-American debates about the emerging security order in the Asia-Pacific region have not paid enough attention to the perspectives of lesser powers. Among them, Australia and New Zealand, as developed nations increasingly integrated with Asia, are potentially most influential. A historical analysis of their different yet complementary security perceptions and policies suggests diminishing relevance of traditional security structures in the post-Cold War international environment. In the Asia-Pacific region, the established US-centered bilateral alliances are expedient for upholding the status quo, but less so for managing the necessary change. Australia has been at the forefront of promoting the growth of new multilateral regional structures, based on the Association of Southeast Asian Nations (ASEAN), whereas New Zealand has been most successful in developing mutually satisfying relations with China. As desirable strategic partners of both China and the United States, the two middle powers are best suited to promoting a realignment based on common economic interests and values, rather than on balance of power, thus bridging the supposed gap between 'Asian' and 'Western' values. A Trans-Pacific Partnership including China may eventually become a centerpiece of regional realignment that could serve not only trade but also security by ensuring increasing interaction and understanding among people at all levels—the best safeguard against a slide to military rivalry.

## Introduction

In the self-centered American and Chinese debates about the evolving relationship between the two great powers, the perspectives of lesser powers have been largely neglected. As the debates remain inconclusive, fomenting speculation about 'racing toward tragedy', the security perceptions and policies of medium, or 'middle', powers need to be taken into account. Less encumbered by the simplicities of the Realist paradigm that distorts the perspectives of strategists in both Washington and Beijing, Australia and New Zealand have been better attuned

to the dynamics of the globalizing world.<sup>1</sup> The two countries stand out due to the rapidity of their transition from the benign ‘tyranny of distance’ to the peril of proximity accentuated by globalization. In the process, they have become increasingly integrated with Asia, economically as well as ethnically, while politically and intellectually they belong, as their archaic UN classification from the Cold War era would have it, to the group of ‘Western Europe and Others’.<sup>2</sup> The two nations of English political tradition have been models of two variants of the ‘Westminster democracy’, Australia as a well-functioning federation, and the more centralized New Zealand as a serial winner in the world’s anti-corruption index.<sup>3</sup>

The two are more different from each other than meets the eye of a distant observer. Not only is Australia bigger, more endowed with natural resources, and more strategically located than its not so close neighbor across the 1200-mile-wide Tasman Sea, but the location also makes it inherently less secure than New Zealand—a ‘dagger pointed at the heart of the Antarctica’.<sup>4</sup> Insecurity has been part of the discourse on national identity in Australia the way it has not been in New Zealand, which has prided itself on its pragmatic foreign policy.<sup>5</sup> The nation’s bi-cultural identity, which includes the indigenous Maori population, has nevertheless been an asset in the South Pacific neighborhood, besides such advantages of being small as ‘rapid decision-making, a relative lack of special interest groups, and a capacity to take decisions without reflecting overmuch on their wider consequences’.<sup>6</sup>

The article examines Australia and New Zealand’s quest for security by following the trajectory of the tripartite alliance they concluded with the United States at the height of the Cold War. Known as ANZUS, the alliance has survived in name though not in reality. The triangle broke up shortly before the end of the Cold War, following the unilateral

- 1 Adam P. Liff and G. John Ikenberry, ‘Racing toward Tragedy? China’s Rise, Military Competition in the Asia Pacific, and the Security Dilemma’, *International Security*, Vol. 39, No. 2 (2014), pp. 52–91; Bruce Gilley and Andrew O’Neil, eds., *Middle Powers and the Rise of China* (Washington: Georgetown University Press, 2014); Thomas S. Wilkins, ‘Australia: A Traditional Middle Power Faces the Asian Century’, in Gilley and O’Neil, *ibid.*, pp. 149–70.
- 2 Geoffrey Blainey, *The Tyranny of Distance: How Distance Shaped Australia’s History* (Melbourne: Sun Books, 1966). United Nations Regional Groups of Member States, <http://www.un.org/depts/DGACM/RegionalGroups.shtml>. The only other ‘others’ in the group are Canada and Israel.
- 3 Transparency International, ‘Corruption Perceptions Index’, <https://www.transparency.org/research/cpi/overview>.
- 4 Helen Clark, ‘New Zealand Foreign Policy’, 2 October, 2007, <http://www.scoop.co.nz/stories/PA0710/S00026.htm>.
- 5 Simon Dalby, ‘Security Discourse, ANZUS Alliance and Australian Identity’, in Graeme Cheeseman and Robert Bruce, eds., *Discourses of Danger and Dread Frontiers: Australian Defense Thinking After the Cold War*, (Canberra: Allen & Unwin, 1996); Mark Keenan and Colin Richardson, *Differences of Perspective: An Analysis of the Similarities and Differences in Australian and New Zealand Attitudes to Security* (Canberra: Centre for Defense and Strategic Studies, Australian Defense College, 2011).
- 6 Chris Elder and Robert Ayson, *China’s Rise and New Zealand Interests: A Policy Primer for 2030* (Wellington: Centre for Strategic Studies New Zealand, Victoria University, 2012), p. 16; David Capie and Gerald McGhie, ‘Representing New Zealand: Identity, Diplomacy, and the Making of Foreign Policy’, in James Hou-fu Liu et al., eds., *New Zealand Identities: Departures and Destinations* (Wellington: Victoria University Press, 2005), pp. 230–41.

suspension by the United States of its security commitments to New Zealand in a dispute about nuclear policy, but the acronym is still being used for the remaining Australian-American side of the former triangle. Since then, practical security cooperation between the United States and New Zealand has been resumed, thus raising the larger question of continued relevance of the military alliances that have been inherited from the Cold War.

Although ANZUS has been recognized as ‘an important test case for expanding our understanding of alliance politics’, no study of it has been produced that would enrich the alliance theory, as the case has been mostly shunned by political scientists.<sup>7</sup> This is not surprising given ANZUS’ peculiarities, which make generalizing from it difficult. The case rather calls for an historical approach, its focus on the particular rather than the general, on the causes and the consequences, and on continuities and discontinuities, from which projections can be made to draw important conclusions for policy if not necessarily theory.<sup>8</sup>

The approach has been more congenial to Chinese than to American thinking. In China, where ‘historical consciousness and historical understanding are indispensable when making important decisions’, international relations scholars have been inspired by the wisdom of political thinkers from deep antiquity, and decision makers have tried to learn from the rise and fall of great powers in the past.<sup>9</sup> Since each situation is different, there are no clear lessons to learn, but the exercise can help to avoid learning the wrong ones.

The discussion that follows examines the evolution of the divergent yet complementary Australian and New Zealand security policies from the Cold War to the present. It considers ANZUS as a product of particular historical circumstances, its changing value for its signatories in the later stages of the Cold War, and the consequences of its break-up. It evaluates Australia’s leadership as a middle power in building new regional structures after the Cold War and New Zealand’s local and global strategy, particularly in response to the rise of China. The conclusion addresses the role of the two countries in a prospective realignment in the Asia-Pacific region.

- 7 William Tow and Henry Albinski, ‘ANZUS-alive and Well after Fifty Years’, *Australian Journal of Politics and History*, Vol. 48, No. 2 (2002), pp. 153–73; Amy L. Catalinac, ‘Why New Zealand Took Itself out of ANZUS: Observing “Opposition for Autonomy” in Asymmetric Alliances’, *Foreign Policy Analysis*, Vol. 6, No. 4 (2010), pp. 317–38, applies alliance theory to explain the break-up of ANZUS.
- 8 As in essays by Australia’s leading strategic thinker, Hugh White, ‘Four Decades of the Defense of Australia: Reflections on Australian Defense Policy over the Past 40 Years’, in Ron Huisken and Meredith Thatcher, eds., *History as Policy Framing the Debate on the Future of Australia’s Defense Policy* (Canberra: Australian National University Press, 2007), pp. 163–87; and Hugh White, ‘Strategic Interests in Australian Defense Policy: Some Historical and Methodological Reflections’, *Security Challenges*, Vol. 4, No. 2 (2008), pp. 63–79.
- 9 Chun-chieh Huang, *Taiwan in Transformation: Retrospect and Prospect* (New Brunswick: Transaction, 2014), p. 157; Yan Xuetong, *Ancient Chinese Thought, Modern Chinese Power* (Princeton: Princeton University Press, 2011); Q. Edward Wang, “‘Rise of the Great Powers’=Rise of China? Challenges of the Advancement of Global History in the People’s Republic of China’, *Journal of Contemporary China*, Vol. 19 (2010), pp. 273–89.

## A Misconceived Alliance?

The trans-Tasman segment of ANZUS had been in place under the name of ANZAC long before the tripartite alliance came into being. The name stands for the Australia and New Zealand Army Corps that fought valiantly, if frustratingly, for the British cause during World War I in the disastrous Gallipoli campaign, the memory of which has created a lasting emotional bond between the two nations. Their comradeship-in-arms during World War II inspired the ‘ANZAC Treaty’, concluded in Canberra in 1944, and the acronym has since signified the special relationship between the two members of the British Commonwealth.<sup>10</sup>

The Canberra treaty having duly recognized the US primacy in the region as the war approached its end due to the American victory, Australia was more comfortable with this outcome than was New Zealand, which continued to hope for ‘imperial defense’ centered in London. At the same time, both countries, as avid members of the UN, became committed to broader multilateralism. New Zealand followed its earlier tradition as a firm supporter of the UN’s feeble predecessor, the League of Nations, while Australia saw the UN as a conduit for projecting itself as a middle power—one of those that, as defined by its foreign minister Herbert V. Evatt, ‘by reason of their resources and geographic position will prove to be of key importance for the maintenance of security in different parts of the world’. Elected president of the UN General Assembly in 1948, he thought of himself as president of the world.<sup>11</sup> Even as the advent of the Cold War diminished the UN’s relevance in security matters, Australia remained strongly attached to it, as did New Zealand, while taking the initiative to create other international organizations as well.

In 1947, Australia became the prime mover in the establishment of the South Pacific Commission—predecessor of today’s South Pacific Community, which was originally an agency of six developed nations engaged in the region but that has since included developing ones and engaged in South–South cooperation. The Colombo Plan, initiated by Australia in 1950 as a regional version of the Marshall Plan, has mutated from a limited enterprise of seven Member States of the British Commonwealth to an international agency of 26 participating nations.<sup>12</sup> Once the Cold War escalated, Australia and New Zealand made supporting Britain in Southeast Asia and the Middle East their higher priority, even making preparations for their militaries to be available there in case of a war with the Soviet Union.<sup>13</sup> In 1948, intelligence cooperation among the five Anglo sphere governments was

- 10 Desmond Ball, ed., *The ANZAC Connection* (Sydney: Allen & Unwin, 1985), and polemically James Brown, *ANZAC’S Long Shadow: The Cost of Our National Obsession* (Melbourne: Penguin, 2014).
- 11 Gerald Chaudron, *New Zealand in the League of Nations: The Beginnings of an Independent Foreign Policy, 1919–1939* (Jefferson: McFarland, 2012); Herbert V. Evatt, *Australia in World Affairs* (Sydney: Angus & Robertson, 1946), p. 10; Sally Warhaft, *Well May We Say: The Speeches That Made Australia* (Collingwood: Black, 2004), p. 164.
- 12 Daniel Oakman, *Facing Asia: A History of the Colombo Plan* (Canberra: Australian National University Press, 2010).
- 13 Ian McGibbon, ‘The Defence Dimension’, in Anthony L. Smith, ed., *Southeast Asia and New Zealand: A History of Regional and Bilateral Relations* (Wellington: Victoria University Press, 2005), p. 11.

launched in the disguise of AUSCANZUKUS, nicknamed the 'Five Eyes'-their most valuable and enduring security venture.<sup>14</sup>

Alliance building in the Asia-Pacific region initially resembled that in Europe, but turned out differently. Once the militarization of the Cold War had led to the creation of NATO, the idea of its Pacific counterpart became topical and was first pursued, like NATO, by those wanting to bring the United States in, rather than by Americans. Australian foreign minister Percy Spender was most vocal in calling for a 'Pacific Treaty' that would also include Britain, whereas his New Zealand counterpart Frederick Doidge, uncertain of American commitment to his remote country, favored adding Canada and even India. Washington was interested but non-committal until communist aggression in Korea in July 1950 provided the stimulus.<sup>15</sup>

In the Australian academic debate, traditionalists have celebrated Spender as the founding father of the US alliance, crediting him with wresting it from reluctant Americans. Revisionists have found Washington eager for a not-so-eager Australia and New Zealand to form a common alliance against communism. The weight of evidence tends to support the revisionist view.<sup>16</sup>

Australia and New Zealand were among the first countries to join the US-led coalition in Korea, but did so in response to the UN call for action rather than as American allies. The United States welcomed their participation, but it was only China's intervention, which opened up the prospect of a protracted and costly war, that prompted President Harry S. Truman to include them in the draft of a 'Pacific Ocean Pact' that he commissioned from John Foster Dulles before dispatching him to the region in January 1951 to negotiate the specifics. In this sense, Chinese leader Mao Zedong became 'the real godfather of ANZUS'.<sup>17</sup>

The initial draft envisaged a pact modeled after NATO that would bring in, besides the United States, Australia, and New Zealand, also the Philippines and Indonesia, as well as Japan—indispensable as a base for waging the war in Korea and possibly beyond.<sup>18</sup> To Spender's dismay, however, 'the idea of a Pact seemed to have dissipated in the course of Ambassador Dulles' travels',<sup>19</sup> during which the envoy had already secured British and Japanese support for Washington's higher priority—the peace treaty with Japan,

- 14 Jeff Richelson and Desmond Ball, *The Ties That Bind: Intelligence Cooperation between the UKUSA Countries* (London: Allen and Unwin, 1985).
- 15 Percy Spender, *Exercises in Diplomacy: The ANZUS Treaty and the Colombo Plan* (Sydney: Sydney University Press, 1969), pp. 14, 16–17; David W. Mabon, 'Elusive Agreements: The Pacific Pact Proposals of 1949–1951', *Pacific Historical Review*, Vol. 57, No. 2 (1988), pp. 147–77; Christopher Hemmer and Peter J. Katzenstein, 'Why is There No NATO in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism', *International Organization*, Vol. 56, No. 3 (2002), pp. 575–607.
- 16 David McLean, 'Australia in the Cold War: A Historiographical Review', *International History Review*, Vol. 23, No. 1 (2001), pp. 299–321.
- 17 Joseph M. Siracusa and Glen St. John Barclay, 'Australia, the United States, and the Cold War, 1945–51: From V-J Day to ANZUS', *Diplomatic History*, Vol. 5, No. 1 (1981), p. 52.
- 18 'Draft of a Possible Pacific Ocean Pact', 3 January, 1951, *Foreign Relations of the United States* (hereafter *FRUS*), 1951, vol. 6 (Washington: US Government Printing Office, 1951), pp. 133–34.
- 19 'Memorandum by Fearey', 16 February, 1951, *FRUS*, 1951, vol. 6, p. 157.

supplemented by a far-reaching security treaty. By virtue of the treaty, the United States not only assumed the responsibility for the defense of its defeated enemy but also provided for the country's recovery as America's economic competitor.

