
The Strategic Depiction of China in Howard Government Policy from 1996-2006

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Australia's growing conflict of interest between security (United States) and prosperity (China) within an environment of burgeoning US-China rivalry has elevated Australia's strategic depiction of China to a position of vital importance. This article reviews Australia's strategic depiction of China from 1996 to 2006 and argues the Howard Government positively depicted China to disguise its strategic anxiety concerning China's rise. Strategic depictions were a centrepiece of the Howard Government's *hedging* strategy, which sought to allay Chinese fears of containment and compel greater United States involvement in the region. With US-China rivalries likely to continue in future, this article posits that friendly strategic depictions of China and hedging will remain foundational elements of Australia's foreign policy.

For over fifty years China has been considered one of the primary potential threats to Australia's defence and security.¹ The question of how to strategically depict China and its threat potential without arousing Chinese hostility or suspicion has been a taxing issue for Australian governments. During the past thirty years as China's place in the Australian economy has steadily grown, the issue of how to depict China has increased in importance and complexity. Today, the rise of China has advanced to a stage where Australia is facing the prospect of its largest trading partner, China, becoming a strategic adversary of Australia's major ally, the United States.² In this delicate setting Australia's strategic depiction of China is of paramount importance as it attempts to preserve its friendly relations with both the United States and China.

Even with continuing strategic rivalry between the United States and China during the Howard years, the Howard Government was able to participate in a remarkable warming and tightening of relations with Beijing. This was surprising, considering Howard's credentials as a staunch ANZUS (Australia, New Zealand, United States Treaty) supporter. Therefore a key question from the Howard years is how did Australia manage to distance itself from the nascent strategic rivalry between the United States and China, and yet retain seemingly close and friendly relations with both of them? Analysis

¹ Lachlan Strahan, *Australia's China: Changing Perceptions from the 1930s to the 1990s* (Cambridge: Cambridge University Press, 1996).

² 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.

reveals that strategic depictions were an indispensable tool of the Howard Government as it navigated a relatively safe passage through the currents of US-China rivalry. Therefore with the future stability of the Asia-Pacific region still in doubt, this is an opportune time to critique and refine Australia's use of 'strategic depictions' in its approach to great power rivalries.

This investigation argues that positive depictions of China were a centrepiece of Howard's China strategy. The Howard Government projected positive images of China to disguise its fear of China's rise, while subtly developing its security relations in the region as a precautionary measure against China. This demonstrated that the Howard Government harboured considerable angst concerning China's rise, and was fearful of being drawn into a US-China conflict. To counteract China's rise the Howard Government followed a two pronged approach, producing positive depictions on one side, while shoring up regional defence ties on the other. This two pronged approach constituted a *hedging* strategy, which involved developing a policy 'middle position' that delayed commitment to more divisive and costly positions such as *balancing*, *bandwagoning* or *neutrality*.³ Hedging advanced the Howard Government's interests in three important aspects. First, hedging sought to allay Chinese fears of containment, and thus, promoted peaceful relations in the region. Second, hedging encouraged increased US security involvement in the region by fostering American uncertainties about Australia's response to the rise of China. And third, hedging rebuffed domestic sources of foreign policy criticism in reference to whether Howard could engage with Asian countries.

Hedging is becoming a noticeable characteristic of strategic interaction in the Asia-Pacific as the United States and China strive to retain peaceful relations despite mutual distrust of each other. According to Evan S. Medeiros both the United States and China are hedging, utilising engagement and integration mechanisms while conducting 'realist style balancing' which involves military modernization alongside strengthened security cooperation with other states in the region.⁴ Hedging's appeal to the United States and China lies in its tendency to foster ambiguity in a state's strategic posture and its ability to delay commitment to more clearer-cut and potentially divisive strategic postures such as balancing. As Medeiros argues, hedging constitutes a 'geopolitical insurance strategy' that combines engagement, binding and balancing into an overall policy position that 'possesses both

³ According to Evelyn Goh, hedging consist of "a set of strategies aimed at avoiding a situation in which states cannot decide upon more straightforward alternatives such as balancing, bandwagoning, or neutrality. Instead they cultivate a middle position that forestalls or avoids having to choose one side at the obvious expense of another." See Evelyn Goh, 'Understanding "Hedging" in Asia-Pacific Security', *PacNet*, no. 43, Pacific Forum CSIS, Hawaii, 31 August 2006, available at <<http://www.stratad.net/downloads/PacNet%2043.pdf>> [Accessed 21 May 2007].

⁴ Evan S. Medeiros, 'Strategic Hedging and the Future of Asia-Pacific Stability', *The Washington Quarterly*, vol. 29, no. 1 (Winter 2005), p. 145.

cooperative and competitive dimensions'.⁵ Significantly, the United States and China's hedging behaviour has allowed Asia-Pacific states including Australia to follow suit. Singapore and Australia have facilitated closer defence ties with the United States to provide themselves with enough 'elbow room' in their interaction with China.⁶

Hence hedging explains an apparently contradictory facet of the Howard Government; the issue of how a sturdy ANZUS supporter was able to build closer Australia-China ties. Indeed, hedging was valuable for assisting the Howard Government's engagement with an actor it did not trust, without compromising its defence relations with other friends and allies of the Asia-Pacific. Evidently positive depictions of China were an important contribution to Howard's foreign policy, assisting safe passage between American and Chinese competitiveness. Despite the frequent agitation of Australia-China sensitivities and China-US sensitivities between 1996-2006, Howard's positive depictions appeared to soothe Australia-China tensions. Thus the Howard Government's 'positive depictions hedging strategy' provides a compelling model for strategic analysts to consider.

