

# Conclusion

As the 2005 US–China Economic and Security Review Commission’s report demonstrates, Australia’s depiction of China has an influence on regional strategy.<sup>1</sup> Studying the Howard Government’s depiction of China during the 1996–2006 period is important for gaining insight into how Australia may manage its dual interests of security (United States) and prosperity (China) in future. The Howard Government’s relatively successful management of this potentially volatile conflict of interest sets an important model to consider when deliberating Australian policy towards China. With the Rudd Government posturing towards innovation in its strategic depiction of China, it remains to be seen whether the Howard Government’s strategic depiction of China will have a lasting influence on Australia-China relations.

The focus of this paper has sought to ascertain whether Michael Wesley’s ‘hope based formula’ and Paul Kelly’s ‘response agent’ were accurate descriptions of Howard Government depictions of China at the time, or whether a more complex and coherent policy of depictions was implemented.

In the first period, 1996, it is clear that the Australian Government had no chance to implement an effective policy towards China; it was in crisis management mode throughout the year as multiple controversies broke out. Kelly’s portrayal of Howard as a ‘response agent’ is fairly accurate; however the government did announce a future strategy of ‘practical bilateralism’ to engage China, and depicted the region’s security environment as ‘benign’.<sup>2</sup>

The 1997–2002 period shows the Howard Government playing a more creative role in its depictions of China. Trade relations assumed a momentum of their own and the government was happy to report these positive developments. These events display the government as a ‘response agent’ again, riding the wave of economic fortune. However, other policy depictions reveal that strategic concerns still remained. In particular, the 1997 Strategic Review and the Defence 2000 White Paper put forth considered and cautious statements about China’s rise. John Howard’s 2000 high-tech Australian Defence Force statement and the 2001 Taiwan Strait incident between Australian and Chinese naval vessels also revealed that serious problems persisted. That the Howard Government tended to marginalise the tensions apparent in US-China relations, and Australia-China relations, lends support to Wesley’s description of Howard Government policy towards China being conducted according to a ‘hope based formula’.<sup>3</sup>

The 2003–2006 period is therefore the most intriguing, revealing the Howard Government actively trying to cultivate its positive depiction of China. Kelly’s ‘response agent’ and Wesley’s ‘hope based formula’ become less accurate descriptions for this period. A common judgement from this period is that

Howard Government statements exhibit considerable Sinofication. However, other Howard Government statements continued to convey strategic caution. The question is, why the change in this period, towards depicting a 'strategic relationship' between Australia and China?<sup>4</sup> The 2003 strategic environment was remarkably similar to 2002. It appears that the 2003 Department of Foreign Affairs and Trade White Paper was a deliberate attempt to change how China and the United States believed Australia was viewing China. Downer's statements in Beijing the next year are even more provocative. The diplomatic fallout from Alexander Downer's Beijing statement amounts to crisis management rather than a policy reversal from what Downer originally said. After the considered 'strategic economic relationship' statement of 2003, Downer's Beijing comments appear rushed and poorly conceived, exhibiting a lack of strategic poise, rather than a sound exposition of strategic policy.<sup>5</sup> Despite this poor delivery, the remaining timeframe from August 2004 to December 2006 charts the government's consolidation of the 'strategic relationship' statement, through speeches such as Downer's Tange Lecture and Howard's Lowy Institute for International Policy address, while beginning to build up other aspects of Australia's hedging strategy. Although the government refrained from employing the phrase 'strategic relationship', the warm overtures towards China were apparent.<sup>6</sup>

To summarise, a steady and coherent evolution occurred in the Howard Government's depiction of the Australia-China relationship. It developed from an economic relationship (1996), to an economic relationship with strategic significance (1997), to a strategic economic relationship (2003), and finally to an explicit strategic relationship (2004). These positive depictions were compelled by insecurity rather than a genuine strategic reorientation towards China. An overall assessment indicates that Australia was, in reality, strategically anxious regarding China, and only depicted itself as growing close to China. A quick summary of key statements across the Howard years clearly displays some of the evidence for this strategic anxiety. During the 1996 Taiwan Strait crisis, Downer responded to the US deployment of two aircraft carrier groups by saying that it was 'a very clear demonstration by the United States that it is interested in maintaining its involvement in the security of the region and we obviously welcome that'.<sup>7</sup> The 1997 Department of Foreign Affairs and Trade White Paper, *In the National Interest*, stated that:

Within East Asia, US strategic engagement in the region is widely regarded as a crucial stabilising influence, and an indispensable condition for the continuing strategic stability on which the region's economic success is ultimately dependent. Without it, regional countries might seek to significantly expand their defence capability in a destabilising way.<sup>8</sup>

In 1999 Downer said ‘we should not succumb to any false notions that we have some kind of ‘special’ relationship with China’,<sup>9</sup> and in 2000 Howard said ‘we do have a high technology Defence Force as far as Taiwan is concerned’.<sup>10</sup> During the 2001 Australia–China Taiwan Strait incident, Howard said ‘China’s always had a different view about what international law allows the vessels of one country to do in the territorial waters of another. There’s nothing new about that’.<sup>11</sup> The 2003 *Defence Update* announced that ‘strategic competition between the [United States] and China [would] continue over the next decade, and [that] the possibility of miscalculation over Taiwan persists’.<sup>12</sup> In 2005 Howard said that ‘no relationship of substance in Asia has been more important over the years for Australia than our relationship with Japan’.<sup>13</sup> And, finally, the 2005 *Defence Update* observed that ‘the pace and scale of China’s defence modernisation may create the potential for misunderstandings, particularly with the development of new military strike capabilities that extend the strike capability and sustainability of its forces’.<sup>14</sup>

Thus a key question emerging from this investigation’s findings is, why was Australia depicting itself as growing close to China when it was anxious about China’s rise? A number of strategies, seven to be exact, can be hypothesised.

First, Australia may have depicted itself as drawing close to China to alert and shock the United States about growing regional trends; China’s diplomacy with the Association of Southeast Asian Nations has been successful in recent times. This would compel the United States to work harder at maintaining its alliance with Australia, and provide it with an incentive to build up its other security alliances in the region, especially those with Japan and South Korea. The ideal result would be closer US–Australia relations because of increased US efforts to court Australia, and greater US security interaction and relations with other states in the region.<sup>15</sup> This would be to Australia’s advantage, reducing the security burden on Australia for supporting the United States in the region. In addition, it may have been to compel the United States to increase its ANZUS commitment, placing fewer burdens upon Australia’s self-reliance defence posture. If the United States was to build up its regional alliances, Australia’s support in a Taiwan contingency would become less important. Hence the complexity of such a strategy is that, while Australia actually feared China, it depicted itself as drawing closer to China in an effort to compel its other security partners to work harder at containing China. This touches a traditional theme within international relations between entrapment and abandonment between senior and junior alliance partners.<sup>16</sup> Hence the depiction is one of Australia growing closer to China, while Australia’s collective actions with its other security partners indicated that Australia was subtly hedging against China.<sup>17</sup> But a negative outcome of such a depiction strategy is that China may have become

more insecure and adversarial as a result of it perceiving increased containment activity by countries such as the United States and Japan.

Second, Australia may have depicted itself as drawing closer to China so as to make China feel less insecure. If China was to see itself as increasingly engaged and integrated into the Asia-Pacific community, and its 'peaceful development' diplomacy as successful, it may have assumed a more relaxed view of regional security arrangements, and pursued foreign policy interests in a benign fashion.<sup>18</sup> Australia may have mistrusted China as a responsible regional actor, but the best policy to dampen China's insecurities was to become friendlier toward it. As a result, Australia's security position was more secure because China felt safer.

Third, Australia depicting itself as drawing closer to China may have been driven by domestic political incentives. The Howard Government may have emphasised good relations as an attack against Labor, which had previously castigated Howard's engagement (or lack thereof) with regard to Asia. Prior to the Howard Government's election in 1996, Labor Prime Minister Paul Keating predicted that Asian governments would reject Howard, whose populist support for Australian values and ANZUS had left him vulnerable to domestic political attack. These accusations by Keating and 'The Establishment' seemed to become a common critique of the Howard Government, accentuated by Howard's close ties to US President George W. Bush.<sup>19</sup> As Paul Kelly has noted, 'The Establishment' exercises considerable influence over foreign policy debate in Australia, and negating its influence was a key goal of the Howard Government towards protecting its public image. Depicting strong relations with China alongside a reinvigorated ANZUS to some extent shut down an avenue of criticism previously employed by the Opposition party and destabilised the consensus within 'The Establishment' on how Australian foreign policy should be conducted.<sup>20</sup>