The prevailing perception of Japan in Australia and New Zealand was not that of a potential ally but of a potential enemy—a crucial difference from Western Europe, where the indisputable enemy was the Soviet Union. Oddly, Spender saw the 'danger that Japan will follow in future an opportunist line' and might even enter 'into some temporary or longer term alliance with Communist China or Russia'.<sup>20</sup> But after Australia and New Zealand had already delivered their contingents to the Korean battlefield, their leverage in negotiating with Dulles was reduced to invoking domestic opposition to the kind of peace settlement Washington envisaged with Japan. ANZUS was to protect them against it.<sup>21</sup>

The Pentagon opposed an arrangement that would imply firm commitment to mutual defense. When the ANZUS treaty was signed on September 1, 1951, its wording was evasive. Rather than providing for automatic help against aggression, it included an unspecified obligation to 'consult' when each party recognized an 'armed attack in the Pacific area' as 'dangerous to its own peace and safety', thus making it appropriate to 'act to meet the common danger'—if this could be done 'in accordance with its constitutional processes'.<sup>22</sup>

The criticism of ANZUS for offering 'about as thin a guarantee of security as any nation could negotiate with a great power', however, is unwarranted.<sup>23</sup> The signatories' pledge to act 'separately and jointly by means of continuous and effective self-help and mutual aid' applied the same language of the US Senate's Vandenberg Resolution as that used in the NATO treaty. It differed from NATO in lacking a common military structure and integrated command—seemingly a drawback as the Cold War became militarized and nuclearized, but under different circumstances a potential advantage. The annual meetings of the ANZUS Council, consisting of foreign, and later also defense ministers, allowed for consultation on political and military matters of common interest and for appropriate action to follow.<sup>24</sup>

Although the treaty fell short of what Australia and New Zealand wanted, both welcomed it, even as they differed in their further expectations. Canberra envisaged the alliance as the foundation of wider security architecture in Asia that would rely on the United States rather than the UK or NATO, whereas Wellington was uneasy about a pact that excluded NATO and the Commonwealth, as well uncertain about the mutual obligations ANZUS entailed.

- 20 'Spender to Gordon-Walker', 4 April, 1951, A6768, EATS 77, iv, National Archives of Australia, Canberra, [www.dfat.gov.au/publications/historical/volume-17/historical-document-17-71.html](http://www.dfat.gov.au/publications/historical/volume-17/historical-document-17-71.html).
- 21 Neville Meaney, 'Look Back in Fear: Percy Spender, the Japanese Peace Treaty and the ANZUS Pact', in Roger Buckley et al., eds., *San Francisco: 50 Years On*, part 2 (London: Suntory Centre, 2001), pp. 42–43.
- 22 'Security Treaty between Australia, New Zealand and the United States of America', 1 September, 1951, <http://www.australianpolitics.com/foreign/anzus/anzus-treaty.shtml>.
- 23 Alan Burnett, *The ANZUS Triangle* (Canberra: Australian National University, 1988), p. 112.
- 24 William Tow, 'The Future of Alliances: AUSMIN as a Case Study', in Desmond Ball, ed., *Maintaining the Strategic Edge: The Defense of Australia in 2015* (Canberra: Strategic and Defense Studies Centre, Australian National University, 1999).

New Zealand's ambassador to Washington Carl Berendsen exalted the alliance as 'the greatest gift that the most powerful country in the world can offer to a small and comparatively helpless group of people . . . , offered on a silver platter'. But Prime Minister Sidney Holland wondered whether the US government appreciated that 'since the chances of an attack on New Zealand are remote, while the chances of trouble elsewhere are great—we are offering to others much more than we are asking others to give us'.<sup>25</sup> He could have hardly been more prescient.

The tripartite alliance, an anomaly within the hub-and-spokes system of America's bilateral alliances, was product of a confluence of particular historical circumstances, which were bound to pass. The Chinese intervention in the Korean War had been the catalyst, but by the time the pact was signed the war had stabilized, no longer threatening to spill out of the peninsula. In reflecting the still vivid memories of Japanese aggression, the alliance looked into the past rather than the future. Unlike in Europe, where NATO served for both deterrence and reassurance, ANZUS was more difficult to justify in a region that remained peripheral to the Cold War central battlefield.<sup>26</sup>

### Between Loyalty and Entrapment

No sooner did the Korean War end than Dulles, by then Secretary of State, shocked the ANZUS partners by suggesting that the alliance might be dissolved—not because the Japanese threat was illusory, but because of other threats that appeared on the horizon. On the sidelines of the 1954 Geneva conference on Indochina, he convened a special meeting with Australian and New Zealand representatives to impress upon them the need to join the projected SEATO alliance for the defense of Southeast Asia against the advance of communism. He had been urging Australia to assist France in fighting the Vietnamese communists, but its final defeat at Dien Bien Phu while the conference was in session saved Canberra from falling into the trap.<sup>27</sup>

At SEATO's inauguration in Manila later that year, Australia and New Zealand signed up with misgivings. They wondered what 'communist' meant with regard to the aggression against which the pact was to be operative, about its coverage of Laos and Cambodia as non-members, and about the effect of a looming US-Chinese confrontation over China's offshore islands controlled by the Nationalist government in Taiwan. The resemblance of some of the articles in the Manila treaty to those in the ANZUS treaty was not reassuring. Nor was Dulles's claim that SEATO gives all the freedom of action and power to act that is

- 25 'Berendsen to McIntosh', 25 June, 1951, in Ian McGibbon, ed., *Undiplomatic Dialogue: Letters between Carl Berendsen and Alister McIntosh, 1943–52* (Auckland: Auckland University Press), p. 265; 'Holland to Doidge', 8 February, 1951, in Robin Kay, ed., *The ANZUS Pact and the Treaty of Peace with Japan* (Wellington: Government Printer, 1985), p. 584.
- 26 Hemmer and Katzenstein, 'Why Is There No NATO in Asia?', pp. 575–607; Amitav Acharya, 'Why is There No NATO in Asia? The Normative Origins of Asian Multilateralism', Working Paper 05-05, Weatherhead Centre for International Affairs, Harvard University, 2005.
- 27 Neville Meaney, *Australia and the World: A Documentary History from the 1870s to the 1970s* (Melbourne: Longman Cheshire, 1985), p. 610; Peter Edwards, *Crises and Commitments: The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts, 1948–1965* (Sydney: Allen & Unwin, 1992), pp. 140–42.

contained in NATO, in the light of his comment that Washington did not see SEATO as another NATO.<sup>28</sup>

While the conflict in Indochina temporarily subsided, the enduring loyalty of Britain's two former dominions to the mother country still shaped their security engagements more than did their commitments to the American alliance. Having teamed as early as 1949 with the British to meet post-colonial Malaya's 'Emergency' and helped defeat its communist-led insurgency, they agreed—in an exchange of letters rather than by a treaty—to defend as well the successor Malaysian Federation, which had stayed out of SEATO.<sup>29</sup> They were in danger of becoming entrapped once Indonesia's President Sukarno launched his *konfrontasi* campaign to destabilize Malaysia.

The possibility of a military clash between the two allies and Indonesia, which the United States had been trying to befriend in competition with the Soviet Union, tested Washington's loyalty to ANZUS.<sup>30</sup> Although the United States regarded Malaysia's defense as British responsibility, it assured its partners of military support against Indonesian attack. But when pressed to clarify, the State Department hedged that this only meant 'an overt attack', not 'subversion, guerrilla warfare or indirect aggression', and that the response was in any case to be limited to air and naval support. When Australia found itself at risk of becoming involved in fighting against Indonesia over a disputed part of Borneo, it considered invoking ANZUS, but the risk luckily passed. The ousting of Sukarno by his generals ended the confrontation, thus saving the United States from possible entrapment by its allies.<sup>31</sup> But it did not allay Canberra's disappointment at Washington having condoned his grab of former Dutch New Guinea that signaled ANZUS' limitations in Australia's immediate neighborhood.

The danger of Australia and New Zealand becoming entrapped increased once the Vietnam War brought them under US pressure to contribute combat forces in the name of common struggle against communism. Noting that 'in this respect the ANZUS Treaty is not precise', Wellington was less willing to comply than Canberra—not because New Zealanders were less convinced of the merit of the cause, but because they were more skeptical about its success. They nevertheless followed the Australians, contributed a contingent, and became entrapped in the unwinnable war, which ignited divisive domestic debates about the value of ANZUS.<sup>32</sup>

- 28 'Verbatim Proceedings of the Third Plenary Session, Manila Conference', 7 September, 1954 and 'Dulles to London Embassy', 28 July, 1954, *FRUS*, 1952–1954, vol. 12, part 1, pp. 862–84 and 680–81; Glen St J. Barclay, *Friends in High Places: Australian-American Diplomatic Relations since 1945* (Melbourne: Oxford University Press, 1985), p. 77; Mark Pearson, *Paper Tiger: New Zealand's Part in SEATO 1954–1977* (Wellington: New Zealand Institute of International Affairs and Ministry of External Relations and Trade, 1989), pp. 113–14.
- 29 McGibbon, 'The Defence Dimension', pp. 12–16; Jim Rolfe, *New Zealand's Security: Alliances and Other Military Relationships* (Wellington: Victoria University, 1997), pp. 9–10.
- 30 Edwards, *Crises and Commitments*, pp. 292–302; Barclay, *Friends in High Places*, p. 134.
- 31 'Memorandum for Beale', 4 October, 1963 and 'Memorandum of Bundy-Beale Conversation', 16 October, 1963, *FRUS*, 1961–1963, vol. 23, pp. 734–36 and 747–39; Toh Boon Kwan, 'Brinkmanship and Deterrence Success during the Anglo-Indonesian Sunda Straits Crisis, 1964–1966', *Journal of Southeast Asian Studies*, Vol. 36, No. 3 (2005), pp. 399–417.
- 32 'Ambassador to Washington Laking to Ministry of External Affairs', 15 April, 1965, cited from McKinnon, *Independence and Foreign Policy*, p. 157; Robert Rabel, "' We Cannot Afford to



In the more polarized Australian debate, the Left criticized the long-serving Liberal Prime Minister Robert Menzies for unquestioning dependence on the United States, whereas the Right lauded his reliance on 'great and powerful friends'. In New Zealand, former ambassador to Washington Frank Corner attributed the unpopularity of the war to its people's 'old-style British ... instincts ... , a certain style of British superciliousness towards Americans and American culture and foreign policies'.<sup>33</sup> All the same, New Zealand remained more committed to ANZUS than did Australia, whose government was the first to start looking for an alternative.

The putative alternative was the Asian and Pacific Council (ASPAC), founded in 1966 by President Park Chung Hee of South Korea as an informal association of the region's anti-communist states, including South Vietnam. Although it was supposed to supplement SEATO by fostering cooperation in cultural and economic matters, its potential for evolving into a security structure was obvious—the reason why the project appealed to US presidential candidate Richard M. Nixon. For the conservative Australian foreign minister Paul Hasluck, ASPAC presented an opportunity to bypass ANZUS by associating with Asia.<sup>34</sup>

ASPAC became the first exclusively Asian organization that both Australia and New Zealand joined as members. Hasluck wanted Washington to recognize 'the value of self-reliant regionalism as a contribution to ensuring long-term security and growth of Asia'.<sup>35</sup> After the 1967 British decision to terminate military commitments 'east of Suez', he told his Asian partners that a new security organization in the Asia-Pacific region was needed. By contrast, New Zealand, which merely valued ASPAC as a forum for exchanging views for better mutual understanding, responded by seeking a closer relationship with Washington, similar to the former Commonwealth relationship with London.

Attesting to the transformation of the enemy image since the birth of ANZUS, Hasluck perceived Japan as a desirable intermediary between Australia and Asia. He encouraged Tokyo to assume ASPAC's leadership, but the Japanese hesitated, fearing damage to their trade with China. His successor Gordon Freeth expressed publicly his expectation that 'at some point of time in the future possibly or almost inevitably' Japan would become 'a guarantor of security in the area'. Rather than building another security structure, however, he considered confidence building a higher priority.<sup>36</sup>

ASPAC disintegrated after Nixon as president had encountered opposition to it within his administration, and went on in 1972 to announce his Guam doctrine, which advised America's Asian allies to rely more on themselves. George Laking, the top official in New

be Left Too Far behind Australia": New Zealand's Entry into the Vietnam War in May 1965', *Journal of the Australian War Memorial*, No. 32 (1999), <http://www.awm.gov.au/journal/j32/>.

33 Corner quoted in Ian McGibbon, 'New Zealand's Defense Policy from Vietnam to the Gulf', in Bruce Brown, ed., *New Zealand in World Affairs*, vol. 3 (Wellington: Victoria University Press, 1999), p. 115.

34 C. W. Braddick, 'Japan, Australia and ASPAC: The Rise and Fall of an Asia-Pacific Cooperative Security Framework', in Brad Williams and Andrew Newman, eds., *Japan, Australia and Asia-Pacific Security* (New York: Routledge, 2006), pp. 30–46.

35 'Hasluck to Clark', 17 July, 1967, Braddick, 'Japan, Australia and ASPAC', p. 34.

36 'Freeth at Press Conference, 5 June, 1969, Braddick, 'Japan, Australia and ASPAC', p. 37; Amitav Acharya, *Whose Ideas Matter? Agency and Power in Asian Regionalism* (Ithaca: Cornell University Press, 2009), pp. 82–83.

Zealand's foreign ministry, confessed having felt 'a little chill wind of loneliness', but also the need for the country's awakening to full nationhood' and assuming responsibility for one's own security.<sup>37</sup> The challenge for both New Zealand and Australia was of how to do so without distancing themselves from the United States as well as from each other.

Despite the changing security environment, ANZUS had weathered its first two decades well. The price its two junior partners had paid for their membership, particularly by taking part in the Vietnam War, was not excessive but neither was it necessary. It had the unintended beneficial effect of making them more reliant on themselves, once the Western powers began to disengage from Southeast Asia, making the communist advance there all but certain. With the onset of détente between the superpowers, however, ANZUS became more controversial, though not for the same reasons in Australia as in New Zealand.

### From Alliance to Self-reliance

Different geography bore the seeds of 'potentially serious conflicts of interest and aspiration', wrote New Zealand historian David McIntyre. Whereas Australia had 'a frontier in Southeast Asia ... and an Indian Ocean coastline', New Zealand had neither. But while 'we are nearer Asia than Europe', Asia 'is (not) under our doorstep' nor are 'the Chinese ... under the bed', expatiated Keith Sinclair, another historian as well as a poet.<sup>38</sup> Regardless of these differences, both countries joined to assume security commitments in Southeast Asia.