Indeed, analysis of the Howard Government's strategic depiction of China comes at a timely moment in discussion of Australian foreign policy. Statements from the first year of the Rudd Government suggest it is endeavouring to establish a new approach to Australia's strategic depictions of China. Rudd has expressed his desire to synthesise the former US Deputy Secretary of State Bob Zoellick's concept of China as a "responsible stakeholder" with China's concept of its rise in a "harmonious world".⁷ Certainly Rudd's credentials as a former diplomat fluent in Mandarin have given him the confidence to discuss sensitive matters frankly with Beijing, such as Tibet, human rights and climate change. Rudd has not shied away from mentioning China's growing military capabilities and the corresponding need for Australia to maintain "strategic vigilance".⁸ These discussions of sensitive issues come as part of Rudd's developing relationship with China as a "zhengyou"; a true friend which "offers unflinching advice and counsels restraint".⁹ Hence the question of whether Rudd will adopt a hedging strategy akin to Howard's, or become a genuine "zhengyou" will mark an important continuation, or turning point in the character of Australia's strategic depictions and relationship with China.

⁵ Medeiros, 'Strategic Hedging and the Future of Asia-Pacific Stability', p. 145.

⁶ *Ibid.*, p. 152.

⁷ Prime Minister Kevin Rudd, 'The Australia-US alliance and Emerging Challenges in the Asia-Pacific Region', address to the Brookings Institution, Washington, 31 March 2008, <http://www.pm.gov.au/media/speech/2008/speech_0157.cfm> [Accessed 10 July 2008].

⁸ Rudd, 'The Australia-US alliance and Emerging Challenges in the Asia-Pacific Region'.

⁹ Prime Minister Kevin Rudd, 'A Conversation with China's Youth on the Future', address at Peking University, 9 April 2008, <http://www.pm.gov.au/media/speech/2008/speech_0176.cfm> [Accessed 10 July 2008].

The Rudd Government's strategic depictions of China are therefore likely to provoke the same speculation that surrounded the Howard Government's depictions of China. During the final years of the Howard Government questions began to be asked concerning whether Howard was genuinely aligning Australia with China's strategic interests.¹⁰ While this article firmly rebuffs this possibility, the same questions appear almost certain to re-emerge during Rudd's tenure. Strategic depictions as a key element of statecraft are poised to be a defining aspect of the foreign policy debate in Australia as the eloquent and experienced former diplomat Kevin Rudd tackles the complex relationship with China.

As the Rudd Government begins the sensitive matter of depicting China, it is important to appreciate the strengths and weaknesses of the Howard Government's approach and to identify what aspects require retention, adjustment, or rejection. Strategic depictions are important to understand because of their potential to critically influence strategic relations between states. Ever since the publication of Robert Jervis' seminal work *The Logic of Images in International Relations* the importance of strategic depictions has been widely appreciated.¹¹ Jervis described his investigation of strategic depictions as providing "the foundation for a theory of deception in international relations".¹² According to Jervis, strategic depictions are "the way states can affect the images others have of them and thereby exercise influence without paying the high cost of altering their own major policies".¹³ Depictions are the "language" of strategy, often providing essential images of how a government wants to be viewed, rather than an accurate portrayal of what a government's perceptions actually are.¹⁴ For the Howard Government, positive depictions mixed with occasional cautionary depictions of China served an effective hedging strategy that arguably reduced Australia's need to maintain a more powerful and costly defence force.

Jervis divides strategic depictions into two main categories; signals and indices. Signals are "a state's direct statements of intention", whether they are private (diplomacy) or public (policy) statements.¹⁵ They consist of diverse methods of communication, such as policy statements, diplomatic notes, military manoeuvres, and extending or breaking diplomatic relations. In contrast, indices are actions and statements that are judged by the strategic analyst to be "too important to be used for deception" because the state is either unaware its behaviour is being observed, or the state is unable to control its behaviour in a deceptive manner, usually because of the high

¹⁰ Paul Sheehan, 'More like Friends than Allies', *Sydney Morning Herald*, 31 October 2005.

¹¹ Robert Jervis, *The Logic of Images in International Relations* (Princeton: Princeton University Press, 1970).

¹² *Ibid.*, p. 10.

¹³ *Ibid.*, p. 3.

¹⁴ *Ibid.*, p. 21.

¹⁵ *Ibid.*, p. 20.

profile status of the data.¹⁶ Hence the Howard Government's strategic depictions of China were signals, because of their high profile status. Because of their high visibility Howard Government depictions appeared true and transparent. However, this investigation's analysis of the Howard Government's occasional cautionary depictions of China reveals that the positive depictions of China the Howard Government frequently produced were intended to deceive.