Fourth, Australia may have been genuinely drawing closer to China (rather than a mere depiction) because the Howard Government judged that economic interests are Australia's most important foreign policy interest. This may have been motivated by the fear that China, as Australia's largest trade partner, could hurt and punish Australia economically. In accordance with this rationale, economic security is Australia's key interest, resulting in a corresponding alignment with China in strategic interests. Because China is powerful, it can dictate a holistic, comprehensive program of engagement with Australia that is not limited to economic interaction. However, this argument is limited by factual evidence. Although Australia has a strategic dialogue and defence exchange program with China, corresponding strategic alignment of a substantive nature has not been evident. Instead, the Howard Government's strategic actions exhibited a developing alignment with Japan.

Fifth, Australia may genuinely view China as a rising military power that will compete with and eventually surpass the United States in the future. Therefore, it is prudent for Australia to draw closer to China while it is still relatively weak, winning its confidence and trust. In essence, this strategy views China as Australia's best future security and strategic partner outright, rather than the United States. Downer's 2004 announcement of a 'strategic relationship' with China and revisionist interpretation of ANZUS could therefore have been a portent of future changes. This view would see China, as an Asian power, more capable of providing security, both economic and military, to Australia, than the United States, which is a Pacific power. However, this argument is again highly speculative. China's defence modernisation program is presently catered towards a Taiwan contingency rather than challenging the broader regional maritime dominance of the United States, and the US defence budget continues to outspend the Chinese defence budget by a considerable margin.<sup>21</sup>

Sixth, drawing closer to China may be part of a genuine grand strategic scheme of engagement and integration into Asia. Confirming Downer's 1996 declaration that 'engagement with Asia is our highest foreign policy priority', becoming close to China would be one important aspect of Australia drawing close to Asia in general.<sup>22</sup> Australia's signing of the Association of Southeast Asian Nation's Treaty of Amity and Cooperation in December 2005 and consequent entry into the East Asia Summit could be read as indicative of a broader regional strategy to become more closely integrated into Asia's economic and security forums. The question, therefore, is not so much is Australia's foreign policy becoming Sinofied, but Asianised?

Seventh, the Howard Government may not have had any strategy of positive depictions of China. In essence, it is an ad hoc policy, subject to the winds of political fortune. When trade is strong, Australia-China relations are strong; when trade is weak, Australia-China relations are weak. Even when diplomatic relations are poor, as in 1996, the government can still positively depict China because trade relations are relatively stable. According to this argument, the Howard Government's depiction of China was solely dependent on the health of the trade relationship. While the other six arguments show an active Howard Government conscious of its ability to shape its relationship with China through policy depictions, this option sees the government as ambivalent to the events and trends in the relationship and the broader Asia-Pacific region.

Although each of the seven hypotheses exhibits a degree of merit, the first three represent the most plausible arguments for the Howard Government's overarching strategy throughout its time in power. Positive depictions sought to compel the United States to work harder in the region, allay Chinese fears of containment, and shut down an avenue of domestic criticism towards Howard Government foreign policy. The reasonableness of these three strategies was

based primarily upon the government's underlying concerns regarding China's rise which were exhibited in cautionary depictions of China. The occasional cautionary depictions of China highlighted an outstanding characteristic of this investigation: the Howard Government's tightly managed depiction of China. The government was pleased to announce the signing of new trade agreements with China and to promote the growing trade relationship. But the government typically abstained from commenting negatively on China's military modernisation program and growing strategic weight.

The Howard Government's cautionary statements concerning China's rise were very carefully constructed and sparingly distributed. That the Howard Government consistently produced essentially vacuous, ambiguous statements regarding China could be read as a sign of strategic unease. As Robert Jervis noted, 'actors do not pay careful attention to the images they have of other states—or the images they project—in periods when they believe everyone has the same goals and view of the world'.<sup>23</sup>