The Five-power Defense Arrangements (FPDA) with Britain, Malaysia, and Singapore, which in 1971 superseded the previous Commonwealth arrangements, provided for continued presence of Australian and New Zealand air and naval units on bases in Malaysia and Singapore, joint exercises, and contingency planning. Intended as temporary, they proved lasting. They have been cited as a model of low-key, adjustable security cooperation, overlapping but not competing with other structures.<sup>39</sup>

New Zealand's Prime Minister Keith Holyoake cast the decision to keep forces in Southeast Asia as an assertion of his country's independence. 'We do not share Australia's preoccupation with the Indian Ocean', Laking explained, and while 'we share with Australia a concern for the South Pacific, ... there are differences in our approach to regional problems'. New Zealand followed Australia in committing itself militarily in Southeast Asia, but in the immediate neighborhood it acted on its own. For informal

37 McKinnon, *Independence and Foreign Policy*, pp. 182–83.

38 David McIntyre, 'The Future of the New Zealand System of Alliances', *Landfall*, Vol. 21, No. 4 (1967), p. 342; Keith Sinclair, 'New Zealand's Future Foreign Policy: A New Pacific Pact', *Political Science*, Vol. 18, No. 2 (1966), p. 71.

39 Damon Bristow, 'The Five Power Defense Arrangements: Southeast Asia's Unknown Regional Security Organization', *Contemporary Southeast Asia*, Vol. 27, No. 1 (2005), pp. 1–20; Carlyle A. Thayer, 'The Five Power Defense Arrangements: The Quiet Achiever', *Security Challenges*, Vol. 3, No. 1 (2007), pp. 79–96; Andrew T. H. Tan, 'The Five-Power Defense Arrangements: The Continuing Relevance', *Contemporary Security Policy*, Vol. 29, No. 2 (2008), pp. 258–302; Andrea Benvenuti and Moreen Dee, 'The Five Power Defense Arrangements and the Reappraisal of the British and Australian Policy Interests in Southeast Asia, 1970–75', *Journal of Southeast Asian Studies*, Vol. 41, No. 1 (2010), pp. 101–23.

security dialogue with the newly independent island states there, it initiated the South Pacific Forum—today's Pacific Islands Forum.<sup>40</sup>

Security cooperation between Australia and New Zealand was becoming institutionalized, albeit at snail's pace. The Consultative Committee on Defense Cooperation, formed in 1972, has been remembered as 'a relaxed and stimulating—certainly hospitable—day or two for the two chiefs and two secretaries of defense, spent talking around the table, all skilfully disguised as a consultative council'.<sup>41</sup> At the same time, ANZUS was inching forward, with its ministerial meetings becoming regular.

The almost simultaneous ascent of Labor governments in both countries by 1973 has been depicted by both admirers and detractors as a quasi-revolutionary event. During the three years that Labor stayed in power, according to the former view, Australia shrugged off its 'old attitudes of dependence', and discovered 'a unique place for itself in a region which it had always before considered alien and even hostile'.<sup>42</sup> But critics of 'Labor's regional mythology' have seen Australian forays into Southeast Asia as inept, both alienating the locals and increasing dependence on the United States.<sup>43</sup>

There was a difference between rhetoric and action. In Australia, Prime Minister Gough Whitlam declared the need to 'move away from the narrow view that the ANZUS treaty is the only significant factor in our relations with the United States and the equally narrow view that our relations with the United States are the only significant factor in Australia's foreign relations'. His New Zealand counterpart Norman Kirk, noting that the alliance had been 'established for particular reasons . . . that had become obsolete', called for 'an organization genuinely representative of the region, without ideological overtones, . . . to help free the region of the great power rivalries, (and) designed to insulate the region against ideological interference from the great powers'.<sup>44</sup>

Neither government, however, acted to divest from ANZUS. Instead, having suffered economic damage in consequence of Britain's entry into the European Common Market, both preferred distancing themselves from the British-sponsored FPDA. Australia began to withdraw ground troops from Malaysia and Singapore as the first step toward the termination of military involvement in Southeast Asia. New Zealand followed, but since Kirk appreciated FPDA as 'a political device to foster stability', he did not want to abandon it altogether.<sup>45</sup> In the end, neither country did.

40 McKinnon, *Independence and Foreign Policy*, pp. 182–83; Bruce Grant, *Crisis of Loyalty: A Study of Australian Foreign Policy* (Sydney: Angus & Robertson, 1972), p. 66.

41 Denis McLean, 'New Zealand's Strategic Position and Defense Policies', in Ball, *The ANZAC Connection*, p. 5.

42 Gareth Evans and Bruce Grant, eds., *Australia's Foreign Relations in the World of the 1990s* (Melbourne: Melbourne University Press, 1995), p. 58; David Lee and Christopher Waters, eds., *Evatt to Evans: The Labor Tradition in Australian Foreign Policy* (Sydney: Allen & Unwin, 1997), pp. 77–162.

43 Andrea Benvenuti and David Martin Jones, 'Engaging Southeast Asia? Labor's Regional Mythology and Australia's Military Withdrawal from Singapore and Malaysia, 1972–1973', *Journal of Cold War Studies*, Vol. 12, No. 4 (2010), pp. 32–62.

44 Meaney, *Australia and the World*, p. 749; McKinnon, *Independence and Foreign Policy*, p. 175.

45 McKinnon, *ibid.*, p. 176.

The regional organization closest to Kirk's vision was ASEAN (Association of Southeast Asian Nations), founded in 1967 to protect its five Member States from communist subversion spilling from the Vietnam War as well as from their own internecine disputes. It was more representative of its region and more committed to keeping it free from great power interference than was the ideologically tainted ASPAC, while also being ready to team with outside 'dialogue partners'. In 1974, Australia became the first partner, and New Zealand followed soon afterwards, thus initiating the process in which ASEAN would serve as the core of the region's diverse multilateral structures.

Coming closer to Asia did not necessarily mean distancing from America. Its two allies followed the United States in rapprochement with communist China, but then moved faster in extending full recognition and forged diplomatic ties, though New Zealand only after Australia had acted first. Like Washington, they also cultivated the anti-communist Suharto regime in Indonesia. In 1974, Whitlam went to Jakarta, signaling support for its claim to East Timor, which was emancipating itself from Portuguese rule, and when Indonesia grabbed the territory, all three ANZUS partners turned a blind eye.<sup>46</sup>

Kirk saw the end of American military involvement in Vietnam as reducing 'the need for New Zealand to consider its relationships with other countries ... in terms of security'. Once the United States started withdrawing its forces, both of its allies assumed that communist victory in Indochina was inevitable, though not necessarily a threat to their security. They established diplomatic relations with Hanoi even before the fall of Saigon in 1975 and the collapse of SEATO that followed.<sup>47</sup>

The ascent at the end of that year of right-of-centre governments in both Canberra and Wellington—led respectively by the Liberal and National parties—marked more continuity than change. Affirming common interests, their conservative successors upgraded the Committee on Defense Cooperation, which then started meeting annually as the Australian–New Zealand Defense Policy Group, supplemented with the joint Defense Policy Group—the later Defense Planning Group—for 'continual review of possibilities for closer cooperation'. But 'little happened from year to year', an insider has testified, 'although there were continual incremental gains'.<sup>48</sup>

The Australian 'White Paper' on defense prepared in 1976 by Malcolm Fraser's Liberal government—the first of such papers to be issued periodically by newcomers to display the novelty of their security policies—actually presented more of the same. It re-emphasized self-reliance and detachment from 'conflicts in distant regions'. New Zealand's 1978 *Defence Review* similarly reaffirmed concentrating on 'the part of the world in which we

46 David McCraw, 'Norman Kirk, the Labor Party and New Zealand's Recognition of the People's Republic of China', *New Zealand Journal of Asian Studies*, Vol. 4, No. 1 (2002), pp. 46–61; Wendy Way, *Australia and the Indonesian Incorporation of Portuguese East Timor, 1974–1976* (Melbourne: Melbourne University Press, 2000).

47 McKinnon, *Independence and Foreign Policy*, p. 176; Peter Edwards, *A Nation at War: Australian Politics, Society and Diplomacy During the Vietnam War 1965–1975* (Sydney: Allen and Unwin, 1997), pp. 325–28.

48 Robert Burnett, ed., *The Australian and New Zealand Nexus: Annotated Documents* (Canberra: Australian Institute of International Affairs, 1980), pp. 75–76; James Rolfe, 'Closer Defense Relations, A Strategic Overview: The New Zealand Perspective', in Robert A. Hall, ed., *Australia-New Zealand: Closer Defense Relationships* (Canberra: Australian Defense Studies Centre, 1993), p. 34.

belong, the South Pacific', with armed forces capable of independently securing 'a range of national interests close to home'.<sup>49</sup>

The upsurge of Vietnamese expansionism and reversal of superpower détente in the second half of the 1970s, however, made it more difficult to disregard threats that might be coming from farther from home. In 1976, Australia found it appropriate to conclude the Basic Treaty of Friendship and Co-operation with Japan—the most comprehensive such treaty it had signed with any country, nourishing speculation about the coming of a 'JANZUS'. As Soviet warships started plying sea-lanes in the South Pacific, New Zealand's Prime Minister Robert Muldoon went to Beijing for reassurance, only to return more worried than before.<sup>50</sup>

Turning toward Southeast Asia, Australia and New Zealand practiced *realpolitik* by aligning themselves with ASEAN, as well as the United States and China, to support the legitimacy of the genocidal Pol Pot regime in Cambodia against Vietnamese invaders, backed by the Soviet Union. Fraser explained that his government wanted 'quite simply to be in harmony with ASEAN' and New Zealand foreign minister Brian Talboys similarly justified the policy as being intended to support it.<sup>51</sup>

Fraser's White Paper forecast that the great powers in Asia, including the Soviet Union and China, would 'no more than the former Great Powers of Europe . . . play a large military role in strategic developments directly affecting Australian security in the foreseeable future'. The greater was then the shock of the Soviet invasion of Afghanistan, in his view the worst international crisis since World War II. Fraser was right that the world had become 'too complex for the simplicities of bi-polarity to return',<sup>52</sup> but for the moment the escalation of the Cold War raised the specter of a superpower confrontation that might engulf America's allies in a nuclear war.

The growing divergence of security perceptions between Australia and New Zealand had not precluded continuity of their governments' security policies, regardless of the shifts of power between their parties on the right and left of centre. Self-reliance did not translate into disengagement from ANZUS, but neither did it prevent deeper engagement in their

49 *Australian Defense* (Canberra: Australian Government Publishing Service, 1976), pp. 5–6; *Defense Review 1978* (Wellington: Government Printer, 1978).

50 Moreen Dee, *Friendship and Co-operation: The 1976 Basic Treaty between Australia and Japan* (Canberra: Department of Foreign Affairs and Trade, 2006); William Tow, 'The JANZUS Option: A Key to Asian/Pacific Security', *Asian Survey*, Vol. 18, No. 2 (1978), pp. 1221–34; Gary Brown, *Australia-New Zealand Closer Defense Relations: An Evaluation* (Canberra: Department of the Parliamentary Library, 1993), pp. 13–14, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fprspub%2FNZ910%22>; Barry Gustafson, *His Way: A Biography of Robert Muldoon* (Auckland: Auckland University Press, 2000), pp. 226–29.

51 Roderic Pitty, 'Strategic Engagement', in Peter Edwards and David Goldsworthy, eds., *Facing North: A Century of Australian Engagement with Asia*, vol. 2 (Melbourne: Melbourne University Press, 2003), p. 50; Anthony Smith, 'The Devil You Know: New Zealand's Recognition Policy Towards Cambodia from 1978–1990', *New Zealand Journal of History*, Vol. 33, No. 2 (1999), p. 225.

52 *Australian Defense*, p. 5; 'Fraser on 19 February 1980', in Pitty, 'Strategic Engagement', p. 50.

Asian-Pacific neighborhood. As the Cold War was approaching its unexpected end, however, its apparent prolongation challenged their ability to anticipate the more distant future and act accordingly.

### Looking Beyond the Cold War

Australian diplomat Richard Smith has described the 1980s as ‘a bridging decade. We weren’t quite used to living without war, we hadn’t quite got the idea that it was increasingly going to be all about the economy, and only at the end did it dawn on us that the Cold War, that great organizing principle of the previous forty years, had been in its death throes’.<sup>53</sup> How justified is this criticism in the light of the record of leading Australia politicians and their counterparts in New Zealand?

The initial response by the governments in both Canberra and Wellington to the invasion of Afghanistan was unimpressive. After the United States asked them to provide forces for joint military deployments in the Indian Ocean, Australia responded by helping to upgrade the American air and naval base of Diego Garcia, but did so bilaterally rather than within the alliance framework, and tried unsuccessfully to boost defense spending. New Zealand was evasive about any deployment, pleading lack of resources. Both governments, anxious not to anger the Kremlin lest their countries’ Soviet trade should suffer, evaded the boycott of the Moscow Olympics by allowing their athletes to participate unofficially.<sup>54</sup>

As grumbling about the ‘burdens of ANZUS’ was spreading, the issue of membership was coming to a head in New Zealand though not in Australia. A conference of New Zealand’s Labor, while the party was still in opposition, voted to leave the alliance, but the leadership ruled to stay in. The party chief Bill Rowling nevertheless continued to agitate for re-negotiating ANZUS because of its ‘sterile military obligation’.<sup>55</sup> At the same time, the National government in power negotiated the CERTA agreement on closer economic relations with Australia—precursor of the later agreement on closer defense relations that would in effect supersede ANZUS.<sup>56</sup>

Labor’s return to power in Australia in 1983 marked the beginning of its 13-year rule, spanning from the peak of the ‘second Cold War’ to the post-Cold War US-Chinese confrontation in the 1996 Taiwan Straits crisis. Once in office, Prime Minister Bob Hawke fulfilled his electoral promise to review the country’s alliance obligations. The ensuing parliamentary review endorsed them and the ANZUS Council appreciated the outcome by

- 53 Richard Smith, ‘Regional Security: Is ‘Architecture’ All We Need?’, *Stanley Foundation Policy Analysis Brief*, December 2007, p. 1, <http://www.stanleyfoundation.org/publications/pab/smithpab07.pdf>.
- 54 McKinnon, *Independence and Foreign Policy*, p. 202. McGibbon, ‘New Zealand’s Defense Policy from Vietnam to the Gulf’, p. 114.
- 55 John Henderson, ‘The Burdens of ANZUS’, *New Zealand International Review*, Vol. 5, No. 3 (1980), pp. 2–3; Gerald Hensley, *Friendly Fire: Nuclear Politics and the Collapse of ANZUS, 1984–1987* (Auckland: Auckland University Press, 2013), p. 13.
- 56 Pamela Andre and Stephen Payton, eds., *The Negotiation of the Australia New Zealand Closer Economic Relations Trade Agreement 1983* (Canberra: Department of Foreign Affairs and Trade, 2003).

acknowledging Australia's defense role as being within its region, not necessitating large deployments elsewhere.<sup>57</sup>

Foreign minister Bill Hayden commended the Council for accepting that Australia was not 'totally dependent on ANZUS, and thus the United States, for its national security', and welcomed disagreements as both inevitable and healthy. He praised the review for having found the alliance relevant, but saw its main relevance in allowing Australia to exert influence on the United States on 'the crucial issues of arms control, arms reduction and disarmament initiatives'.<sup>58</sup> But his call for regional arms control dialogue on security perceptions, transparency, and confidence building met with a 'negative, if not hostile' American reaction. His criticism of 'unworldly armchair strategic reasoning' in Washington made him a *persona non grata* there.<sup>59</sup>

The doctrine of seamless nuclear deterrence, impressed upon the Pentagon by American defense intellectuals, presumed that nuclear technology blurred differences among regions, necessitating 'global continuities in defense lines'.<sup>60</sup> Consequently, the United States insisted on the need for peacetime port calls by its warships, while neither denying nor confirming their possible nuclear cargo. To the ANZUS partners, the doctrine was the more difficult to accept because of the absence within the alliance of such a consultation mechanism as NATO's Nuclear Planning Group.