Evidently strategic depictions are complex phenomena. They are the substance of strategic communication, granting insight into a state's strategic perspective, and how a state desires its strategic outlook to be perceived by other states. Depictions were a central element of the Howard Government's hedging strategy, diffusing tensions with China as Howard began to build up Australia's security relationship with Japan. Depictions are an indispensable element of hedging per se, allowing states to project a desired image while their 'behind the scenes' behaviour indicates otherwise. In contrast to a state's development of its military capabilities, which can often span decades from a plan's conception to its final completion, depictions can be quickly altered to shift with a changing environment. Therefore depictions are often disproportionately powerful in the formulation of a hedging strategy, providing rapid responses and reference points to the changing contours of a region's power distribution. While a defence modernization program or military build-up may take ten years to complete, a shift in strategic depictions can occur in one day.

Thus the Howard Government's strategic depiction of China was an important message to Beijing, Washington and the entire Asia-Pacific region. It was a complex dialogue, to more than one audience, and it was an evolving rather than a static dialogue. Consequently, analysing the Howard Government's strategic depiction of China is pivotal to understanding Australia's relationship with the United States and China today, providing valuable insight into the role of strategic depictions in inter-state relations.

Analysis indicates three discernible changes in the mood of the Howard Government's depictions of China from 1996-2006. These were first, a period of crisis depictions mixed with positive depictions from March 1996 to December 1996; second, a period of positive depictions from January 1997 to December 2002, and third, a period from January 2003 to December 2006 in which the Howard Government adopted a more creative approach to its depictions of China. These three periods will be briefly examined, before submitting final remarks concerning the utility of Howard's hedging strategy and possible options for the Rudd Government.

¹⁶ *Ibid.*, p. 28.

Strategic Depictions of China During 1996

When the Howard Government entered office in March 1996 the Foreign Minister, Alexander Downer, declared in his first major foreign policy speech “closer engagement with Asia is the Australian Government’s highest foreign policy priority”.¹⁷ Downer then explained that the motivation for heightened bilateral engagement with Asia came from the growth of regional economies and economic interests, which enabled a corresponding development of military power. Downer warned that “These factors have the potential, if appropriate steps are not taken, to destabilise existing security patterns, heighten tensions and reduce security throughout the region”.¹⁸ Thus the challenge of how to contribute towards shaping a prosperous and peaceful region rather than a competitive and conflicted one presented a long term challenge for the Howard Government. Although the continuing rise of China posed a challenging strategic trend, Downer went on to describe the security environment as reasonably “benign”—a term traditionally employed sparingly in describing Australia’s regional security environment.¹⁹

Despite these constructive foreign policy statements, 1996 would be remembered for less inspiring events and announcements. When the Howard Government took office on 11 March 1996 it entered a regional political maelstrom. A serious diplomatic crisis between China and Taiwan had escalated with the deployment of two US aircraft carrier groups in the vicinity of Taiwan. In an unprecedented step, Downer declared unequivocal support for the US forces deployed in the region, stating:

I think what we have seen in the last few days is 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.²⁰

Following the Taiwan Strait crisis, a succession of Australia-China controversies ensued over the course of the year, which hurt relations severely.²¹ Into this dire situation an unlikely event occurred. In an

¹⁷ Foreign Minister Alexander Downer, ‘Address to the Foreign Correspondents’ Association’, Sydney, 11 April 1996, <<http://www.dfat.gov.au/media/speeches/foreign/1996/asia-long.html>> [Accessed 8 March 2007].

¹⁸ Foreign Minister Alexander Downer, ‘Security through Cooperation’, address to the IISS/SDSC Conference, ‘The New Security Agenda in the Asia Pacific Region’, Canberra, 2 May 1996, <<http://www.dfat.gov.au/media/speeches/foreign/1996/regsec5.html>> [Accessed 3 April 2007].

¹⁹ Downer, ‘Security through Cooperation’.

²⁰ Don Greenlees and Richard McGregor, ‘Downer Warns China over War Games’, *The Australian*, 13 March 1996, p. 8.

²¹ These controversies were; first, the discarding of the Development Import Finance Facility; second, the inaugural Asia Pacific Cities Summit in Brisbane attended by Chen Shui-Ban; third, the inaugural AUSMIN meeting and corresponding ‘Sydney Declaration’; fourth, China’s 8 June nuclear test and Australia’s support for the Comprehensive Test Ban Treaty at the UN; fifth, Howard government negotiations with Taiwan for uranium trade; sixth, Primary Industries Minister John Anderson’s visit to Taiwan, seventh, John Howard’s meeting with the Dalai Lama; and eighth, the Pauline Hanson and One Nation controversy.

unprecedented step Chinese President Jiang Zemin held a personal meeting with Prime Minister Howard in Manila before the 1996 Asia-Pacific Economic Cooperation conference. After the meeting Howard announced "I made it clear that we weren't trying to contain China" and that ANZUS "was not directed at anybody".²² Clearly, the Howard Government's actions throughout the year had aroused Chinese suspicions; Howard had secured China's attention, but for all the wrong reasons. Even so, Howard secured a return visit to Beijing the following year, providing a future opportunity to continue healing the rift.

The Howard Government's strategic depiction of China in 1996 was thus Janus faced, conveying both optimism and adversity. Policy depictions of China in 1996 showed a country that represented an economic opportunity and a strategic challenge, rather than a strategic problem as portrayed in the 1996 crisis environment. The Howard Government had declared "strategically, China and our long term relationship with it, is of vital importance in Australia's foreign policy" and had also assessed the region's security environment to be "relatively benign".²³ This indicated 1996 was the extreme rather than the rule for the future conduct of Australia-China relations. Consequently in the ensuing period (1997-2002) a remarkable transition would occur in Australia-China relations.