Australia's careful and considered statements about China are arguably key indicators that doubt pervaded the Howard Government's perceptions about China's rise. Despite speculations about the Australian Government's Sinofication of its strategic interests, in reality the government's behaviour revealed a constant angst about China. This angst was not a new phenomenon in Australia's perception of China. Neither were positive depictions. As Lachlan Strahan has noted, historically 'China's potent presence engendered various Australian responses, ranging from antagonism through accommodation to celebration'.<sup>24</sup> Why do these contradicting images of China persist in Australian public discourse and policy depictions? As Strahan notes, China often represents the mythological *El Dorado* come true in Australian capitalism, and an ominous and alien political culture at the same time. Ever since China began opening its markets in the 1970s, Australia's resource export industries have prospered.<sup>25</sup> Yet there is a profound sense of distrust within Australian policy towards China, in response to what Strahan has described as 'the third loss of China'.<sup>26</sup> According to Strahan:

This time China fell not to Communism, nor to anti-Soviet ultra radicalism, but to 'market socialism', to the partial reintroduction of 'bourgeois' private enterprise. Many on the Australian Left were bewildered or angered by the growth of so-called 'Red Millionaires' in the latest incarnation of the New China.<sup>27</sup>

Here lies the evasive truth about Australian angst towards China. While policy has continually praised the benefits of the 'Chinese El Dorado', at the same time it has been frightened by an authoritarian system that survived the Cold War. The government that thwarted the Tiananmen Square uprising also escalated tensions in the 1996 Taiwan Strait crisis, played 'chicken' with an

American EP-3 spy plane in 2001, and has annual double digit defence budget growth.<sup>28</sup>

At a glance, Australia's new best friend is an authoritarian, market socialist regime that has survived the Cold War stronger, more powerful, and versatile to shift with and to shape its strategic environs. In essence, the Chinese system is a model that threatens the nature of democracy held dear by Australia. China is not just alien to Australia ethnically—its political culture and religious values embodied in the state cannot be reconciled to the Australian image of freedom and political felicity. In a poignant symbol, Strahan has identified the traditional Chinese symbol—the dragon—as a double-edged sword in relation to Australian perceptions of China. Strahan concludes: 'The dragon image, as I have argued, has always had benign and malevolent meanings. A dragon may bestow good fortune or it may swallow its prey.'<sup>29</sup>

Hence, the predominantly positive depiction of China that the Howard Government produced was a strategic decision, keeping strategic anxiety out of public discourse. The occasional Howard Government statements of strategic caution served to remind us that China is a sensitive and reflective strategic force on the rise. Economic expansion with China was an easy story to sell for the Howard Government because, first, it was based upon a buoyant long-term trade relationship that began bearing fruit after the Second World War; and second, the Australian public was willing to invest in the trade policy, benefiting both from employment opportunities and tax cuts. The Australian economy recorded its fifteenth year of continual growth in 2007.<sup>30</sup> It appears that, as Australia prospers as a result of the export driven 'resources boom', public perceptions of China continue to soften.<sup>31</sup> But how to present China's strategic and military rise has been a far more sensitive issue, both in presentation to the Australian polity and Australia's observant neighbours, in particular China and the United States.

The issue that emerges from the Howard years is not whether Australia-China relations were strong; at face value, they evidently were. The question is whether predominantly depicting China positively and as having a strategic relationship with Australia constitutes good policy (since Australia harbours real concerns about China's rise, as this investigation has shown). Consider Japan as a case study for comparative policy depictions analysis. Japan-China economic relations are very positive (like Australia). However, Japan-China political relations are very poor (unlike Australia). The Japan-China relationship has been described as 'cold politics, hot economy'.<sup>32</sup> Does this policy of adversarial relations and depictions achieve Japan's strategic interests? Obviously Japan's immediate strategic neighbourhood is markedly different to that of Australia, but the fact that it can conduct poor diplomatic relations while maintaining a buoyant trade

relationship with China reveals that other policy depiction alternatives are available to Australia.

A subsidiary question, therefore, is what did a general depiction of China as a friend convey about the Howard Government's strategic goals of such depictions—which nevertheless, on occasion, reverted to revealing the Howard Government's true feeling of strategic unease towards China? At the outset, this investigation cited Jervis, who noted that 'a desired image can often be of greater use than a significant increment of military or economic power'.<sup>33</sup> For Australia, maintaining a positive image of China in government depictions, as part of a broader hedging strategy, was a relatively cheap policy alternative to other options for addressing China's rise.<sup>34</sup>

Conclusively then, the Howard Government's strategic *depiction* of China was construed as one of economic *and* strategic alignment and integration. It steadily evolved from one of economic alignment during the 1997–2002 period to one of strategic alignment and integration during 2003–2006. However, the Howard Government's strategic *perception* of China was persistently one of distrust, anxiety and unease. When the Labor Government of Prime Minister Kevin Rudd took office in December 2007, it was likely that this enduring historical dimension of Australia's view towards China would continue into the future.

