

Auld acquaintances won't be forgotten, even as power axes shift

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This week the Australia-US alliance enters its seventh decade. Old age, as usual, is proving a challenge.

The ANZUS Treaty was signed in the distant days of the Cold War. The West's principal adversary at the time, the Soviet Union, no longer exists.

The US has also lost some of its global dominance. In 1951, it had only recently emerged from World War II as the world's leading power. It produced a large proportion of the world's output and enjoyed naval and nuclear weaponry preponderance.

Sixty years later, after the financial crisis, several years of economic stagnation and intense political partisanship over its debt crisis, the US is lagging. Its coffers have been emptied and its will sapped by an expensive war in Afghanistan and an unnecessary war in Iraq.

Of course, talk of US decline is not new. It was rife during the 1970s, following the Vietnam war and economic "stagflation". It even seeped into the American debate in the early 1950s, a time now considered the apogee of US power.

In these earlier eras two Republican presidents, Dwight Eisenhower and Richard Nixon, worried that the US would not be able to endure the open-ended and rising Cold War defence budgets. In both cases their response was telling. Rather than thinning out the US's alliances they sought to thicken them.

Eisenhower's response was "pactomania": extending security commitments to new allies to reduce the "exorbitant cost" of the country's defence needs. Nixon's answer was to devolve more responsibility for containing communism to selected allies.

US decline, in short, did not translate into neglect of its alliances. On the contrary, it resulted in efforts to re-energise certain partnerships.

"History doesn't repeat itself," Mark Twain is supposed to have said, "but it does rhyme." Washington's alliance strategy in the next decade will likely rhyme with its earlier ones.

Barack Obama is well placed to attempt this. Far from the weak-willed liberal of the conservatives' imagination, he is a pragmatist. Like his Democratic forbears Franklin D. Roosevelt, Harry Truman and John Kennedy, he views the world as a complex place, which requires many different international arrangements to deal with economic, social and political problems. But he is hard-headed enough to recognise that traditional security concerns must take precedence.

He showed patience and steel in the successful hunt for Osama bin Laden. His decision to let the US's NATO allies take the lead in Libya looks, in retrospect, prudent and effective.

Obama is keen to shift the US focus from the Middle East to Asia, given the challenges posed by China's rise. Washington has been troubled by the uneven quality of China's foreign policy, its stance on its currency, and its recent propensity to arc up over relatively routine matters. Beijing has also refused to take a broader view of the dangers posed by the behaviour of its own ally, North Korea.

In response, Obama has moved to toughen up with China and strengthen the country's ties with its Asia-Pacific allies, including Australia. Last year, for example, the two countries established a force posture working group to explore "options for enhanced joint defence co-operation on Australian soil".

In public, Washington and Canberra deny they are seeking to balance against China. Off the record, officials admit that US-Australian discussions now revolve around the rise of China.

Most Australians seem comfortable with these plans to strengthen the alliance. Recent Lowy Institute polling found that more than 80 per cent of respondents think the US alliance is very or fairly important for our security, with almost 60 per cent saying it is very important. Some 55 per cent of Australians are in favour of allowing the US to base military forces here.

As the Asian balance of power shifts, the auguries for the Australia-US alliance are good. Faced with economic woes and new rivals, Washington will not walk away from its allies. Quite the opposite: it will seek to hold them closer. This is the great opportunity, and the great challenge, facing Canberra.

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