Strategic Depictions of China from 1997 to 2002

Having presided over one of the worst periods in the history of Australia-China relations during 1996, the Howard Government entered 1997 under considerable pressure. Fortunately, by April 1997 a very positive transition in the mood and depiction of Australia-China relations had occurred, following Howard's successful visit to Beijing in March 1997. Downer celebrated the "new economic partnership" that had been established and in the security domain the government announced the creation of a new annual dialogue between Australia and China's defence departments.²⁴

Reflecting the new tone of cautious optimism that was being restored to the relationship with China, Department of Foreign Affairs and Trade's (DFAT) 1997 White Paper *In the National Interest* announced "China's economic growth, with attendant confidence and enhanced influence, will be the most important strategic development of the next fifteen years".²⁵ In comparison, a slightly more cautionary view of China's rising power was announced by

²² Prime Minister John Howard, 'Media release', 24 November 1996, <http://parlinfoweb.aph.gov.au/piweb/view_document.aspx?ID=9420&TABLE=PRESSREL> [Accessed 7 April 2007].

²³ Downer, 'Security through Cooperation'.

²⁴ Foreign Minister Alexander Downer, 'Australia and China: A Partnership in Growth', address to launch the EAAU study 'China Embraces the Market: Achievements, Constraints and Opportunities', Sydney, 21 April 1997, <<http://www.dfat.gov.au/media/speeches/foreign/1997/eaau.html>> [Accessed 3 April 2007].

²⁵ Department of Foreign Affairs and Trade, *In the National Interest* (Canberra: Commonwealth of Australia, 1997), p. v.

the Department of Defence's 1997 Strategic Review, *Australia's Strategic Policy*, which noted that:

Sustained high economic growth, and commensurate increases in defence funding, combined with access to more modern technology, especially from parts of the former Soviet Union, have increased China's strategic capabilities. Its air and maritime forces, in particular, are being developed at a significant pace, albeit from a low base.²⁶

Although *Australia's Strategic Policy* conceded that China's power projection capabilities were being developed from a "low base", it also observed that the rate of change was occurring at "significant pace".²⁷ Clearly the government was uncomfortable with this strategic development. Although the Strategic Review attempted to allay fears, stating "this expansion of China's military capabilities does not constitute a threat to Australia", it went on to acknowledge that "it would not be in Australia's interests for China's growing power to result in a diminution [sic] of US strategic influence, or to stimulate damaging strategic competition between China and other regional powers".²⁸

Evidently the Howard Government remained uncomfortable with the prospect of a strategic environment dominated by China. This reinforced the cautionary tone sometimes apparent within *In the National Interest*, which also stated that without US strategic engagement in Asia "regional countries might seek to significantly expand their defence capability in a destabilising way".²⁹ Therefore anxiety can be observed in the Howard Government's strategic depiction of China, both in diplomacy (DFAT) and defence (Defence). As a result, the task at hand for Australia and the region according to *Australia's Strategic Policy* was to "convince Beijing that China's legitimate interests and growing influence can be accommodated within the current regional framework".³⁰ The Strategic Review went on to repeat the DFAT White Paper word for word, stating:

China will remain one of Australia's key relationships, with our approach based on shared interests and mutual respect. These principles provide the basis for a realistic framework for the conduct of the relationship, and offer the best prospects to maximise shared economic interests, advance Australia's political and strategic interests, and manage differences in a sensible and practical way.³¹

Clearly a coordinated DFAT/Defence approach to China's strategic depiction was being conducted by the Howard Government. Despite the often

²⁶ Department of Defence, *Australia's Strategic Policy: Department of Defence 1997 Strategic Review* (Canberra: Commonwealth of Australia, 1997), p. 14.

²⁷ *Ibid.*, p. 14.

²⁸ *Ibid.*, p. 14.

²⁹ Department of Foreign Affairs and Trade, *In the National Interest*, p. 29.

³⁰ Department of Defence, *Australia's Strategic Policy*, p. 14.

³¹ *Ibid.*, p. 24. For comparison see Department of Foreign Affairs and Trade, *In the National Interest*, p. 63.

different focus of the organisations in question, the strategic depictions of China that the two organs were conveying were generally very similar.

Although *In the National Interest* and *Australia's Strategic Policy* conveyed measured articulations of China's rise, the period 1997-2002 was not without its challenges.³² Tensions in the security domain were exacerbated on 5 May 2000 when Howard, in an interview with Steve Liebmann on *Today*, controversially linked hi-tech Australian Defence Force elements with a Taiwan contingency. Asked whether Australia would take heed to a recently expressed United States desire for Australia to have a high technology force, Howard responded "We do have a high technology Defence Force as far as Taiwan is concerned".³³ Following this, on 1 April 2001 the EP-3 spy plane crisis unfolded between China and the United States. During this tense standoff, Australian naval vessels were hailed by a Chinese ship in the Taiwan Strait on 17 April 2001.³⁴ Howard persisted in supporting the Australian Defence Force's actions as innocent, ignoring Chinese opposition.