In rejecting the US concept of deterrence, activists of the anti-nuclear movement, which spread to Australia and New Zealand from the peace movements in Western Europe and North America, visualized a world no longer threatened by an arms race between the two nuclear superpowers. Whereas in Europe the movements' main concern was the racing on its soil, in the Asia-Pacific region—where no such racing was taking place—the focus was on a global nuclear threat. However, since the governments in both Canberra and Wellington were already strong supporters of the Nonproliferation Treaty (NPT),<sup>61</sup> as well as advocates of a regional nuclear-free zone, the activists inflated the threat by depicting it as emanating from any nuclear devices that might be present on ships capable of carrying them.

After the Hawke government adroitly defused a smoldering conflict over the testing of nuclear capable American MX missiles in the Tasman Sea, Washington wisely did not insist on visits by nuclear-tainted ships to Australia. In New Zealand, however, Muldoon insisted on such a visit—for no better reason than to provoke his Labor opponents. At that point in time, Labour's program still only called for renegotiating ANZUS on a non-nuclear basis

57 Robert Hawke, *The Hawke Memoirs* (Melbourne: Heinemann, 1994), p. 214; Michael C. Pugh, *The ANZUS Crisis, Nuclear Visiting, and Deterrence* (Cambridge: Cambridge University Press, 1989), p. 151.

58 'Hayden to Parliament', 15 September, 1983, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=ld%3A%22chamber%2Fhansardr%2F1983-09-15%2F0084%22>.

59 Pitty, 'Strategic Engagement', p. 62; Bill Hayden, 'Security and Arms Control in the North Pacific', in Andrew Mack and Paul Keal, eds., *Security and Arms Control in the North Pacific* (Sydney: Allen & Unwin, 1988), pp. 4–5.

60 Worth H. Bagley, 'The Pacific Connection: Strategic Burden or Strategic Opportunity?', *Navy International*, Vol. 83, No. 5 (1978), p. 13.

61 Under Prime Minister John Gorton, Australia had considered getting an independent nuclear deterrent, primarily against China. It abandoned the idea after he left office in 1971, but more recently has started debating it again. Christine M. Leah, *Australia and the Bomb* (New York: St. Martin's Press, 2014).

rather than for leaving it. Wellington's 1983 *Defense Review* found it 'inconceivable that Australia and New Zealand would set radically divergent courses in defense and strategic policies'.<sup>62</sup>

The inconceivable started happening in June 1984, when Labor accidentally came to power six months earlier than expected after a single member of the parliament changed her mind, crossed the aisle, and tipped the balance. Furious at her 'feminist anti-nuclear stance', Muldoon decided—reportedly while intoxicated—to call a snap election, despite knowing that he would lose it.<sup>63</sup> Moreover, he insisted that a previously scheduled ANZUS Council meeting in Wellington should go ahead.

The crisis unfolded after Secretary of State George F. Shultz, arriving after an exhausting flight, voiced hope that 'Labor's recent electoral victory would pose no greater threat to the ANZUS alliance than the Australian Labor Party's victory had done the year before'.<sup>64</sup> But radicals within the New Zealand party, intoxicated by its victory, dashed that hope by swaying its conference to vote for exit from the alliance. The new government of Prime Minister David Lange nevertheless reaffirmed the decision to stay, which conformed to the preference held consistently by a majority of the people.

A tripartite air force exercise subsequently conducted over the nation's territory seemed to confirm the decision, and the United States tried to play safe by requesting permission for the entry of what seemed the least offensive kind of vessel—the ageing, conventionally powered destroyer *Buchanan*. But the mercurial Lange, described by his associates as a politician with an aversion to politics, procrastinated until he finally rejected the request, thus setting the stage for confrontation.<sup>65</sup>

The broader significance of the confrontation in one of the most remote parts of the world was within the context of the concurrent dénouement of the Cold War. Moscow initially rejoiced at discord in the enemy camp, lionizing New Zealand for its defiance, prompting Lange to summon the Soviet ambassador to advise him that its policy as an 'unshakeable member of Western alliance' was not for 'endorsement or applause by the USSR'. Afterwards the Soviet propaganda campaign subsided, while the envoy publicly distanced himself from the ANZUS quarrel, calling it a 'family affair'.<sup>66</sup>

This was the time in 1985 when Mikhail S. Gorbachev, inspired by the same ideas of the Western European Left that also motivated the New Zealand activists, started developing his new thinking about security that eventually made ending the Cold War possible. But the old thinking was dying hard, as suggested by the dispatch of deputy foreign minister

62 Hensley, *Friendly Fire*, p. 9; *Defense Review 1983* (Wellington: Government Printer, 1983), p. 17.

63 Gustafson, *His Way*, p. 375.

64 Roderic Alley, 'ANZUS and the Nuclear Issue', in Jonathan Boston and Martin Holland, eds., *The Fourth Labor Government: Radical Politics in New Zealand* (Auckland: Oxford University Press, 1987), p. 202.

65 Hensley, *Friendly Fire*, pp. 91–115; Michael Bassett, *Working with David: Inside the Lange Cabinet* (Auckland: Hodder Moa Beckett, 2008).

66 Stuart McMillan, *Neither Confirm nor Deny: The Nuclear Ships Row between New Zealand and the United States* (New York: Praeger, 1987), pp. 150–51; A. C. Wilson, *New Zealand and the Soviet Union, 1950–1991: A Brittle Relationship* (Wellington: Victoria University Press, 2004), p. 143.



Mikhail Kapitsa to Wellington for an ‘unofficial visit’, where he offered an agreement to notify each other if warships of either country happened to sail in the other’s vicinity. Lange, a master of quick wit despite his irresolution, replied that ‘the best cooperation we can have from the Soviet Union is to have their vessels as far away from New Zealand as ours are from Russia’.<sup>67</sup>

Ironically, while Gorbachev vacillated in his new thinking and Washington remained beholden to the old one, both New Zealand and Australia were ahead in anticipating the end of the Cold War order—the former instinctively, the latter more inductively. In Australia, Hayden was ‘able, still at the height of the Cold War, to transform perceptions of the alliance from a cheap but uncomfortable security blanket, to a mature relationship between sovereign partners’.<sup>68</sup> In New Zealand, however, the pursuit of anti-nuclear dogma at the cost of the relationship with the United States was wrought with uncertain security consequences.

### Alliance Dismantled

The outcome of the confrontation over the American warship’s visit may have been decided earlier due to Lange’s deal with the party radicals. Their leader at the time, Helen Clark, has since testified that he promised them never to let the American ship in, in return for which they supported the program of radical economic reform designed by the party’s Right.<sup>69</sup> Dubbed Rogeromics after the first name of the finance minister in charge, Roger Douglas, the extreme deregulation and privatization introduced by the nominally socialist party amounted at that time to the most radical turn toward free enterprise and open market anywhere in the developed world.

It is difficult to disagree with New Zealand historian Ian McGibbon’s assessment that ‘the United States would have been wise to let the ship visits issue lie fallow for the time being—as it had during the previous Labor administration’,<sup>70</sup> or else during the concurrent one in Australia. The original rationale for insisting on the visit was the alleged need to prevent a bad precedent at the time when the Euromissile controversy was testing the loyalty of the NATO allies whose governments also were under pressure from their anti-nuclear movements. The controversy, however, had already been settled in 1983, when West Germany voted to station the missiles on its territory, and their deployment elsewhere in Western Europe had started, too. Neither was the ship’s visit needed as a demonstration of New Zealand’s solidarity with its European partners to impress the Soviet Union into

67 Wilson, *New Zealand and the Soviet Union, 1950–1991*, p. 149; McMillan, *Neither Confirm nor Deny*, p. 151.

68 Gareth Evans, ‘The Labor Tradition: The View from the 1990s’, in Lee and Water, *Evatt to Evans*, p. 16.

69 On the intraparty deal, see Bassett, *Working with David*, pp. 118–20 and Bassett, ‘The Collapse of New Zealand’s Military Ties with the United States’, [http://www.michaelbassett.co.nz/article\\_fulbright.htm](http://www.michaelbassett.co.nz/article_fulbright.htm).

70 Ian McGibbon, ‘The Greatest Gift: New Zealand’s Alliance with the United States’, *American Diplomacy*, July 2009, [www.unc.edu/depts/diplomat/item/2009/0709/comm/mcgibbon\\_newzealand.html](http://www.unc.edu/depts/diplomat/item/2009/0709/comm/mcgibbon_newzealand.html).

resuming the Geneva arms control talks, which Moscow had broken off in protest against the Euromissile deployments, but Gorbachev had then re-started.<sup>71</sup>

As the standoff continued, Washington saw the need to punish New Zealand by imposing sanctions, such as ending intelligence cooperation and joint military exercises. Cancelling the Sea Eagle naval exercise on the pretext that New Zealand forces would not be present, however, was self-defeating in penalizing also Australia and Singapore, both of which wanted to take part. Neither did the US cancellation of further ANZUS Council meetings encourage Australia in its efforts to save the alliance by urging New Zealand to compromise.<sup>72</sup>

Hawke was blunt in warning Lange that 'we cannot accept as permanent arrangement that the ANZUS alliance has a different meaning and entails different obligations for different members'. At the same time, however, Hayden and defense minister Kim Beazley cast doubt on the value of the security 'guarantee' provided by the treaty, which they justly perceived as being less meaningful than the partners' 'day-to-day cooperation'.<sup>73</sup> A break-up could have been avoided had it not been for the intrusion of the *Rainbow Warrior* incident, which made it all but inconceivable for New Zealand to compromise on its anti-nuclear stance.

In July 1985, French secret service agents were caught red handed after blowing up a ship in Auckland harbor, the crew of which were protesters against France's impending nuclear test. The incident resulted in loss of life and the twisting of Lange's arm by fellow socialist President François Mitterrand to let the culprits go free.<sup>74</sup> It catalyzed the conclusion a month later of the Treaty of Rarotonga on the creation of the South Pacific nuclear-free zone, which had been advocated by both Canberra and Wellington, but otherwise the effect drew even sharper lines between New Zealand's nuclear puritans and their fundamentalist critics in Washington.<sup>75</sup>

New Zealand's introduction in December of that year of a bill to enshrine its anti-nuclear policy in a law was hardly necessary to keep the policy, which has since been a staple regardless of governments' comings and goings.<sup>76</sup> In 1986, the pending bill played into the hands of hardliners in the Reagan administration, who had been calling for the wayward ally's exemplary punishment. It became the straw that broke the American back, and with it the integrity of a trilateral ANZUS.

71 Paul Wolfowitz, *ANZUS Vital to Asian Stability* (Wellington: United States Information Service, 1984); George Shultz, *On Alliance Responsibility* (Washington: Department of State, 1985).

72 Hensley, *Friendly Fire*, pp. 134–35, 141, 172–73.

73 'Hawke to Lange', 10 January, 1985, in McMillan, *Neither Confirm nor Deny*, p. 120; Geoff Kitney, 'Ministerial Moves to Cool the ANZUS Debate', *National Times*, 8–14 March, 1985; Burnett, *The ANZUS Triangle*, p. 91.

74 Michael King, *Death of the Rainbow Warrior* (Auckland: Penguin, 1986).

75 Michael Hamel-Green, 'Antinuclear Campaigning and the South Pacific Nuclear-Free Zone (Rarotonga) Treaty, 1960–85', in Phillip Deery and Julie Kimber, eds., *Proceedings of the 14th Biennial Labor History Conference* (Melbourne: Australian Society for the Study of Labour History, 2015), pp. 51–62.

76 Robert E. White, *Nuclear Free New Zealand: 1987—From Policy to Legislation* (Auckland: University of Auckland Centre for Peace Studies, 1998).

The showdown over what was necessary to deter the Soviet threat was approaching just as the threat was about to vanish. In March 1986, Shultz shocked Lange by telling him that their countries were parting as ‘friends but no longer allies’, adding—according to the New Zealand though not the American record—that the practice of putting nuclear weapons on visiting warships would continue.<sup>77</sup> In April, the Chernobyl disaster shocked Gorbachev, prompting him to reverse in May the Soviet Union’s long-standing offensive strategy and start reducing unilaterally its conventional forces. While preparing to meet Reagan, a fellow nuclear abolitionist, at their Reykjavik summit the Soviet leader proved that his commitment to ending the arms race was serious.

There is no evidence of Reagan’s involvement in the final decision unilaterally to suspend its security obligations to New Zealand—an act lacking legal foundation in the 1951 treaty.<sup>78</sup> It took place at the August 11 rump meeting of ANZUS in San Francisco, to which New Zealand had not been invited. In retrospect, Shultz may have come to regret the decision, as the voluminous memoirs of his distinguished service as Secretary of State make no mention of New Zealand.<sup>79</sup>

In a thoughtful obituary of the alliance, New Zealand academic Steve Hoadley concluded that ‘the age of grand treaties has waned . . . , formal commitments are inflexible and archaic, [as] adequate informal instruments exist to accomplish the end of functional cooperation and defense assistance’.<sup>80</sup> This was in fact what happened after an exchange of letters between Shultz and Hayden, which kept intact the US-Australian leg of the triangle while replacing the ANZUS Council with the bilateral AUSMIN. At the same time, Australia earned New Zealand’s gratitude for assuming some of the security arrangements the United States had suspended. In 1991, they were expanded and formalized in the CDR agreement on closer defense relations, built upon the previous CERTA agreement on economic relations.<sup>81</sup>

There were complaints in Canberra that ‘the full burden of managing the relationship with the United States’ had been ‘thrust upon Australia’.<sup>82</sup> Critics also wondered whether the country had been upgraded to an ally but not a friend, citing damage to its trade due to subsidies enacted by US Congress for the export of American grain to the Soviet Union.<sup>83</sup> But Beazley had no doubt that Australia came out better off. It ‘no longer needs to make a choice’, he said, ‘between self-reliance on the one hand and our network of alliances and regional associations on the other. We have the capacity—and indeed the requirement—to do both’.<sup>84</sup> With regard to New Zealand, its former defense minister Wayne Mapp later

77 Hensley, *Friendly Fire*, pp. 266–67.

78 Malcolm Templeton, *Defense and Security: What New Zealand Needs* (Wellington: Victoria University Press, 1986), p. 5.

79 George P. Shultz, *Turmoil and Triumph: My Years as Secretary of State* (New York: Macmillan, 1993).

80 Steve Hoadley, ‘New Zealand’s National Interests, Defense Capabilities and ANZUS’, in Jacob Bercovitch, ed., *ANZUS in Crisis: Alliance Management in International Affairs* (London: Macmillan, 1988), p. 208.

81 Pugh, *The ANZUS Crisis*, p. 135; Peter Jennings, ‘Achieving Closer Defense Relations with New Zealand’, in Hall, *Australia-New Zealand*.

