

Hugh White

**Things to chew over for the meat in the sandwich**

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We often speak of our alliance with the US as based on shared values, and indeed it is. But there are important differences in what the two countries think of values, and especially the link between values and power. Those differences are central to our thinking about the future of Asia.

John Howard, visiting Washington last month, starkly displayed these differences when he and President George Bush spoke on the touchstone issue of China. Standing next to Howard, Bush described US relations with Beijing as "complex" and "complicated". "We've got issues when it comes to values," he said, and asked Howard to "work together to reinforce the need for China to accept certain values as universal".

Howard turned him down, flat. He told Bush: "We have a good relationship with China. It's not just based on economic opportunity. We are unashamed in developing our relations with China. I'll do everything I can in the interests of Australia to ensure it develops further." The day before he said his approach was "to build on the things that we have in common, and not become obsessed with the things that make us different".

That harsh word "obsessed" points to the depth of the differences. For Howard, values and power can be treated separately. He acknowledges that China and Australia have different values, but does not agree with Bush that China's values undermine its claims to regional power. He accepts those claims as legitimate. Indeed, he thinks that China's ascent to some kind of economic and political leadership in Asia is in Australia's interest. That is why he is going to the East Asian Summit.

For Bush, and for most Americans, the opposite is true. They are keen to benefit from China's growing economy. But they do not accept China's claim for a share of power in Asia, because they believe only countries that share America's values can legitimately exercise such power. Power and values are so deeply intertwined in American thinking they cannot be separated. "Obsessed" might not be too strong a word.

Now that the differences are clear, the question is whether the two allies are going to agree tacitly to differ, or are going to do something about it. The temptation is strong to just let things lie because, as Howard says, a US-China conflict is not inevitable. But hoping for the best is not good policy. If we want to maximise our chances that 20 years from now we can enjoy strong relations with both the US and China, there are three key questions which Australia needs to consider.

First, we need to decide just how far we are willing to go in accepting Chinese leadership in Asia. Clearly we are happy to see China's influence grow. But presumably we would not want China to become a dominant regional hegemonic power. Where in between does the limit lie?

Second, we need to decide what role we want the US to play in the new balance of power in Asia. Clearly we want the US to stay engaged, to balance China and prevent it dominating the region. But the implication of Canberra's support for Chinese regional leadership is that the US will need to concede some power and influence to China, because competition for strategic influence is a zero-sum game. So how much power and influence do we want the US to concede to China? What kind of residual role do we want the US to play? And what are the chances of it being happy to accept that role?

Third, how do other regional powers fit in? In particular, what role does Japan have in Asia's new power structure? Sixty years after the end of the Pacific war, it is clear that Japan cannot and should not be denied forever a normal role in the strategic affairs of Asia, especially if China's power grows. If the US role is reduced, are we happy to see Japan's role increased?

Of course, all these questions interconnect. Australia, by its support for China's growing regional influence, is promoting a profound transformation in the strategic architecture of Asia, with immense implications for Australia's security, including our alliance with the US. Australia needs to consider what the outcomes of that process might be, and which of those outcomes would be best for us.

For what it's worth, my hunch is that Australia's interests would be best served if the US allowed China a somewhat bigger regional role, in return for China allowing Japan a larger say in regional affairs. That would make a very different region from the one we live in now, with many new challenges for Australia. We seem a long way from it now, but things are moving very quickly. We need to get our act together.

The first essential step is to start a very frank discussion with Washington, in which the big questions of power and values are put squarely on the table.

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