Despite these difficulties, Defence's White Paper, *Defence 2000: Our Future Defence Force*, exhibited considerable optimism in its strategic depiction of China and the region. The Government stated that "we believe the forces for peace and stability in the Asia-Pacific region are strong" and "there is a small but still significant possibility of growing and sustained confrontation between the major powers of Asia".³⁵ Although the Defence White Paper abstained from directly discussing China's growing power projection capabilities, it did note that "a number of regional defence forces have begun to develop sophisticated air combat capabilities"; this of course included China.³⁶

The period of January 1997 to December 2002 was therefore one of Australia-China relationship restoration. Strategic and political difficulties remained, but these were successfully navigated with what appeared to be a considerable degree of tolerance after the nadir of 1996. The Howard Government frequently depicted China as an economic opportunity and occasionally as a strategic challenge. At the conclusion of 2002, the prescient question regarding Australia's strategic depiction of China was, where to from here? Having ridden a continuing wave of trade growth while navigating diplomatic disputes with comparative ease relative to the experiences of 1996, commentators were speculating what future

³² The Asian Financial Crisis of 1997/1998, the 1999 NATO bombing of the Chinese Embassy in Belgrade, release of Chinese Australian businessman James Peng, and ongoing China-Taiwan diplomatic rivalry in the South Pacific caused some difficulties for Australian foreign policy.

³³ Prime Minister John Howard, 'Interview with Steve Liebman', 5 May 2000, <<http://www.pm.gov.au/media/interview/2000/today0505.cfm>> [Accessed 1 April 2007].

³⁴ Jian Zhang, 'Australia and China: Towards a Strategic Partnership?', in James Cotton and John Ravenhill (eds.), *Trading on Alliance Security: Australia in World Affairs 2001-2005* (South Melbourne: Oxford University Press, 2007), p. 95.

³⁵ Department of Defence, *Defence 2000: Our Future Defence Force*, (2000 Defence White Paper), (Canberra: Commonwealth of Australia, 2000), p. 19.

³⁶ *Ibid.*, p. 24.

possibilities lay ahead with ongoing friendly relations between Australia and China.³⁷ Fortunately, the release of DFAT's 2003 White Paper offered the prospect of answering the question of whether or not the Howard Government would begin to assume a more creative role in its depictions of China.

Strategic Depictions of China from 2003 to 2006

When the Howard Government released the 2003 DFAT White Paper, it heralded the dawn of a new age in Australia's strategic depiction of China. *Advancing the National Interest* stated "The government will pay particular attention to securing the long-term vitality of our successful partnership with Japan and to building a strategic economic partnership with China".³⁸

The phrase "strategic economic partnership" was a perplexing and intriguing one. Did it simply mean an economic partnership that was of strategic value, or did it infer something more substantial? The White Paper went on to say that Australia "is building a strategic economic relationship with China similar to those Australia has established with Japan and Korea".³⁹ This introduced new possibilities for interpretation. Japan and South Korea are firm allies of the United States, and Australia had a notable and growing security relationship with Japan.⁴⁰ Did this reveal that Australia's designs for its relationship with China included security cooperation and strategic alignment akin to what it was developing with Japan?

Having introduced "strategic economic relationship" to Australia's strategic depiction of China, Howard and Downer made a number of warm statements regarding China's role in regional and international security. Building upon this base, on 17 August 2004 while visiting China Downer made one of the most talked about statements in recent times regarding Australia-China relations. Downer said in Beijing:

With Premier Wen we agreed that Australia and China would build up a bilateral strategic relationship, that we would strengthen our economic relationship and we would work together closely on Asia Pacific issues, be they economic or security issues.⁴¹

This was a groundbreaking statement. Previously in the Howard Government's strategic depiction of China there had been a steady evolution in the relationship, from an economic relationship, to an economic

³⁷ Colin Mackerras, 'Australia-China Relations at the End of the Twentieth Century', *Australian Journal of International Affairs*, vol. 54, no. 2 (2000), p. 198.

³⁸ Department of Foreign Affairs and Trade, *Advancing the National Interest: Australia's Foreign and Trade Policy White Paper* (Canberra: Commonwealth of Australia, 2003), p. xv.

³⁹ *Ibid.*, p. 79.

⁴⁰ Des Ball, *Whither the Japan-Australia Security Relationship?*, Nautilus Institute, 2006, <<http://nautilus.rmit.edu.au/forum-reports/0632a-ball.html>> [Accessed 21 August 2008].

⁴¹ Foreign Minister Alexander Downer, 'Media Conference: 17 August 2004', Beijing, <http://www.foreignminister.gov.au/transcripts/2004/040817_ds_beijing.html> [Accessed 2 April 2007].

relationship with strategic significance, to a “strategic economic relationship”.⁴² Now the transition appeared complete: Australia and China had established an explicit “strategic relationship”.⁴³ However, this was not the only change. Downer went on to say:

Well, the ANZUS Treaty is a treaty which of course is symbolic of the Australian alliance relationship with the United States, but the ANZUS Treaty is invoked in the event of one of our two countries, Australia or the United States, being attacked. So other military activity elsewhere in the world, be it in Iraq or anywhere else for that matter does not automatically invoke the ANZUS Treaty.⁴⁴