82 Burnett, *The ANZUS Triangle*, pp. xvi–xvii.

83 McMillan, *Neither Confirm Nor Deny*, p. 151.

84 ‘Beazley on 23 February 1988’, in Pitty, ‘Strategic Engagement’, p. 56.

concluded in retrospect that its departure from the alliance may ‘paradoxically’ have improved its strategic position in the longer term.<sup>85</sup>

The break-up of ANZUS without significant security consequences proved Hoadley right in predicting the diminishing relevance of formal alliances. But the episode reflected not so much changing international environment as the vagaries of domestic politics. The outcome of the dispute was not predetermined but contingent—as also was the Cold War’s peaceful termination—on the personalities of politicians, besides the inevitable intrusion of unpredictable events. In this respect, the future could hardly be any different.

### Australia as a Middle Power

The 1986 Dibb report, which the Australian defense department commissioned from its consultant to assess that country’s strategic position in the longer term, perceived no major military threat coming from Asia within the next 10 years. It recommended ‘defensive strategy of denial . . . which would not threaten regional powers unless they threatened us’, meaning particularly Indonesia, and advised to end the FPDA as a commitment that ‘reflects the concerns of a previous era’. Dibb found ANZUS valuable mainly as a source of military supplies and intelligence for possible independent missions in the region.<sup>86</sup>

*The Defense of Australia 1987*, the first White Paper since the bi-lateralization of ANZUS, followed the Dibb Report in reaffirming self-reliance, but rejected as isolationist its distinction between an immediate area of ‘direct military’ interests and a wider area of ‘primary strategic’ interests. In the paper, both merged in a single ‘strategic region’, extending as far as Southeast Asia and covering almost 25% of Earth’s surface. The FPDA deployments were preserved, but the main concern was the security of the immediate neighborhood.<sup>87</sup> So was it also in the New Zealand White Paper, linked conceptually with the Australian one, though otherwise ‘notable not so much for its changes as for its continuities’.<sup>88</sup>

In 1987, Hayden met with Lange to discuss what they saw as ‘the first real threat’ to the neighborhood since World War II—the emergence there of failing island states increasingly vulnerable to exploitation by predatory outsiders. The Soviet Union was still fishing in the troubled waters, ostensibly in search of fisheries agreements, but the real threat seemed to be emanating—of all places—from Tripoli, where Muammar Quaddafi had hosted a ‘Pacific Peace Forum’ in preparation for establishing a Libyan mission in Vanuatu. That threat soon dissipated, but two military coups in Fiji in the same year, which prompted Lange to call for a military intervention, presaged further instability.<sup>89</sup>

- 85 Wayne Mapp, *The New Zealand Paradox: Adjusting to the Change in Balance of Power in the Asia-Pacific over the Next 20 Years* (Lanham: Rowman & Littlefield, 2014).
- 86 *Review of Australia’s Defense Capabilities: Report to the Minister for Defense by Mr Paul Dibb* (Canberra: Australian Government Publishing Service, 1986), pp. 48, 52.
- 87 *The Defense of Australia 1987* (Canberra: Australian Government Publishing Service, 1987), pp. vii–viii; Pitty, ‘Strategic Engagement’, p. 55.
- 88 *Defense of New Zealand: Review of Defense Policy* (Wellington: Government Printer, 1987); McGibbon, ‘New Zealand’s Defense Policy from Vietnam to the Gulf’, p. 127.
- 89 McKinnon, *Independence and Foreign Policy*, pp. 260–61. Pugh, *The ANZUS Crisis*, pp. 160–61; Roderic Alley, ‘Fiji’s Coups of 1987 and 2000: A Comparison’, *Revue Juridique Polynésienne*, No. 1 (2001), pp. 217–34.

In January 1989, after the Cold War had ended but while its outcome was still uncertain, the Australian government was the first to act in anticipation of such outcome. On a visit to Seoul, Hawke proposed what has since become the region's most productive multi-lateral structure—the 'Asia-Pacific Economic Cooperation' (APEC) forum that would discuss matters of common interest, including those relevant to security. He did not originally envisage inviting the United States, but once Japan endorsed the proposal, Tokyo insisted on American participation to make clear that the project was to supplement rather than substitute the existing military alliances. The problem of securing the participation of the ASEAN countries through reassurances that the forum would be a talking shop rather than an institution had been resolved by the time of APEC's inaugural meeting in Canberra in November, three days before the fall of the Berlin Wall.<sup>90</sup>

The document on *Australia's Regional Security*, which Gareth Evans, Hayden's successor, presented to parliament a month later was the first attempt by any government to outline a security policy suitable for the post-Cold War era.<sup>91</sup> Although Evans had erred in assuming that 'for the rest of this century we can expect the US-USSR bipolar relationship to remain the core of the strategic balance', he was right that no 'central strategic balance will ... dominate and determine the agenda of international relations as it has in the past'.<sup>92</sup> Accordingly, the document cautioned that 'it would not be wise to assume that the United States would continue to maintain its present level of security activity' in the region. It called for a 'multidimensional' security policy extending 'beyond strictly military capabilities, essential though these are'.

Defining policy in terms of influence rather than of power, Evans envisaged Australia's role as a regional leader due to its attributes as a middle power—not only its size and location but also its commitment to what he termed 'good international citizenship'.<sup>93</sup> This implied the recognition of global interdependence, human rights as universal values, and the pursuit of 'cooperative security' toward the achievement of 'common' and 'comprehensive' international security. In trying to clarify, Evans defined cooperative security as an approach that 'emphasizes reassurance rather than deterrence; is inclusive rather than exclusive; ... favours multilateralism over unilateralism or bilateralism; does not require the creation of formal security institutions, but does not reject them either', stressing above all 'the value of creating "habits of dialogue" on a multilateral basis'.

Although such approach was closer to the 'ASEAN way' than to the way security was approached in Europe, Australia promoted a regional version of the Conference on Security Cooperation in Europe (CSCE) in the hope that even though institutional forms could not be 'translated half a world away ... the relevant habits of mind'

90 Tatsushi Ogita, *The Origins of Contrasting Views on APEC* (Tokyo: Institute of Developing Economies, 1997), pp. 10–13; John Edwards, *Keating: The Inside Story* (Sydney: Viking, 1996), pp. 524–25; John Ravenhill, 'Mission Creep or Mission Impossible?' in Evelyn Goh and Amitav Acharya, eds., *Reassessing Security Cooperation in the Asia-Pacific: Competition, Congruence, and Transformation* (Cambridge: MIT Press, 2007), p. 138.

91 'Australia's Regional Security', 6 December, 1989, [http://www.gevans.org/speeches/old/1989/061289\\_fm\\_regionalsecurity.pdf](http://www.gevans.org/speeches/old/1989/061289_fm_regionalsecurity.pdf).

92 'Australian Foreign Policy: Priorities in a Changing World', 27 April, 1989, [http://www.gevans.org/speeches/old/1989/270489\\_fm\\_prioritiesinachanging.pdf](http://www.gevans.org/speeches/old/1989/270489_fm_prioritiesinachanging.pdf).

93 'Foreign Policy and Good International Citizenship', 6 March, 1990, [http://www.gevans.org/speeches/old/1990/060390\\_fm\\_fpandgoodinternationalcitizen.pdf](http://www.gevans.org/speeches/old/1990/060390_fm_fpandgoodinternationalcitizen.pdf).

might.<sup>94</sup> In Europe, however, the appeal of the CSCE as a security design was waning, whereas in the Asia-Pacific region the United States opposed it. Secretary of State James A. Baker envisioned a 'stronger multilateral component' in US policy but meant 'ad hoc multilateralism', subordinate to the hub-and-spoke system.<sup>95</sup>

In May 1991, Hawke closed the opening 'gap between American and Australian policies' when he famously declared that 'instead of seeking security from Asia, we should seek security in and with Asia' and 'think of ourselves as part of an Asian security system'. He explained that being part of a system that was changing did not require an organization, although there was scope for informal 'multilateral security dialogue'. Having thus reassured the United States that its 'continued strategic engagement' in the region remained indispensable, he enabled Evans to advance dialogue with ASEAN.<sup>96</sup>

ASEAN's first summit after the demise of the Soviet Union added security issues to the agenda of its post-ministerial conferences, thus vindicating Canberra's incremental approach, which met with Washington's approval as well. In 1993, Australia succeeded in having coaxed ASEAN members to establish the ASEAN Regional Forum (ARF)—a 'useful talk shop' for discussing security matters beyond APEC.<sup>97</sup> Later that year, Hawke's successor Paul Keating persuaded President Bill Clinton to host APEC's summit in Seattle, hoping to gain his support for a 'new Pacific community', in which America's bilateral alliances would be supplemented by 'new mechanisms to manage or prevent emerging regional problems', but did not succeed.<sup>98</sup>

Keating was more successful in his opening to Indonesia—in his view the country most important for Australian security. The secretly negotiated 'Agreement on Maintaining Security', justified as being aimed at cooperation in security rather than defense matters, provided for consultation in case of a threat to either party and for separate or joint countermeasures, in a language similar to that of the ANZUS treaty. The first such agreement Australia had concluded with an Asian country and Indonesia with any country, it was generally well received, including by the United States, but was bound to unravel as the Suharto regime was approaching its end.<sup>99</sup>

- 94 Gareth Evans, 'The Asia-Pacific and Global Change', in *Tokyo 1991: The Annual Meeting of the Trilateral Commission* (New York: Trilateral Commission, 1991), p. 16; Patrick Uhe, *Eine KSZE für Asien? Die Genese einer Idee und aktuelle Ausformungen sicherheitspolitischer Zusammenarbeit in einer konfliktreichen Region* (Münster: Lit, 1996).
- 95 John S. Duffield, 'Why is There No APTO? Why is There No OSCAP?: Asia-Pacific Security Institutions in Comparative Perspective', *Contemporary Security Policy*, Vol. 22, No. 2 (2001), pp. 69–95; James A. Baker, 'America in Asia: Emerging Architecture for a Pacific Community', *Foreign Affairs*, Vol. 70, No. 5 (1991–1992), pp. 1–18.
- 96 Pitty, 'Strategic Engagement', p. 65; 'Speech by Hawke', 24 May, 1991, <http://pmtranscripts.dpmc.gov.au/browse.php?did=8300>.
- 97 Smith, 'Regional Security', pp. 4–5; Pitty, 'Strategic Engagement', pp. 66–70.
- 98 Joseph A. Camilleri, 'The Asia-Pacific in the Post-Hegemonic World', in Andrew Mack and John Ravenhill, eds., *Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific Region* (Boulder: Westview Press, 1995), p. 206.
- 99 Paul Keating, *Engagement: Australia Faces the Asia-Pacific* (Sydney: Macmillan, 2000), pp. 32, 136; Pitty, 'Strategic Engagement', pp. 74–77; Rizal Sukma, 'Indonesia and Regional Security: The Quest for Cooperative Security', in See Seng Tan and Amitav Acharya, eds., *Asia Pacific Security Cooperation: National Interests and Regional Order* (New York: Sharpe, 2004), p. 77.

Critics saw the Labor governments' 'presumptive engagement' with Asia as incoherent, lacking clear goals and demonstrable benefits for national security.<sup>100</sup> Yet it was consistent with Australia becoming in the long term both economically and ethnically 'an Eurasian country'—a transformation 'desirable', according to Hayden, also for a better understanding of 'Asian perspectives on security, which may be very different from our own'.<sup>101</sup> After John Howard's Liberal government took over in 1996—as usual, for domestic rather than foreign policy reasons—it turned toward closer cooperation with Washington, but followed its Labor predecessors in cultivating ties with Asia, albeit more through bilateral cooperation with individual countries.

Australia sought to adapt the US alliance to post-Cold War conditions by making it dependent not on any specific threat but on common interests and aspirations. Celebrating the 45th anniversary of ANZUS, the Sydney statement on strategic partnership marked a high point of cooperation, presumably one not limited to defense but also contributing to regional and global security.<sup>102</sup> Alexander Downer, who became Australia's longest serving foreign minister, wanted it to perform internationally as 'much more than a middle power'—a concept he considered self-limiting.<sup>103</sup>

The government praised the US alliance as 'an asset both redefined and strengthened by the end of the Cold War'.<sup>104</sup> Yet the 1997 official review of *Australia's Strategic Policy*, conducted under the shadow of ongoing confrontation in the Taiwan Strait, described an uncertain security environment in Cold War terms, with warning times getting shorter and the American connection indispensable to thwarting calculations of the potential aggressor. Urging military preparedness, the review called for moving from continental defense to forward response—just as the 1998 fall of Suharto and the ensuing East Timor crisis made such response timely.<sup>105</sup> The crisis tested the value not only of the security agreement with Indonesia but also the military ties with the United States.

Australia was not ready to act, and its criticism of Indonesian atrocities in the territory prompted Sukarno's successors to abrogate the security agreement. But in the end, the Australian-led military intervention, which secured East Timor's independence without causing irreparable damage to Canberra's relations with Jakarta, was a model of successful peace-making. Authorized by the UN and supported by four ASEAN Member States, the

100 Desmond Ball and Pauline Kerr, *Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s* (Sydney: Allen & Unwin, 1996), pp. 18–19. Pauline Kerr, *Labor's Security Policy, 1983–1996: Towards a Liberal-Realist Explanation?* (Canberra: Australian National University, 1998).

101 'For Australia, a "Eurasian" Role', *Asiaweek*, 19 August, 1983, p. 7; Pitty, 'Strategic Engagement', p. 51.

102 'Australia-United States: A Strategic Partnership for the Twenty-First Century', 27 July, 1996, [http://www.dfat.gov.au/geo/us/ausmin/sydney\\_statement.html](http://www.dfat.gov.au/geo/us/ausmin/sydney_statement.html).

103 'Australia Much More than a Middle Power', speech on 8 February, 2006, in Carl Ungerer, 'The "Middle Power" Concept in Australian Foreign Policy', *Australian Journal of Politics and History*, Vol. 53, No. 4 (2007), p. 549.

104 *In the National Interest: Australia's Foreign and Trade Policy White Paper* (Canberra: Department of Foreign Affairs and Trade, 1997), p. 58.

