

Australia's relations with China and the United States

Christopher J. Skinner

Royal United Services Institute for Defence and Security Studies, New South Wales¹

Hugh White² has not convinced me that, in their competition for dominance of the Indo-Pacific region, China will win as America withdraws, and that, consequently, Australia now faces difficult choices between the United States as the foundation of our national security and China our foremost trading partner. Rather, I see this as an extraordinary opportunity for Australia to construct a more successful basis for future security and success by adroit management of these important relationships and with others in the region.

Such a future would make full use of all the lessons learned by others and our own less-comprehensive experience, plus the realities of our geography, our wealth of primary resources and agriculture, and our fair and open society, to show the world that we can broker a future that is accepted and supported by all. The example of Switzerland comes to mind.

So, rather than bemoaning changes over which we have no control, we need to place our emphasis on anticipation, responding to changes and increasing our resilience, with a view to adapting for unknown and unpredictable futures – for success, no matter what eventuates.

Let us take the South China Sea and the construction of artificial islands there by China. A huge proportion of seaborne trade, global and Australian, passes through there so our trade is now more vulnerable to interference. But what would China gain by interfering with our trade? From our side, would we be prepared to jeopardise our economy by taking sides with the United States should freedom-of-navigation be challenged? Similarly, if a hot war erupted in Korea, with or without nuclear weapons, how would we respond in practice?

On 23 January 2018, the *Australian Financial Review* editorialised, *inter alia*:

"In any new regional framework, China needs to be reassured on free passage for the trade it shares with the rest of the Indo-Pacific. China acts partly out of its sense of geopolitical weakness, a reason for its fortress building in the South China Sea and the economically dubious Belt and Road Initiative ..."

This analysis accords with the views of most Australians other than geostrategic hawks, but continues to overlook the additional driver of China's Indo-Pacific actions – its reliance on imported energy fuels, especially

Middle Eastern oil. This alone provides the rationale for its continuing programme to set up bases in Djibouti, Pakistan and Sri Lanka, and also to propose a pipeline or canal across the Malayan (Kra) isthmus to avoid passage through the chokepoints of Malacca and Singapore Straits.

These are the practical issues that are of much greater immediacy than a hypothetical extrapolation of the China-United States mutual relationship and its consequences for Australia.

The United States Government recently issued its National Defense Strategy³ in which the primary focus is on the geostrategic competition between the United States, on the one hand, and China and Russia on the other – replacing Jihadist terrorism as the military's primary focus. The logic behind this new direction is readily apparent as responding to the growing power of China and the resurgence of Russia.

What is not so obvious is why this automatically translates into an obligation for Australia to align with the United States in this new global competition. The Australian prime minister and foreign minister have recently emphasised that no regional or global power constitutes a direct military threat to Australia. Conversely, various academics and policy analysts also stated recently that China does threaten Australia's national security through espionage and infiltration of Australian social, cultural and community groups. Similar threats are recognised in commercial activity and are carefully scrutinised by the relevant regulatory agencies.

This leaves Australia with the tension between United States pressure to support its new National Defense Strategy [potentially an ANZUS Treaty obligation], and supporting the commercial and trade relationships with China that underpin our current economic position. This tension is the subject of much current discussion, but with limited consensus thus far on how Australia should best proceed.

More broadly, the prime minister's recent visit to Japan and his quadrilateral meetings with India, Japan and the United States have produced a firm foundation for the long-discussed quadrilateral alliance to support a rules-based international trading and commercial region in the Indo-Pacific and to oppose infractions of such order. This can be neatly expressed without mentioning China specifically. It is compatible with an Australian posture that does not directly oppose China in a military sense, yet makes clear what we stand for and what we are prepared to do to protect that future.

¹Captain C. J. Skinner RAN (Ret'd), a former naval engineer, is a member of the Institute's Special Interest Group on Strategy. These are his personal views. E-mail: cjskinner@acslink.net.au.

²Hugh White (2017). Without America: Australia in the new Asia. *Quarterly Essay* 68.

³Jim Mattis (2018). *Summary of the 2018 National Defense Strategy of the United States of America: sharpening the American military's competitive edge* (Department of Defense: Washington, DC).