Recent events lend support to the argument that the Howard Government's positive depiction of China was a result of insecurity rather than a bona fide strategic alignment. The developing Trilateral Security Dialogue between Australia, Japan and the United States provides a firm piece of supporting evidence to the case that Australia is conducting a hedging strategy in the region rather than a more revolutionary shift to China's sphere of influence in a regional balance of power system.<sup>35</sup> The 2007 *Defence Update* stated that 'Australia has no closer nor more valuable partner in the region than Japan'.<sup>36</sup> It goes on to say that 'Japan has made valuable contributions to operations in East Timor and Iraq, and Australia welcomes its efforts to contribute more directly to regional and global security'.<sup>37</sup> If the Howard Government had genuinely reoriented itself towards China, building security relations with Japan would have been a strategic error. In such circumstances, the Howard Government's 2007 Australia–Japan Joint Declaration on Security Cooperation could have been a mistake.<sup>38</sup> It would have allowed the emergence of a second strategic conundrum synonymous to Australia's current predicament with the US–Australia–China triangle. Australia might have been forced to choose between good relations with either Japan or China, if tensions had arisen.

In truth, the Howard Government's move towards China was more image than reality. For Australia, hedging was a sensible approach, investing in its existing security relationships, while inviting China into the regional security

architecture. If attempts to integrate China had failed, Australia would have still possessed strong alliances in the region to balance with against China. By investing in security ties with Japan, the Howard Government attempted to strengthen a weaker link in the regional US alliance network. Even so, today China remains ultimately responsible as to whether it will adhere to the existing US-led system, and consequently maintain close relations with Australia, or whether it will forcibly revise the existing order, which would force Australia to distance itself from China, and support the United States and Japan more. As Hugh White has noted, China is facing an important decision. For the United States to accept China's emerging leadership role in the region (ideally in a power-sharing arrangement), China will have to accept that Japan also has a legitimate leadership role to play in the region.<sup>39</sup> In lieu of this fact, the Howard Government's dual engagement of Japan and China sets an important integrating precedent for stable Asia-Pacific relations in the future. If China continues a peaceful foreign policy consistent with the past 30 years, Australia may be compelled in the distant future, as may the United States, to considerably revise its perceptions about Chinese power as a proven 'peaceful development'.<sup>40</sup> Until such a day arrives, judging the success of 'Howard's Long March' will remain a difficult task.

## ENDNOTES

<sup>1</sup> The report suggests that the United States should cultivate an economic relationship with Australia of strategic significance, equivalent to the current Chinese economic relationship with Australia. See 'China's Military Modernization and Cross-Strait Balance', hearing before the US-China Economic and Security Review Commission, One Hundred Ninth Congress, First Session, 15 September 2005, p. 232.

<sup>2</sup> Alexander Downer, address to the International Institute for Strategic Studies/Strategic and Defence Studies Centre Conference, 'The New Security Agenda in the Asia Pacific Region', available at <<http://www.dfat.gov.au/media/speeches/foreign/1996/regsec5.html>>, accessed 3 April 2007.

<sup>3</sup> Michael Wesley, *The Howard Paradox: Australian Diplomacy in Asia from 1996-2006*, ABC Books, Sydney, 2007, p. 218.

<sup>4</sup> Alexander Downer, 'Media Conference: 17 August 2004', Beijing, available at <[http://www.foreignminister.gov.au/transcripts/2004/040817\\_ds\\_beijing.html](http://www.foreignminister.gov.au/transcripts/2004/040817_ds_beijing.html)>, accessed 2 April 2007.

<sup>5</sup> Hugh White said on the affair: 'My take is that Downer was in the wrong place, at the wrong time and in the wrong way delivered a message it was important to deliver.' White also said: 'You never want to do it in Beijing, because the Chinese will interpret it as a result of their pressure, the Americans will too, and it's undignified. You don't do it in a doorstep, but rather in a considered, formal statement of policy. And you don't do it sideways by talking about ANZUS.' See Greg Sheridan, 'Taiwan gaffe puts delicate balance at risk', *Australian*, 21 August 2004, p. 31.