This was a fundamental reinterpretation of the ANZUS alliance, reducing it to being invoked in the instance of attacks upon the American or Australian homeland as in the case of 11 September 2001. The Australian domestic response was noisy and raucous as the strategic shockwave spread.⁴⁵ A few days later Howard responded “nobody can doubt that Australia is a loyal ally of the United States” and reverted to the orthodox interpretation of ANZUS as being invoked in an attack on ANZUS forces.⁴⁶

Although Howard attempted to restore Washington’s confidence in Australia’s commitment to the US alliance, a landmark speech by the Prime Minister to the Lowy Institute in March 2005 again signalled that Australian and American depictions of China were becoming divergent. In contrast to some American perspectives on US-China relations, Howard said “It would be a mistake to embrace an overly pessimistic view of this relationship, pointing to unavoidable conflict”.⁴⁷ Several months later when Bush and Howard conducted a joint press conference on the White House lawn these differences were again plain to see. While Bush’s strategic depiction of China was characterised by its emphasis upon the sensitivities in the US-China relationship, Howard took a friendlier tone, emphasising the challenges and successes of Australia-China relations and also reassured

⁴² Department of Foreign Affairs and Trade, *Advancing the National Interest*, p. 79.

⁴³ Downer, ‘Media Conference: 17 August 2004’.

⁴⁴ *Ibid.*

⁴⁵ Mark Colvin, ‘US Spells out ANZUS Conditions’, *PM*, ABC Radio, <<http://www.abc.net.au/pm/content/2004/s1181620.htm>> [Accessed 26 August 2008]; Hamish McDonald and Tom Allard, ‘ANZUS loyalties fall under China’s shadow’, *Sydney Morning Herald*; Greg Sheridan, ‘Taiwan Gaffe Puts Delicate Balance at Risk’, *The Australian*, 21 August 2004, p. 31.

⁴⁶ Prime Minister John Howard, ‘Interview with Neil Mitchell’, 20 August 2004, <<http://www.pm.gov.au/media/interview/2004/Interview1086.cfm>> [Accessed 31 March 2007].

⁴⁷ Prime Minister John Howard, ‘Australia in the World’, address to the Lowy Institute for International Policy, Sydney, 31 March 2005, <<http://www.lowyinstitute.org/Publication.asp?pid=396>> [Accessed 3 March 2007].

China that “our close defence alliance with the United States is not in any way directed against China”.⁴⁸

Following on from Howard’s remarks, in August 2005 Downer delivered a key address, the Tange lecture, again indicating a warming of Australia’s view towards China’s growing strategic influence in the region. Although Downer said Australia approached China with a “spirit of ambition without illusions” he went on to say “We see a confident, peaceful and prosperous China, with an open market economy and constructively engaged in global and regional institutions, as an enormous asset for the Asia-Pacific region and the wider world”.⁴⁹ Even though Downer’s statement can be qualified as an ideal characterisation of China in the future, other Australian Government publications such as the 2005 *Defence Update* reiterated this positive theme. China’s “peaceful development” had become the Howard Government’s accepted policy line on China’s rise. It stated that “China’s interests lie in a secure, stable flow of resources to support its economic modernisation, and the development of markets for its goods and services”.⁵⁰

The preceding statements are significant for exemplifying what Michael Wesley has described as the Howard Government’s “hope based formula” of dual engagement with the United States and China.⁵¹ The Howard Government believed it could have friendly relations with the United States and China, and separate itself from US-China tensions at the same time.⁵² What was the Howard Government’s rationale for believing China’s rise would remain a peaceful development? Concerning China’s behaviour Howard said:

China has an interest in stable acceptance, not only in the region but in the world because that’s crucial to her economic growth. I mean China’s preoccupation at the moment is economic growth and expansion and also dealing with the rather growing divide between the coastal affluent and the not so affluent people who live in the rural areas of the country. So there

⁴⁸ Prime Minister Howard, ‘Joint Press Conference with the President of the United States of America George W Bush’, Washington, DC, 19 July 2005, <<http://www.pm.gov.au/media/interview/2005/Interview1472.cfm>> [Accessed 28 February 2007].

⁴⁹ Foreign Minister Alexander Downer, ‘Biennial Sir Arthur Tange Lecture in Australian Diplomacy’, Canberra, 8 August 2005, <http://www.foreignminister.gov.au/speeches/2005/050808_tange.html> [Accessed 26 February 2007].

⁵⁰ 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> [Accessed 15 May 2007].

⁵¹ Michael Wesley, *The Howard Paradox: Australian Diplomacy in Asia from 1996-2006* (Sydney: ABC Books, 2007), p. 218.

⁵² For other compelling statements regarding the Howard Government’s “hope-based formula”, refer to Australian Ambassador to the United States Dennis Richardson’s ‘Address at the Brookings Institution’, Washington DC, 24 January 2006, <<http://www.austemb.org/whwh/SpeechEAsia.html>> [Accessed 6 May 2007].

are domestic issues that will keep China's focus very much on economic, rather than military matters.⁵³

Decisively, in Howard's mind, China's mounting strategic challenge at the moment had been negated by its dependency upon stable economic conditions for continuing economic growth.