105 *Australia's Strategic Policy* (Canberra: Department of Defense, 1997), pp. 37–52.

operation, which included New Zealand troops, confirmed Australia's middle power credentials. The United States had contributed the necessary intelligence and logistical assistance, but disappointed some Australians by not providing more.<sup>106</sup>

The 50th anniversary of ANZUS in 2001 was an occasion for reassessment. In a reversed division along party lines, the former conservative Prime Minister Fraser turned-radical urged ending the alliance, whereas Labor's upcoming leader Kevin Rudd pronounced it indispensable.<sup>107</sup> Parliamentary experts found in it seven pluses and five minuses, but none serious enough to follow Fraser's advice. Among the pluses, Australia's ability as an American ally 'to project its influence further and wider . . . than its size would otherwise warrant' became a mixed blessing.<sup>108</sup>

Howard happened to be in Washington when the 9/11 terrorist attacks confirmed the premonition, expressed in his government's White Paper, that 'we cannot easily predict when or where Australia might need to use its armed forces'.<sup>109</sup> Australia invoked the mutual help provision of the ANZUS treaty, as America's European allies did that of the NATO treaty, and sent Special Forces as well naval support to join the United States in both Afghanistan and Iraq. Sensitive to public criticism, however, the government kept the Iraq deployments smaller than those in East Timor.<sup>110</sup> Since Australian citizens had suffered a terrorist attack in the 2002 Bali bombing, however, Canberra complimented the War on Terror in perceiving it as 'the guardian of . . . law and order' in its immediate neighborhood, so earning the not quite deserved sobriquet of 'America's deputy sheriff'.<sup>111</sup>

ANZUS as a 'reinvented relationship' allowed Australia to pursue its regional security interests more effectively on its own.<sup>112</sup> After initial reluctance, Howard's government acceded in 2005 to ASEAN's Treaty of Amity and Cooperation (TAC), thus allowing Australia to be admitted to the inaugural meeting of the East Asia Summit (EAS)—potentially more important a forum than APEC—as the only non-Asian nation besides

106 For a critical account, see David Connery, *Crisis Policymaking: Australia and the East Timor Crisis of 1999* (Canberra: Australian National University Press, 2010).

107 'Fraser Urges Cut in Defense Ties with US', *The Australian*, 21 May, 2001; Kevin Rudd, 'ANZUS and the 21st Century', *Australian Journal of International Affairs*, Vol. 55, No. 2 (2001), pp. 301–15.

108 Gary Brown and Laura Rayner, 'Upside, Downside: ANZUS: After Fifty Years', *Current Issues Brief*, 28 August, 2001, [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/Publications\\_Archive/CIB/cib0102/02CIB03](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/CIB/cib0102/02CIB03).

109 *Defense 2000: Our Future Defense Force* (Canberra: Department of Defense, 2000), p. 6; Graeme Cheeseman, 'The Howard Government's Defense White Paper: Policy, Process and Politics', *The Drawing Board*, Vol. 2, No. 1 (2001), pp. 11–26.

110 Joseph M. Siracusa, 'John Howard, Australia, and the Coalition of the Willing', *Yale Journal of International Affairs*, Vol. 1, No. 2 (2006), pp. 39–49.

111 John Henderson, 'Small Islands with Large Consequences: The Regional Security Ramifications of Oceania's Internal Conflicts', in Brian L. Job, ed., *Security through Cooperation: Furthering Asia-Pacific Multilateral Engagement* (Vancouver: Council for Security Cooperation in Asia-Pacific, 2007), p. 63; Philip Bowring, 'Australia: Deputy Sheriff Down Under', *New York Times*, 18 July, 2003.

112 Rod Lyon and William T. Tow, *The Future of the Australian-US Security Relationship* (Carlisle Barracks: US Army War College, 2003), p. 34.



New Zealand.<sup>113</sup> In the end, his government had brought relations with ASEAN to a higher level than either Hawke's or Keating's.

Howard regarded the US alliance and engagement with Asia as not mutually exclusive but reinforcing. 'The idea that Australia cannot be part of an Asian grouping because of its alliance with the United States is false', acknowledged Singapore's Senior Minister Goh Chok Tong. 'Its political and cultural values are Western but the society has a rich Asian mix. . . . Australia is therefore well placed to serve as another nexus between the West and Asia.'<sup>114</sup> Not every ASEAN leader, to be sure, agreed.

Since the Cold War, Australia nevertheless performed as a middle power in the sense of being able to make an impact on the international system, particularly through its contribution to the growth of Asian multilateralism centered on ASEAN.<sup>115</sup> It tended to engage itself more deeply when the United States was inclined to disengage from the region, but when Washington was ready to take a more active role there, so also was Canberra. The difference in the policies of the Labor and Liberal governments was more in degree than in substance. The greater contrast has been with New Zealand, not only due to its size but also the course it took after its exclusion from ANZUS.

### New Zealand's 'Incredible' Security

New Zealand's exclusion from ANZUS coincided with its economic reform, which in the short term led to disaster, although eventually the country would turn 'from being one of the most centrally controlled economies in the free world—functioning about as well as the Soviet economy—into . . . an incredible success'.<sup>116</sup> At the time, however, New Zealand's economic malaise helped nourish Australian belief that the country was 'not a partner with relevant capabilities and not a partner to be trusted'.<sup>117</sup>

In March 1990, foreign minister Mike Moore's premature attempt to mend fences with Washington, poorly timed when its attention was fixed on Europe, failed. Neither did he succeed later that year during his brief premiership in his attempt to overcome the Old Left's resistance to joining the US-led coalition in the Gulf War.<sup>118</sup> Once the National Party

113 Avery Poole, 'The East Asia Summit: Navigating ASEAN Multilateralism', in Sally Percival Wood and Baogang He, eds., *The Australia–ASEAN Dialogue: Tracing Forty Years of Partnership* (New York: Palgrave Macmillan, 2014), pp. 49–64.

114 'Australia in the World', speech by Howard on 31 March, 2005, [http://www.lowyinstitute.org/files/pubfiles/Howard%2C\\_Lowy\\_Institute\\_Speech.pdf](http://www.lowyinstitute.org/files/pubfiles/Howard%2C_Lowy_Institute_Speech.pdf); Goh Chok Tong, 'Beyond History and Geography: Australia in Asia', speech on 16 September, 2005, <http://www.nas.gov.sg/archivesonline/speeches/view-html?filename=20050916993.htm>.

115 Andrew Carr, 'Is Australia a Middle Power? A Systemic Impact Approach', *Australian Journal of International Affairs*, Vol. 68, No. 1 (2014), pp. 70–84; Brendan Taylor, ed., *Australia as an Asia-Pacific Regional Power: Friendships in Flux?* (New York: Routledge, 2007).

116 US Ambassador Paul Cleveland, oral history interview, 20 October, 1996, p. 121, [www.adst.org/OH%20TOCs/CLEVELAND%20Paul.toc.pdf](http://www.adst.org/OH%20TOCs/CLEVELAND%20Paul.toc.pdf).

117 Jim Rolfe, *Australia and New Zealand: Towards a More Effective Defense Relationship* (Canberra: Australian National University, 1995), p. 18.

118 Richard W. Teare, 'After ANZUS: A Complex Trilateral Relationship', in Bob Catley, ed., *New Zealand–Australia Relations: Moving Together or Drifting Apart?* (Wellington: Dark

returned to power at the end of 1990, New Zealand did join the coalition. The new government also wanted, as did most of the people, to rejoin ANZUS while retaining the anti-nuclear law. By then, President George H.W. Bush had already decided that carrying nuclear weapons on surface warships was not necessary after all, and had them removed. But if public opinion gave Wellington no incentive to compromise on the issue, neither did Washington have any. 'The whole thing had degenerated into an argument over pride', as American diplomat Keith P. McCormick put it, 'over which side would acknowledge first that we didn't really need to keep on feuding'.<sup>119</sup>

New Zealand's 1991 White Paper was about ANZAC rather than ANZUS. In conformity with the CDR agreement on closer defense relations, it reaffirmed that New Zealand and Australia represented a single strategic entity.<sup>120</sup> But rather than focusing on defense of the homeland, the perspective was 'omnidirectional'. 'Our thinking had to start from indirect strategy', explained Secretary of Defense Gerald Hensley, 'the defense of our interests abroad', meaning beyond those of Australia.<sup>121</sup> Canberra concurred in recognizing that the defense relations 'cannot be allowed to become so close as to make it difficult for either party to distance itself from the other when necessary'.<sup>122</sup>

The recognition allowed the two parties better to complement each other when necessary, as they later did in finding a solution to the East Timor crisis, in which New Zealand's role was such as to dispel any Australian doubts about its relevance as an ally. Acting on the sidelines of an APEC summit in Auckland that happened to coincide with the mounting crisis, the host government convened a special meeting that allowed Clinton and other leaders to prevail on Indonesia to acquiesce in Australian intervention.<sup>123</sup> The deployment of New Zealand troops in the operation was the largest abroad since the Korean War.

The rise to power in 1999 of Helen Clark's left-leaning coalition again projected the image of New Zealand as a maverick. Citing an 'incredibly benign security environment', she questioned the concept of single strategic entity, and proceeded to reduce the size of the navy's frigate force while phasing out the combat air force.<sup>124</sup> 'Australians can stop

Horse, 2002), p. 162; Antony J. Cudworth, *Crisis and Decision—New Zealand and the Persian Gulf War, 1990/1991: An Analysis of the Decision by New Zealand to Contribute Military Forces to the Multi-national Force*, M.A. thesis, University of Canterbury, 2002, [http://ir.canterbury.ac.nz/bitstream/10092/6666/1/cudworth\\_thesis.pdf](http://ir.canterbury.ac.nz/bitstream/10092/6666/1/cudworth_thesis.pdf).

119 Interview, 20 July, 2000, <http://www.adst.org/OH%20TOCs/McCormick%20Keith%20P.toc.pdf>.

120 *The Defense of New Zealand 1991: A Policy Paper* (Wellington: Ministry of Defense, 1991).

121 Gerald Hensley, *The Development of the 1991 Defense White Paper: Address to the Military Studies Centre*, 23 June, 1992, pp. 5–6.

122 Brown, *Australia-New Zealand Closer Defense Relations*; John Henderson, 'New Zealand and the Foreign Policy of Small States', in Richard Kennaway and John Henderson, eds., *Beyond New Zealand II: Foreign Policy into the 1990s* (Auckland: Longman Paul, 1991).

123 Greg Sheridan, 'Australia's Pragmatic Approach to Asian Regionalism', in Michael J. Green and Bates Gill, eds., *Asia's New Multilateralism: Cooperation, Competition, and the Search for Community* (New York: Columbia University Press, 2009), pp. 165–66.

124 Colin James, 'Three-step with Matilda: Trans-Tasman Relations', in Roderic Alley, ed., *New Zealand in World Affairs, 1990–2005*, vol. 4 (Wellington: Victoria University Press, 2007), p. 33; *A Modern, Sustainable Defense Force Matched to New Zealand's Needs* (Wellington: Ministry of Defense, 2001).

worrying about New Zealand getting a free ride', commented Howard's chief security adviser Hugh White. 'The fact is that most New Zealanders do not even want to be on our bus.'<sup>125</sup>

What New Zealanders rather wanted was to do fewer things but better, such as using their special assets as bi-cultural nation in dealing with new security threats in the nearby 'arc of instability'. In 2000, New Zealand's *Government Defense Policy Framework* and the Australian *Defense White Paper* agreed on assuming joint security commitments in the area. After the Pacific Islands Forum's Biketawa Declaration made strife in any Member State a matter of common responsibility, they joined in conducting peacekeeping and stabilization operations in the Solomon Islands, Nauru, and Tonga, though each in its own way.<sup>126</sup> Australia, 'long a friendly competitor, became more so', as it preferred a more heavy-handed approach, relying on the army rather than the police, than did New Zealand, being more sensitive to threats of non-military nature.<sup>127</sup>

The intrusion of international terrorism after the September 2001 attacks challenged the credibility of Clark's notion of a benign security environment. New Zealand, though no longer bound by the ANZUS treaty, showed solidarity with the United States by contributing special forces to the coalition of the willing in Afghanistan. It was not willing to do so in Iraq, where it only sent non-combat units on a brief assignment. While Canberra continued to endorse the Bush administration's unilateralism and reliance on force, Wellington became a leading champion of free trade agreements (FTA).

New Zealand was the original founder of the Trans-Pacific Partnership (TPP), launched in 2002 on the sidelines of the APEC summit in Los Cabos in cooperation with Singapore and Chile. Clark conceived it as 'a bridge between Latin America, the Pacific and Asia' and a step toward an FTA with the United States.<sup>128</sup> The project assumed strategic significance once Australia and additional states on both sides of the Pacific, from Vietnam to Peru, began to join, even while Washington stayed away. When the United States concluded an FTA with Australia in 2004, New Zealand was left out, but bilateral trade agreements continued to proliferate throughout the region.

There had been talk in New Zealand about re-joining ANZUS, but after having restructured its military, the country realigned itself with its former alliance partners on its own terms. The CDR was upgraded to maximize interoperability with Australia for regional missions, such as another joint mission in East Timor in 2006.<sup>129</sup> For New Zealand, it

125 Hugh White, 'Living Without Illusions: Where Our Defense Relationship Goes From Here', in Catley, *New Zealand-Australia Relations*, p. 138.

126 *The Government's Defense Policy Framework* (Wellington: Ministry of Defense, 2000), <http://www.forumsec.org/resources/uploads/attachments/documents/BIKETAWA%20Declaration.pdf>.

127 John Henderson, 'New Zealand and Oceania', in Alley, *New Zealand in World Affairs*, vol. 4, p. 248.

128 'Trade Talks Launched with Chile and Singapore', press release on 28 October, 2002, <http://www.scoop.co.nz/stories/PA0210/S00546/trade-talks-launched-with-chile-and-singapore.htm>; 'Clark Signs Three-Way Free Trade Plan', *New Zealand Herald*, 28 October, 2002.

129 Gerald Hensley, 'Will New Zealand Ever Rejoin ANZUS?', *Policy Quarterly*, Vol. 19, No. 3 (2003), pp. 33–36; Gavin Keating, *Opportunities and Obstacles: Future Australian and New Zealand Cooperation on Defense and Security Issues* (Canberra: Strategic and Defense Studies Centre, Australian National University, 2004).

'made perfect sense', conceded White, 'to concentrate on the key niches in which it can make the best contribution, the niches being not only regional but also global'.<sup>130</sup>

On the regional scale, New Zealand moved closer to ASEAN, having signed up to the TAC before Australia, which first had to clear the treaty's compatibility with ANZUS. On a wider scale, New Zealand took an active role in the NPT review process, and once this stalled, it joined the US Proliferation Security Initiative to help prevent illicit movement of weapons of mass destruction.<sup>131</sup> In matters of environmental security and sustainable development, the country has been recognized as a world leader.

In 2006, Washington signaled that 'rather than trying to change each other's minds on the nuclear issue, which is a bit of a relic, ... we should focus on things we can work on'.<sup>132</sup> A non-governmental and non-partisan US–New Zealand Partnership Forum opened that year in Washington, in time for the incoming Barack Obama administration and John Key's National government to bury the relic. In 2010, the president did so by inviting New Zealand to the Washington nuclear summit as the only non-nuclear country, which 'well and truly earned a place at the table'.<sup>133</sup> Soon afterward, he adopted the TPP as potentially the most promising part of US strategy of rebalancing to Asia.

The 2010 Wellington Declaration, signed during Secretary of State Hilary Clinton's visit, certified New Zealand as a 'valued security partner'. The two governments pledged to address 'trade, security and development issues through APEC, the East Asia Summit, the United Nations, and other regional and multilateral institutions'.<sup>134</sup> Attesting to New Zealand's growing global reach, Clark in a neat division of labor with Key had meanwhile embarked on a new career as administrator of the UN Development Program, the world organization's third most important post, having been elected to it with the rare unanimity of 192 Member States.