<sup>6</sup> Downer, 'Media Conference', 17 August 2004.

<sup>7</sup> Don Greenlees and Richard McGregor, 'Downer warns China over war games', *Australian*, 13 March 1996, p. 8.

<sup>8</sup> Department of Foreign Affairs and Trade, *In the National Interest*, Commonwealth of Australia, Canberra, 1997, p. 29.

<sup>9</sup> Alexander Downer, 'Australia and China—Partners for Progress', address at the 1999 China Oration of the Australia-China Business Council, Sydney, 25 November 1999, available at <[http://www.dfat.gov.au/media/speeches/foreign/1999/991125\\_aust\\_china.html](http://www.dfat.gov.au/media/speeches/foreign/1999/991125_aust_china.html)>, accessed 10 April 2007.

<sup>10</sup> John Howard, 'Interview with Steve Liebmann', 5 May 2000, available at <<http://www.pm.gov.au/media/interview/2000/today0505.cfm>>, accessed 1 April 2007.

## Howard's Long March

- <sup>11</sup> John Howard, 'Interview with Tracy Grimshaw', 30 April 2001, available at <<http://www.pm.gov.au/media/interview/2001/interview994.cfm>>, accessed 5 March 2007.
- <sup>12</sup> Department of Defence, *Australia's National Security: A Defence Update 2003*, Commonwealth of Australia, Canberra, p. 8.
- <sup>13</sup> John Howard, 'Australian Outlook: Australian Policy Priorities for the Asia Pacific', address to the Asia Society, New York, 12 September 2005, available at <[http://www.asiasociety.org.au/speeches/speeches\\_current/s42\\_John\\_Howard\\_NY.htm](http://www.asiasociety.org.au/speeches/speeches_current/s42_John_Howard_NY.htm)>, accessed 28 November 2008.
- <sup>14</sup> Department of Defence, *Australia's National Security: A Defence Update 2005*, Commonwealth of Australia, Canberra, 2005, available at <[http://www.defence.gov.au/update2005/defence\\_update\\_2005.pdf](http://www.defence.gov.au/update2005/defence_update_2005.pdf)>, accessed 28 November 2008, p. 6.
- <sup>15</sup> 'China's Military Modernization and Cross-Strait Balance', hearing before the US-China Economic and Security Review Commission, One Hundred Ninth Congress, First Session, 15 September 2005, p. 232.
- <sup>16</sup> Victor D. Cha, *Alignment Despite Antagonism: The US-Korea-Japan Security Triangle*, Stanford University Press, Stanford, 1999, p. 37.
- <sup>17</sup> Hedging in this scenario can be described informally as 'buying insurance'. As Medeiros argues, hedging constitutes a 'geopolitical insurance strategy' that combines engagement, binding and balancing into an overall policy position that 'possesses both cooperative and competitive dimension'. See Evan S. Medeiros, 'Strategic Hedging and the Future of Asia-Pacific Stability', *The Washington Quarterly*, vol. 29, no. 1 (Winter 2005-06), pp. 145-67 at pp. 147-48.
- <sup>18</sup> 'Peaceful development' has become the preferred phrase within Chinese foreign policy to describe China's rise, rather than the more disputable 'peaceful rise' term. See *People's Daily Online*, available at <[http://english.people.com.cn/zhuanti/Zhuanti\\_458.html](http://english.people.com.cn/zhuanti/Zhuanti_458.html)>, accessed 28 November 2008.
- <sup>19</sup> Paul Kelly describes 'The Establishment' as 'a loose identity among the retired public servants, retired senior military officers, intellectuals, academics, economists, and journalists involved in the international policy debate'. See Paul Kelly, *Howard's decade: An Australian Foreign Policy Reappraisal*, Lowy Institute Paper no. 15, Lowy Institute for International Policy, Sydney, 2006, p. 6.
- <sup>20</sup> Kelly, *Howard's decade: An Australian Foreign Policy Reappraisal*, p. 7.
- <sup>21</sup> According to *The Military Balance*, the US defence budget for 2006 was US\$559 billion, compared to US\$35.3 billion for China. Even when considering the Chinese Government significantly under-reports its military expenditure, these figures still represent a significant disparity in economic resources. See *The Military Balance 2007* (for The International Institute for Strategic Studies), Routledge, London, p. 28 (figures for the United States), and p. 346 (figures for China).
- <sup>22</sup> Alexander Downer, address to the Foreign Correspondents' Association, Sydney, 11 April 1996, available at <<http://www.dfat.gov.au/media/speeches/foreign/1996/asia-long.html>>, accessed 8 March /2007.
- <sup>23</sup> Robert Jervis, *The Logic of Images in International Relations*, Princeton University Press, Princeton, 1970, p. 13.
- <sup>24</sup> Lachlan Strahan, *Australia's China: Changing perceptions from the 1930s to the 1990s*, Cambridge University Press, Cambridge, 1996, p. 289.
- <sup>25</sup> See Strahan, *Australia's China: Changing perceptions from the 1930s to the 1990s*, p. 298. Strahan noted that 'Australian exports to China climbed from \$97 million in 1973 to \$422 million in 1978, reaching a high-water mark of \$1.587 billion in 1986'.
- <sup>26</sup> Strahan, *Australia's China: Changing perceptions from the 1930s to the 1990s*, p. 311.
- <sup>27</sup> Strahan, *Australia's China: Changing perceptions from the 1930s to the 1990s*, p. 311.
- <sup>28</sup> Strahan, *Australia's China: Changing perceptions from the 1930s to the 1990s*, p. 314.
- <sup>29</sup> Strahan, *Australia's China: Changing perceptions from the 1930s to the 1990s*, p. 315.
- <sup>30</sup> Department of Foreign Affairs and Trade, *Trade 2006*, Commonwealth of Australia, Canberra, 2006, p. 11.
- <sup>31</sup> The warmth Australians feel towards China is now comparative to the warm feelings it has towards the United States. In a 2006 Lowy Institute for International Policy poll, 62 per cent of respondents expressed warm feelings towards the United States, and 61 per cent expressed warm feelings towards China. See Ivan Cook, *The Lowy Institute Poll 2006: Australia, Indonesia and the world: Public Opinion*