By 2006, Australia had thus undertaken a radical transformation of its relationship with China. While visiting Chinese Premier Wen Jiabao in April 2006 Prime Minister Howard acknowledged that:

Of all the relationships that Australia has, major relationships it [sic] has with other countries, none has been more completely transformed than the relationship with China over the last ten years. Now I don't seek to invoke language such as special relationships and so forth, but I simply make the point that the transformation of the relationship with China has been remarkable.⁵⁴

Consequently, the Howard Government's depiction of China throughout the period 2003-2006 was the most intriguing phase of the Howard Government's relationship with China. A clear sense of 'friendly unease' can be ascertained from the mood of its rhetoric vis-à-vis China. The two countries had drawn closer together than ever before, especially in the trade domain.⁵⁵ The Howard Government had been creative in coining new strategic depictions such as "strategic economic relationship" and "strategic relationship". Yet conversely, Howard had stated that China's rise was peaceful because of its "preoccupation" with resolving growing domestic wealth disparities between its rich and poor.⁵⁶ On top of this, the costs in regards to relations with the United States were becoming apparent. Indeed Australia's deepening relationship with China had not gone unnoticed in Washington. The September 2005 US-China Economic and Security Review Commission's report commented that "Regrettably, the Downer statement is not an isolated case" (in reference to Downer in Beijing 2004) and noted that "To these rhetorical shifts can be added shifts in the Australian position on key issues of concern to Washington".⁵⁷

⁵³ Prime Minister John Howard, 'Interview with David Speers', Batam, Indonesia, <<http://www.pm.gov.au/media/interview/2006/Interview1997.cfm>> [Accessed 6 April 2007].

⁵⁴ Prime Minister John Howard, 'Joint Press Conference with His Excellency Mr Wen Jiabao, Premier of the State Council, People's Republic of China', 3 April 2006, Canberra, <<http://www.pm.gov.au/media/interview/2006/Interview1854.cfm>> [Accessed 28 February 2007].

⁵⁵ In the financial year 2005/2006, exports to China surged by 87 percent to (AUS)\$8.3 billion. See Department of Foreign Affairs and Trade, *Trade 2006* (Canberra: Commonwealth of Australia, 2006), p. 13.

⁵⁶ Howard, 'Interview with David Speers'.

⁵⁷ Congress of the United States of America, '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.

The Utility of Hedging, and a Future for Strategic Depictions?

Throughout its time in office, a steady and coherent evolution had thus 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). Nevertheless in contrast to these increasingly friendly strategic portrayals of China, the occasional cautionary depiction 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 the growing trade relationship, but it also 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 meticulously constructed and sparingly distributed. This can 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".⁵⁸

These positive depictions were arguably therefore compelled by insecurity rather than genuine strategic reorientation towards China. Indeed, a strong case can be made that Australia was, in reality, strategically anxious regarding China, and only depicted itself as growing close to China. For Australia, maintaining a positive image of China in government depictions served as part of a broader hedging strategy, which was a relatively cheap policy alternative to other options for addressing China's rise. As Jervis noted, "a desired image can often be of greater use than a significant increment of military or economic power".⁵⁹

If the Howard Government did intentionally develop a hedging strategy, there are three likely reasons why it chose this strategy. First of all Australia may have developed a hedging strategy involving positive depictions of China in an attempt 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. China's attempts to exclude Australia from the East Asian Summit in 2005 represented one event in a worrying trend as China sought to balance US power in the

⁵⁸ Jervis, *The Logic of Images in International Relations*, p. 13.

⁵⁹ *Ibid.*, p. 6.

region.⁶⁰ Australia may have mistrusted China as a responsible regional actor, but the best policy to dampen China's insecurities and arrest these divisive tactics was to become friendlier toward it. As a result, Australia's security position could be more secure because China felt safer.

Second, a hedging strategy may have been developed as it would probably compel the United States to work harder at maintaining its alliances and friendships with Asia-Pacific states. Australia's positive depictions were perhaps intended to shock the United States about China's growing diplomatic influence in the region. The ideal result from Canberra's perspective would be increased US security interaction with other states in the region, particularly Japan and South Korea. This would provide Australia with more flexibility in how it cooperated with the United States in the Asia-Pacific. If the United States were to build up its regional alliances, Australia's support in a Taiwan contingency would become less important. If successful this hedging strategy would be to Australia's advantage, reducing the security burden on Australia for supporting the United States in the region. Hence the depiction was one of Australia growing closer to China, while Australia's collective actions with its other security partners indicated Australia was subtly hedging against China.⁶¹

Third, Australia's positive depictions of China also served domestic political incentives. The Howard Government emphasised good relations as a foil against Labor, which had previously castigated Howard's engagement (or lack thereof) with 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. This seemed to become a common critique of the Howard Government, accentuated by Howard's close personal ties to President Bush. Depicting strong relations with China alongside a reinvigorated ANZUS to some extent shut down an avenue of criticism previously employed by the Opposition party.⁶²

Contrary to these three arguments, it can be posited that the Howard Government's positive depictions of China were in fact genuine. This could have been for two broad reasons. First, Australia may have predicted that China would become the dominant military power of the region in future. Therefore it was prudent to align with China early and gain its confidence. However this argument is countered by Australia's security interaction with Japan. Although Australia developed important and unprecedented defence

⁶⁰ Mohan Malik, 'China and the East Asian Summit: More Discord Than Accord', Asia-Pacific Centre for Security Studies, February 2006, <<http://www.apcss.org/Publications/APSSS/ChinaandEastAsiaSummit.pdf>> [Accessed 2 September 2008].