The Key government's 2010 *Defense White Paper* continued to prioritize non-military security, but tried to specify circumstance in which it would resort to the use of force, particularly 'if requested or mandated by the UN'. As three out of the nation's main security interests, it singled out 'a rules-based international order which respects national sovereignty', 'a network of strong international linkages', and 'a sound global economy underpinned by open trade routes'. It named Australia 'our principal defense and security partner' and the United States a 'close security partner', even while expecting that its 'technological and military edge will diminish as other states seek to catch up'.<sup>135</sup>

130 Hugh White, 'Smart Approach Stretches the Defense Dollar', *Sydney Morning Herald*, 5 May, 2005.

131 Malcolm Templeton, *Standing Upright Here: New Zealand in the Nuclear Age 1945–1990* (Wellington: Victoria University Press, 2007); Robert Ayson, 'New Zealand Defense and Security Policy, 1990–2005', in Alley, *New Zealand in World Affairs*, vol. 4, p. 146.

132 'Interview with Assistant Secretary of State for East Asian and Pacific Affairs Christopher Hill', *Australian Financial Review*, 8 May, 2006.

133 Audrey Young, 'NZ Earned a Place at Nuclear Summit, Obama Tells Key', *New Zealand Herald*, 13 April, 2010.

134 'Wellington Declaration on a New Strategic Partnership Between New Zealand and the United States', 4 November, 2010, <http://www.state.gov/r/pa/prs/ps/2010/11/150401.htm>.

135 *Defense White Paper 2010* (Wellington: Ministry of Defense, 2010), pp. 9, 18, 28; Robert Ayson, 'Force and Statecraft: Strategic Objectives and Relationships in New Zealand's 2010 Defense White Paper', *Security Challenges*, Vol. 7, No. 1 (2011), pp. 11–29.

The resumption in 2012 of ‘practical bilateral defense cooperation’ appeared as *de facto* restoration of ANZUS due to the alliance language used in the declaration by the US and New Zealand defense ministers.<sup>136</sup> But their announcement of the restoration of military ties the following year fell short in both what it included and what it did not. ‘The two “A” words, Alliance and ANZUS, didn’t make an appearance ... (nor) did “A” for Australia’<sup>137</sup>—or ‘C’ for China, most conspicuous in its absence.

New Zealand’s governments regardless of political complexion have been able to satisfy the country’s modest security needs by arrangements with Australia and the United States short of an alliance, while promoting new multilateral alignments to enhance regional and global security in the broader sense. Despite its smaller size, New Zealand has thus complemented Australia as a middle power capable of making impact internationally. Nowhere was their potential more evident than in dealing with the challenge of the rising China.

### Australia, New Zealand, and the Rise of China

The report that the Australian government commissioned in 1989 from former ambassador to Beijing Ross Garnaut welcomed ‘North Asian ascendancy’ as a golden opportunity due to the complementarities of Australian economy with the economies of the region’s rising powers, at that time particularly Japan, but also China and South Korea.<sup>138</sup> Soon afterward, the Tian’anmen incident cast doubt on the opportunity and brought closer the governments in Canberra and Washington. Both were united in their indignation, but also in their readiness to resume business soon—the Keating government ‘with almost missionary zeal’.<sup>139</sup> New Zealand officials and politicians, having lost some of their illusions, focused more on practical issues, such as the expansion of trade, and during the Taiwan Strait crisis, when they criticized the American position, their country’s political relations with China supposedly turned warmer.<sup>140</sup>

Having tried hard to bring China into the regional forums promoted by Australia, APEC and ARF, Canberra was all the more dismayed at Chinese resistance to its own

136 ‘Panetta-Coleman Declaration’, 12 June, 2012, <http://www.usnzcouncil.org/us-nz-issues/washington-declaration/>; Robert Ayson and David Capie, ‘Part of the Pivot? The Washington Declaration and US-NZ Relations’, *Asia Pacific Bulletin*, 17 July, 2012, [http://www.eastwestcenter.org/sites/default/files/private/apb172\\_1.pdf](http://www.eastwestcenter.org/sites/default/files/private/apb172_1.pdf); Bruce Vaughn, *New Zealand: U.S. Security Cooperation and the U.S. Rebalancing to Asia Strategy* (Washington: Congressional Research Service, 2013).

137 ‘Hagel-Coleman Statement’, 28 October, 2013, <http://www.defense.gov/releases/release.aspx?releaseid=16336>; Robert Ayson, ‘New Zealand and the United States: Why Old Mews Is Good News’, *The Strategist*, No. 31 (2013), <http://www.aspistrategist.org.au/author/robert-ayson/>.

138 Ross Garnaut, *Australia and the North East Asian Ascendancy: Report to the Prime Minister and Minister of Foreign Affairs and Trade* (Canberra: Australian Government Publishing Service, 1989).

139 Lachlan Strahan, *Australia’s China: Changing Perceptions from the 1930s to the 1990s* (Cambridge: Cambridge University Press, 1996), p. 315; Edwards, *Keating: The Inside Story*, pp. 524–25.

140 Anne-Marie Brady, ‘New Zealand-China Relations: Common Points and Differences’, *New Zealand Journal of Asian Studies*, Vol. 10, No. 2 (2008), pp. 13–15.

membership in those that Beijing believed should be reserved for Asians, particularly ASEAN+3 and the proposed China-ASEAN Free Trade Area (CAFTA). Despite Chinese opposition, Australia gained admission to the more promising EAS with help from Japan, Singapore, and India.

When the Howard government came to office concurrently with the Taiwan Strait crisis, it found China's rise potentially threatening and the US alliance that much more reassuring. Australia nevertheless kept building up the economic relationship with China, which in 1999 singled it out with New Zealand as the first 'approved destinations' for Chinese tourists. In the years that followed the Asian financial crisis, Canberra maneuvered to allay the perceived Chinese threat without allowing the booming trade between the two countries to suffer.<sup>141</sup> On the sidelines of the 2001 ARF meeting in Hanoi, it initiated the Trilateral Strategic Dialogue (TSD) with the United States and Japan, ostensibly to offset the weakening of APEC and ARF during the crisis, but downplayed the significance of the new triangle lest it disturb China.<sup>142</sup> For several years, Australian-Chinese relations were warming up, in tandem with US-Chinese relations in the aftermath of the 9/11 outbreak of international terrorism.<sup>143</sup>

In doing business with China, ANZUS was for Australia a complication New Zealand did not entail. When Downer went to Beijing in 2004 to negotiate a trade agreement, he stumbled upon being asked whether the alliance would apply in case of Chinese military action against Taiwan. He answered that probably it would not, but Howard corrected him that it would, though not necessarily involving Australia militarily. When in 2005 a Chinese official again raised the ANZUS question, this time with regard to Beijing's recent Taiwan 'Anti-Secession Law', Canberra confirmed that the treaty was valid, but deemphasized its importance as well as that of the Taiwan issue.<sup>144</sup>

Unencumbered by such scenarios, New Zealand had meanwhile continued building its special relationship with Beijing on the 'Three Firsts'. It became the first developed nation to support Chinese membership of the World Trade Organization, the first to recognize China's status as a market economy, and the first to conclude with it an FTA.<sup>145</sup> At the same time, it promoted more assiduously multilateralism and a rules-based international

141 *Australia's Strategic Policy*, pp. 5–6, 14–15; Roy Campbell McDowall, *Howard's Long March: The Strategic Depiction of China in Howard Government Policy, 1996–2006* (Canberra: Australian National University Press, 2011)

142 Purnendra Jain and John Brunei, 'American Acolytes: Tokyo, Canberra and Washington's Emerging "Pacific Axis",' in Williams and Newman, eds., *Japan, Australia and Asia-Pacific Security*, p. 89; Hugh White, 'Trilateralism and Australia: Australia and the Trilateral Security Dialogue with America and Japan', in William Tow et al., eds., *Asia-Pacific Security: US, Australia and Japan and the New Security Triangle* (New York: Routledge, 2008), pp. 107–108.

143 Mohan Malik, 'Australia and China: Divergence and Convergence of Interests', in James Cotton and John Ravenhill, eds., *Australia in World Affairs 1996–2000* (Oxford: Oxford University Press, 2001), pp. 109–29; Zhang Jian, 'Australia and China: Towards a Strategic Partnership?', in James Cotton and John Ravenhill, eds., *Australia in World Affairs 2001–2005* (Oxford: Oxford University Press, 2001), pp. 89–111.

144 Joel Atkinson, *Australia and Taiwan: Bilateral Relations, China, the United States, and the South Pacific* (Leiden: Nijhoff, 2013), pp. 81–92.

145 James Kember and Paul Clark, eds., *China and New Zealand: A Thriving Relationship Thirty Years On* (Auckland: New Zealand Asia Institute, 2003).

system. 'In the world we are constructing', Clark emphasized in allusion to both China and the United States, 'we want to know [that the system] will work whoever is the biggest and the most powerful'.<sup>146</sup>

In 2005, Australia and the United States reaffirmed ANZUS in hopes of the 'emergence of an open and prosperous China that is committed to upholding regional and global security and acts as a responsible stakeholder in the rules-based international order'.<sup>147</sup> The upgrading four months later of the Trilateral Strategic Dialogue to the level of foreign ministers was to foster the growth of such order by 'pressing non-traditional security issues' rather than the traditional military ones.<sup>148</sup> Defense relations with the United States nevertheless came under scrutiny in an Australian parliamentary inquiry, spurred by worries about the 'real risk' of being entrapped by the proclaimed US strategy of pre-emption.

The risk subsided during Bush's second term in office, and the final report on the inquiry endorsed reliance on ANZUS, but urged Australia to assert its identity as regional and global power, without having to choose between America and China. It stated that 'Australia's relationships with both the US and China are such that Australia has the potential to act to ease any future tensions that might emerge between these powers'.<sup>149</sup> As the West's recession generated perceptions of America's decline and of China's assertiveness on the supposed expectation that the decline was irreversible, however, Canberra's readiness to act on the potential was in doubt.

The Australian government reacted favorably to Japan's initiative to expand the TSD into a 'quadrilateral of democracies' that would include India—a project Prime Minister Shinzō Abe hoped to link with countries on China's periphery, from Southeast Asia to Mongolia and South Korea. Fomenting Chinese paranoia of encirclement, his design envisioned 'an immense network spanning the entirety of the Pacific Ocean, incorporating the United States and Australia'. The 2007 Australian–Japanese Joint Declaration on Security Cooperation came close to a security treaty, and Howard's refusal to make a similar declaration with China looked like a departure from accommodation with it toward an alignment against it.<sup>150</sup>

- 146 Charlotte Denny and Jonathan Freedland, 'New Zealand Warns on "Law of the Jungle"', *The Guardian*, 3 May, 2003.
- 147 'Australia-United States Ministerial Consultations Joint Communiqué', 18 November, 2005, [http://www.dfat.gov.au/geo/us/ausmin/ausmin05\\_joint\\_communique.html](http://www.dfat.gov.au/geo/us/ausmin/ausmin05_joint_communique.html).
- 148 'Trilateral Strategic Dialogue Joint Statement', 18 March, 2006, <http://www.mofa.go.jp/region/asia-paci/australia/joint0603-2.html>; Greg Sheridan, *The Partnership: The Inside Story of the U.S.-Australian Alliance under Bush and Howard* (Sydney: University of New South Wales Press, 2006), p. 201.
- 149 *Australia's Defense Relations with the United States: Inquiry Report* (Canberra: House of Representatives, 2006), pp. 27, iii–iv; Paul Kelly, *Howard's Decade: An Australian Foreign Policy Reappraisal* (Sydney: Lowy Institute for International Policy, 2006), pp. 3–4.
- 150 Purnendra Jain, 'Westward Ho! Japan Eyes India Strategically', *Japanese Studies*, Vol. 28, No. 1 (2008), pp. 15–30; Shinzo Abe, 'Confluence of the Two Seas', speech in Indian parliament on 28 August, 2007, <http://www.mofa.go.jp/region/asia-paci/pmv0708/speech-2.html>; 'Declaration on Security Cooperation', 13 March, 2007, <http://www.mofa.go.jp/region/asia-paci/australia/joint0703.html>; Zhu Feng, 'TSD—Euphemism for Multiple Alliance?' in William Tow et al., eds., *Assessing the Trilateral Strategic Dialogue* (Seattle: National Bureau of Asian Research, 2008), pp. 41–50.

According to White, the Prime Minister made his 'U-turn' to counter not so much the rise of China in the region as that of Kevin Rudd in the Labor Party, after Rudd had criticized Howard's China policy as too accommodating.<sup>151</sup> But once Labor's victory in 2007 brought Rudd to premiership, he made himself subject to the same criticism after choosing Beijing for his first foreign visit while holding back on the Quadrilateral. In 2009, his government's White Paper nevertheless portrayed China as a threat and in the internal debate about it he reportedly sided with the hardliners rather than the moderates.<sup>152</sup> Though more knowledgeable of China than any of his predecessors, he presided over a downturn in relations with Beijing.

Rudd's proposal for the creation by 2020 of an Asia Pacific Community, which would include China and the United States along with an array of disparate nations from India to New Zealand, went far beyond the initiatives of previous Labor governments. Aimed at advancing both security and trade, yet unveiled without prior consultation with the countries concerned, it elicited cautious interest in Beijing but not so much among ASEAN members. Criticized for multiplying unnecessarily the already existing structures based on ASEAN, the project stalled after the 2010 intraparty coup that stripped Rudd of his premiership.<sup>153</sup>

While promoting the project, Australia also appeared to be reviving the Quadrilateral idea, having signed in 2009 a Declaration on Security Cooperation with India. Julia Gillard's government, in which Rudd remained as foreign minister, annoyed China by agreeing to the rotation on US marines in northern Australia and tried to expand the strategic focus from Asia-Pacific to 'Indo-Pacific', only to find India evasive. Doubts persisted about its value as a partner, and the 2011 AUSMIN communiqué on the 60th anniversary of ANZUS only referred to trilateral security cooperation with Japan.<sup>154</sup>

In contrast to Australia's troubled passage, New Zealand sailed smoothly from the Clark government to the centre-right coalition under Key, who continued a China strategy based on 'an explicit recognition that an excellent political relationship is the foundation

151 Hugh White, 'Australia in Asia: Exploring the Conditions for Security in the Asian Century', in David Shambaugh and Michael Yahuda, eds., *International Relations of Asia* (Lanham: Rowman & Littlefield, 2008), pp. 224–26.

152 *Defending Australia in the Asia-Pacific Century: Force 2030* (Canberra: Department of Defense, 2009), pp. 30–34; Cameron Stewart and Patrick Walters, 'Spy Chiefs Cross Swords over China as Kevin Rudd Backs Defense Hawks', *The Australian*, 11 April, 2009.

153 'Rudd's Proposal', *The Australian*, 5 June, 2008, <http://www.theaustralian.com.au/archive/politics/full-text-of-kevin-rudds-speech/story-e6frgczf-1111116541962>; Frank Frost, 'Australia's Proposal for an "Asia Pacific Community": Issues and Prospects', Research Paper No. 13, Parliamentary Library, Canberra, 2009, p. 21, <https://www.aph.gov.au/binaries/library/pubs/rp/2009-10/10rp13.pdf>; Henry F. Makeham, 'Chinese Perspectives on the Feasibility of an Asia Pacific Community', *Chinese Journal of International Politics*, Vol. 6, No. 4 (2013), pp. 365–99.