and Foreign Policy, Lowy Institute for International Policy, Sydney, 2006, available at <<http://www.lowyinstitute.org/Publication.asp?pid=470>>, accessed 28 November 2008, p. 6.

<sup>32</sup> Tomohiko Taniguchi, 'A Cold Peace: The Changing Security Equation in Northeast Asia', *Orbis*, vol. 49, no. 3, Summer 2005, p. 445.

<sup>33</sup> Jervis, *The Logic of Images in International Relations*, p. 6.

<sup>34</sup> For example, other policy options include an increased military budget, or improved economic competitiveness through lower tax rates, and corresponding reduction in social services, to allow increased defence spending.

<sup>35</sup> For an example of this developing trilateral security partnership, consider recent discussions of a trilateral missile defence system between the United States, Australia and Japan. See 'We will help with missile shield: Downer', *Australian*, 24 May 2007, available at <<http://www.theaustralian.news.com.au/story/0,20867,21786413-31477,00.html>>, accessed 25 May 2007.

<sup>36</sup> Department of Defence, *A Defence Update 2007: Protecting our People, Interests and Values*, Commonwealth of Australia, Canberra, 5 July 2007, available at <[http://www.defence.gov.au/ans/2007/contents\\_pdf.htm](http://www.defence.gov.au/ans/2007/contents_pdf.htm)>, accessed 28 November 2008, p. 19.

<sup>37</sup> Department of Defence, *A Defence Update 2007: Protecting our People, Interests and Values*, p. 19.

<sup>38</sup> Department of Foreign Affairs and Trade, 'Australia–Japan Joint Declaration on Security Cooperation', Tokyo, 13 March 2007, available at <[http://www.dfat.gov.au/geo/japan/aus\\_jap\\_security\\_dec.html](http://www.dfat.gov.au/geo/japan/aus_jap_security_dec.html)>, accessed 27 July 2007.

<sup>39</sup> Hugh White, 'The limits to optimism: Australia and the rise of China', *Australian Journal of International Affairs*, vol. 59, no. 4, December 2005, p. 478.

<sup>40</sup> *People's Daily Online*, available at <[http://english.people.com.cn/zhuanti/Zhuanti\\_458.html](http://english.people.com.cn/zhuanti/Zhuanti_458.html)>, accessed 28 November 2008.