⁶¹ Hedging in this scenario can be described informally as 'buying insurance'. See Evelyn Goh, 'Understanding "Hedging" in Asia-Pacific Security'.

⁶² Michael Dwyer and Louise Dodson, 'PM Questions Howard's Pull in Asia Region', *Australian Financial Review*, 2 February 1996, p. 13.

ties with China under the Howard Government, these did not appear to substitute Australia's established ties to the United States and developing ties with Japan. Second, friendly depictions of China may have conveyed the Howard Government's genuinely optimistic view of China and the future of Asia-Pacific security. This supports Wesley's characterisation of the Howard Government's engagement with the United States and China as a 'hope based formula' that lacked deeper consideration of the growing tensions in US-China relations.⁶³ This is a compelling argument, especially in the early years of the Howard Government but its case weakens when the Howard Government's depictions of China are viewed in their entirety. With the passage of time, the ability of the Howard Government to consistently produce positive depictions of China while building security ties with other states gave credence to the possibility that Howard was more strategic in his approach to China than often given credit for.

In truth, Australia's move towards China was more image than reality. The Howard Government exhibited strong hedging behaviour, particularly in its latter years. The developing Trilateral Security Dialogue (TSD) between Australia, Japan and the United States provides a firm piece of supporting evidence to the case that Australia was conducting a hedging strategy in the region rather than a more revolutionary shift to China's sphere of influence. The TSD represented growing exchanges between the three countries in the strategic realm. Japan and Australia's potential participation in a US ballistic missile shield system has given them firm areas of joint interest. According to Des Ball, during the Howard years Japan became one of Australia's "top five" defence partners.⁶⁴ As the 2007 *Defence Update* stated; "Australia has no closer nor valuable partner in the region than Japan".⁶⁵ For Australia, hedging was a sensible approach, encouraging greater US involvement in the region, while attempting to tighten Australia's ties with China and the region's new Beijing influenced security forums. If attempts to engage with 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 and thereby strengthen its own security position.

Conclusion

Consequently the Howard Government was able to produce a relatively robust approach to the rise of China. Howard's two pronged approach of positive depictions alongside deepening defence engagement with the

⁶³ Michael Wesley, *The Howard Paradox: Australian Diplomacy in Asia from 1996-2006* (Sydney: ABC Books, 2007), p. 218.

⁶⁴ Des Ball, *Whither the Japan-Australia security relationship?*

⁶⁵ 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> [Accessed 27 July 2007], p. 19.

region signalled a thoughtful response to growing strategic tensions in the region. As US-China relations continue to evolve, the key rationale behind hedging; the maximisation of strategic options, or buying “insurance” ensures hedging will remain a hallmark of Australian responses to China’s rise.⁶⁶ Therefore strategic depictions will remain an indispensable element of security politics, providing key evidence in the analysis of governments’ evolving strategic outlook and the deeper tectonic shifts in a region’s power distribution. In a time of increasing strategic rivalry between the United States and China, Australia’s strategic depictions have become key sign posts of shifting American and Chinese power in the region. Indeed, depictions, as a foundational tool of hedging, are poised to increase in importance in coming years.

Looking to the future, strategic analysts will therefore need to pay careful attention to Australia’s strategic depiction of China. Strategic depictions can provide powerful images around which relationships can be built or broken. Rudd’s depiction of himself as a “zhengyou” of China is likely to be an important depictions platform in years to come. But the question of whether he will be a genuine “zhengyou” of China or a sophisticated hedger that prepares for a deterioration of US-China relations remains unseen at this point in time. Even if Rudd is a genuine ‘Sinophile’ some of his Cabinet colleagues are likely to be ‘Sinophobes’. Although the “zhengyou” depiction supplies an attractive variation from the repetitiveness of the Howard years, it may also fuel increased Chinese expectations and American uncertainties. This could have negative consequences if US-China relations deteriorated. Hence it is worth recognising the vulnerabilities incurred when conducting hedging. The Howard Government was fortuitous to enjoy strategic conditions conducive to a hedging strategy; in 2001 the EP-3 spy plane incident threatened to unravel Howard’s positive depictions of China. This vulnerability to US-China rivalries and incidents should remain firm in the strategic analyst’s mind. The bare facts are that if a strategic crisis such as the Taiwan Strait crisis of 1996 were to happen again in the Asia-Pacific, Australia would be unlikely to influence the outcome, and would have to choose between the United States and China as Howard did.

If current trends continue, strategic depictions will remain a key element of Australia’s foreign policy. As the Howard Government discovered, in a period of gradual power transition in US-China relations, depictions that foster strategic ambiguity can be useful. A hedging strategy, when conducted competently, forces the corresponding actors into playing ‘guessing games’ as to the ‘hedgers’ true intent and perspective. For the Howard Government this was beneficial in forestalling the making of unsavoury zero sum decisions towards the United States and China. While Rudd may desire to harmonise Australia’s security and economic interests, burgeoning rivalry between the United States and China render this an

⁶⁶ Evelyn Goh, ‘Understanding “Hedging” in Asia-Pacific Security’.

ambitious goal. Thus until US-China relations find a satisfactory resting point, or an unresolvable conflict of interest, strategic depictions will remain a key instrument of Australia's security politics.

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