154 David Brewster, 'The Australia–India Security Declaration: The Quadrilateral Redux?', *Security Challenges*, Vol. 6, No. 1 (2010), pp. 1–9; David Brewster, 'Australia and India: Indo-Pacific Partners', *Asia-Pacific Bulletin*, 25 June, 2013, <http://www.eastwestcenter.org/sites/default/files/private/apb217.pdf>; 'AUSMIN Communiqué', 15 September, 2011, [http://foreignminister.gov.au/releases/Pages/2011/kr\\_mr\\_110916b.aspx?ministerid=2](http://foreignminister.gov.au/releases/Pages/2011/kr_mr_110916b.aspx?ministerid=2).



upon which everything else must be built'.<sup>155</sup> Ready to give Beijing the benefit of the doubt, foreign minister Murray McCully refused to 'attribute unwholesome motives' to growing Chinese presence in the South Pacific. 'China', he averred, 'is simply ... undertaking a level of engagement designed to secure access to resources on a scale that will meet its future needs and establishing a presence through which it can make its other interests clear.'<sup>156</sup> New Zealand nevertheless found it prudent to co-sponsor in 2013 the inaugural meeting of South Pacific defense ministers that would regularly monitor security threats in the area, inviting as observers the United States and UK, but not China or Japan.<sup>157</sup>

Riding 'astride the eagle and the dragon', Key also established an excellent political relationship with the Obama administration, which entrusted him to lead the TPP negotiations on the sidelines of the 2013 APEC summit in Bali.<sup>158</sup> As the project advanced, however, New Zealand trade minister Tim Groser advised that the TPP 'could not happen without the eventual involvement of China, whether literally ... or (in) some logical extension of it'—an insight informed by his country's experience as China's paramount trading partner.<sup>159</sup>

In the Australian debate about the presumed need to choose between dependence on China for trade and on the United States for defense, White argued that due to the 'power shift' from Washington to Beijing Australia should encourage them to share power even at the cost of its own status as American ally. Faced with hostile criticism, he refined his argument in a book where he seconded the Chinese demand that the United States should treat China as an equal, but advised Beijing to exercise leadership in Asia with, rather than instead of, Washington. Less convincingly, he invoked the 19th Concert of Europe as a model for them sharing power with Japan and India as well.<sup>160</sup>

In a New Zealand critique of White's 'strategic parsimony', Robert Ayson questioned the relevance of the model that had primarily aimed to avert war and the adequacy of an analysis focused narrowly on the interests of the two principals. Meeting the Chinese challenge, in Ayson's view, means not only managing conflicts of interests but also recognizing the congruence of values that brings together not only New Zealand and China but also

155 *Opening Doors to China: New Zealand's 2015 Vision* (Wellington: Ministry of Foreign Affairs and Trade, 2012), p. 1.

156 Bruce Vaughn, *New Zealand: U.S. Security Cooperation*, p. 9; A summary of Chinese policy toward Australia, New Zealand, and the Pacific Islands in Robert G. Sutter, *Chinese Foreign Relations: Power and Policy since the Cold War* (Lanham: Rowman & Littlefield, 2007), pp. 228–36.

157 Audrey Young, 'South Pacific Defense Ministers Gather for New Group', *New Zealand Herald*, 3 May, 2013.

158 Wayne Mapp, 'Astride the Eagle and Dragon: John Key's Pacific Paradox', 7 July, 2014, <http://pundit.co.nz/content/astride-the-eagle-dragon-john-keys-pacific-paradox>.

159 Groser in Auckland on 16 October 2013, <http://www.scoop.co.nz/stories/PA1310/S00242/hon-tim-groser-address-china-business-summit.htm>.

160 Hugh White, 'Power Shift: Australia's Future between Washington and Beijing', *Quarterly Essay*, September 2010, pp. 1–74; Hugh White, *The China Choice: Why America Should Share Power* (Collingwood: Black, 2012); Brad Glosserman, 'US, China and Australia's Asian Century: A View on Hugh White's Argument', *East Asia Forum*, 5 December, 2011, <http://www.eastasiaforum.org/2011/12/05/us-china-and-australia-s-asian-century-a-view-on-hugh-white-s-argument/>.

America and China. Rather than alliances for defense, the ‘game-changing choice in the Asia-Pacific region should be “multi-alignment”’.<sup>161</sup>

The choice opened up with a series of developments at the end of 2014. On a state visit to Wellington in November, Chinese President Xi Jinping encouraged his hosts not only to help start the Asian Infrastructure Investment Bank (AIIB) sponsored by Beijing, but also to work together toward the Free Trade Area of the Asia Pacific (FTAAP), originally proposed by the Bush administration and intended to include both China and the United States.<sup>162</sup> Earlier that month, the APEC leaders meeting in Beijing had designated the FTAAP as the goal, having identified as ‘pathways’ to it the TPP, which had thus far excluded China, and ASEAN’s Regional Comprehensive Economic Partnership (RCEP), championed by Beijing as complementary to the TPP.<sup>163</sup> At the same meeting, China and the United States had reached their landmark agreement to coordinate policies on climate change.<sup>164</sup>

In advance of the December summit of the G-20 group of developed and developing nations in Brisbane, Australia received Chinese encouragement to use its position to increase its influence with China.<sup>165</sup> Under US pressure, Canberra at first declined Beijing’s invitation to join the AIIB, but went ahead to sign a landmark FTA with China. It joined the AIIB in 2015, as did most of America’s allies in both Europe and Asia, thus grasping the opportunity, missed by the United States, Canada, and Japan, to help steer the institution that may become a ‘third pillar’ in Asia’s security architecture, complementary to the US

- 161 Robert Ayson, ‘Is Minimal Order Enough? Hugh White’s Strategic Parsimony’, *Security Challenges*, Vol. 9, No. 1 (2013), pp. 17–26; ‘Interests, Values and New Zealand’s Engagement with Asia’, 19 July, 2011, <http://mdsweb.vuw.ac.nz/Mediasite/Viewer/Viewers/ViewerVideoOnly.aspx?mode=Default&peid=0a4d9a6c-d2e3-4024-a7bc-9aea7298f717&pid=5d03eb40-a89a-4f6e-b668-7515effb1634&playerType=WM64Lite#>; ‘Why Values Count’, *The Strategist*, 3 February, 2014, <http://www.aspistrategist.org.au/author/robert-ayson/>; *New Zealand, Australia and the Asia-Pacific Strategic Balance: Ideas and Policies*, Centre for Strategic Studies, Victoria University, 28 May, 2010, p. 10, [www.victoria.ac.nz/sog/about/publications/ayson-seminar.pdf](http://www.victoria.ac.nz/sog/about/publications/ayson-seminar.pdf).
- 162 ‘New Zealand-China Joint Statement’, 20 November, 2014, <https://www.beehive.govt.nz/release/joint-statement-between-new-zealand-and-people%E2%80%99s-republic-china-establishment-comprehensive->; ‘China, New Zealand Lift Ties to Comprehensive Strategic Partnership’, *People’s Daily*, 20 November, 2014, <http://en.people.cn/n/2014/1120/c90883-8811965.html>; C. Fred Bergsten, Marcus Noland, and Jeffrey J. Schott, *The Free Trade Area of the Asia-Pacific: A Constructive Approach to Multilateralizing Asian Regionalism*, ADBI Working Paper No. 336 (Tokyo: Asian Development Bank Institute, 2011), p. 4.
- 163 He Fan and Xiaoming Pan, ‘China’s Negotiation Strategies at the Crossroads of International Trade’, *East Asia Forum*, 4 August, 2015.
- 164 ‘APEC Roadmap on FTAAP a Historic Decision: Xi’, 11 November, 2014, [http://news.xinhuanet.com/english/china/2014-11/11/c\\_133782162.htm](http://news.xinhuanet.com/english/china/2014-11/11/c_133782162.htm); ‘Pathways to FTAAP’, Yokohama, 14 November, 2010, [http://www.apec.org/Meeting-Papers/Leaders-Declarations/2010/2010\\_aelm/pathways-to-ftaap.aspx](http://www.apec.org/Meeting-Papers/Leaders-Declarations/2010/2010_aelm/pathways-to-ftaap.aspx).
- 165 He Fan, ‘Lifting Australia’s Influence on China’, *East Asia Forum*, 17 November, 2014, <http://www.eastasiaforum.org/2014/11/17/lifting-australias-influence-on-china>.

alliances and ASEAN-centered forums.<sup>166</sup> By mid-year, 57 nations around the globe had joined the AIIB as prospective founding members, while the TPP was making progress, too, even as the Chinese membership in it remained uncertain.

In responding to the rise of China, New Zealand's strategy has been more subtle and far-sighted than Australia's. As advised in the *Policy Primer for 2030*, co-authored by Ayson with sinologist diplomat Chris Elder, Wellington has acted on the assumption that China's rise to regional pre-eminence is highly likely, although not certain, and that New Zealand stands to benefit. Its challenges would be those of 'political judgment rather than economic consequence or strategic concern' that can be met with 'diplomatic nimbleness'.<sup>167</sup> In the end, however, Australia stands more to gain or to lose due to its greater influence with both China and the United States.

## Conclusion

In historical perspective, a 'contest for supremacy' in the Asia-Pacific region does not appear inevitable. Judged as 'ripe for rivalry' in the immediate aftermath of the Cold War, the region has nevertheless defied predictions of its future becoming similar to Europe's violent past.<sup>168</sup> Nor has history borne out the recurrent prophecies of America's irreversible decline and the irresistible rise first of Japan, then of China. In the near future, both the United States and China are likely to be distracted by their domestic problems, ultimately those rooted in the deficiencies of their respective systems of government. The problems can eventually be resolved, even as their solution without potentially disruptive change of the system is bound to be more difficult for China than for the United States.

While the two great powers grapple with their problems, the time is ripe 'for the middle powers to step up'<sup>169</sup>—not to try mediating between them, but to prevent the need for mediation. Australia and New Zealand as desirable strategic partners of both Washington and Beijing are well positioned to bridge the supposed gap between 'Asian' and 'Western' values by promoting a regional realignment based on common economic interests and values rather than on balance of power. The primacy of internal security challenges and the growing incidence of threats not susceptible to military solutions underscore the need for such realignment.

The history of the two countries' quest for security invites a reappraisal of the role of traditional alliances. The ANZUS pact as originally conceived proved unnecessary to start with, as the threats against which it had been created to protect its members did not materialize and its break-up did not impair either their or international security. Significantly, no

- 166 Cheng-Chwee Kuik, 'An Emerging 3rd Pillar in Asian Architecture? AIIB and Other China-led Initiatives', *Asia Pacific Bulletin*, 26 March, 2015, <http://www.eastwestcenter.org/system/tdf/private/apb305.pdf?file=1&type=node&id=35025>.
- 167 Elder and Ayson, *China's Rise and New Zealand Interests*, p. iii.
- 168 Aaron Friedberg, 'Ripe for Rivalry: Prospects for Peace in a Multipolar Asia', *International Security*, Vol. 18, No. 3 (1993–1994), pp. 5–33; Aaron Friedberg, 'Will Europe's Past Be Asia's Future?', *Survival*, Vol. 42, No. 3 (2000), pp. 147–60; and Aaron Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: Norton, 2011); John J. Mearsheimer, 'Back to the Future: Instability in Europe after the Cold War', *International Security*, Vol. 15, No. 1 (1990), pp. 141–92.
- 169 Gareth Evans, 'Time for the Middle Powers to Step Up', *East Asia Forum Quarterly*, Vol. 7, No. 2 (2015), <http://www.gevans.org/opeds/oped171.html>.

new military alliance has come into being anywhere since the end of the Cold War, although not everyone extant, to be sure, has outlived its usefulness.

In Europe, NATO has remained functional, though primarily due to the challenge to the international order of Russia's use of force in trying to reverse its decline as former imperial power. In the Asia-Pacific region, where there is no such power, its absence does not necessarily make the US-centered bilateral alliances superfluous. As long as the potential for military conflict persists, whether in Korea or in the East China and South China Seas, tampering with defense commitments would risk sending a wrong signal to those in the position of influence who might be tempted to test them.

Expedient as established alliances may be for upholding the status quo, they are less so for managing change. Neither has ASEAN as a novel security grouping met the high expectations of its admirers; with APEC, ARF, and EAS, it has probably reached the limits of its centrality. Australia's failed attempt at Asia-Pacific Community reinforces the view that building more such multilateral structures is less urgent than making better use of the existing ones. Instead, both Washington and Beijing have been promoting free trade areas, whether the TPP or the Chinese alternatives, while also increasing the enmeshment of each other's economies.

Opinions have differed about whether or not economic interdependence is conducive to preventing military conflict between great powers, as it notably did not when World War I broke out in 1914.<sup>170</sup> So far, China has been unable to project a reassuring image of its rise, while the United States has not been able to dispel perceptions of its decline. Australia has shown little readiness to 'step up', although the new government of Malcolm Turnbull appears willing to move beyond excessive preoccupation with narrow security concerns.<sup>171</sup> More importantly, New Zealand has recently expanded and clarified its vision of security in ways that could also help the great powers to clarify theirs.

'We do not see our defense relationships with the United States and China as mutually exclusive', New Zealand defense minister Gerry Brownlee explained to a military audience in Beijing, where he concluded the first long-term cooperation plan between the Chinese and Western military. At the same time, he welcomed 'the US rebalance into the Asia Pacific', including the TPP as one of the 'crucial guarantees of economic prosperity, increased security and peace through interdependence'.<sup>172</sup>

As far-sighted analysts in both China in the United States tend to agree, a region-wide free trade area that would include both countries is both feasible and desirable.<sup>173</sup> The project could

170 On different views, Edward D. Mansfield and Brian M. Pollins, eds., *Interdependence and International Conflict: New Perspectives on an Enduring Debate* (Ann Arbor: University of Michigan Press, 2003).

171 Sam Bateman, 'Australia's Turnbull Government: Big Changes Coming?', *RSIS Commentaries*, 28 September, 2015, [https://www.rsis.edu.sg/rsis-publication/rsis/co15204-australias-turnbull-government-big-changes-coming/#.VgsPD\\_m6fbQ](https://www.rsis.edu.sg/rsis-publication/rsis/co15204-australias-turnbull-government-big-changes-coming/#.VgsPD_m6fbQ).

172 'New Zealand and Security in the Asia-Pacific Century', Brownlee at China's National Defense University, 28 September, 2015, <https://www.beehive.govt.nz/speech/new-zealand-and-security-asia-pacific-century>.

173 For example, Fan He and Xiaoming Pan, 'China's Trade Negotiation Strategies: Matters of Growth and Regional Economic Integration', in Ligang Song, Ross Garnaut, Cai Fang, and Lauren Johnston, eds., *China's Domestic Transformation in a Global Context* (Canberra: Australian National University Press, 2015), pp. 360–82; Joshua P. Meltzer, 'Why China Should Join the Trans-Pacific Partnership', *Foreign Policy at Brookings*, 21 September,

facilitate a regional realignment that would serve not only trade but also security by ensuring increasing interaction and understanding among people at all levels. Such process would provide the best safeguard against any repetition of the 1914 scenario.