

PERSPECTIVES

**THE LONG RISE OF CHINA IN AUSTRALIAN
DEFENCE STRATEGY**

RIC SMITH

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The long rise of China in Australian defence strategy

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With continuing speculation about how the Government's soon-to-be released Defence White Paper will deal with the implications for Australia's security interests of the rise of China, it is timely to review what Australia's defence strategists have said about China in their analyses over the last 50 years. This is a task which has been made easier by the Defence Department's recent publication of *A History of Australian Strategic Policy Since 1945*, a volume very competently edited and introduced by Stephan Frühling.

Between 1945 and 1976, Defence prepared for government consideration 15 *Strategic Basis* assessments, and it is these that have now been published. *Strategic Basis* papers were also prepared in 1979 and 1983, but have not yet been released. The purpose of these reviews was to provide a basis for military planning and thus force structuring for the Australian Services. After 1983, as Frühling puts it, 'the main functions of the Strategic Basis series migrated to the Defence White Papers and other one-off documents', nine of them in all, most of which have been published. While their underlying purpose remained unchanged, the new series of documents was also intended to inform (and respond to) public discussion, and to provide a rationale for budgeting for the Defence Organisation.

The Cold War

The first post-war *Strategical Appreciation* was prepared in 1946 at a time when China was engulfed in civil war. The references to China thus reflected concern about what a communist victory would mean for the interests of the 'empire', an entity whose perceived importance seems to have exceeded that of Australia itself. 'Domination of China by Russia', it said,

‘would constitute a grave danger to the Empire’. The assessment also chanced the gratuitous judgement that ‘neither France nor China can be regarded as first class powers (or) are likely to become so in the foreseeable future.’

A further *Strategical Appreciation* in 1947 introduced a theme that would preoccupy strategic planners for a generation to come – that of potential communist influence in South-East Asia. It judged that ‘a danger to South-East Asia and, therefore, Australia would arise from the Far East if the USSR should dominate, or be allied with, China.’ This was especially so because of the ‘large groups of Chinese who honeycomb South East Asia.’ It considered too that ‘the reappearance of Japan as a strong economic unit ...may cause a reorientation of Chinese sympathy towards the USSR’, though fortunately it did not go so far as to argue against the reconstruction of Japan.

The 1953 *Strategic Basis of Australian Defence Policy* duly reflected its timing, near the end of the Korean War, not least in its reference to China as ‘the enemy’. After explaining that ‘the rapid rise of China was not catered for when the present Defence Policy and General Guidance was determined’, it assessed that ‘as a result of the Soviet technical economic assistance ... Communist China is now capable of pursuing an aggressive policy for the furtherance of communism in the Far East and South East Asia.’ It anticipated that ‘Russia and Communist China will intensify their Cold War efforts’ in those regions as they sought to ‘eliminate Western influence there and bring the whole area under communist control.’ Looking ahead, Indo-China was thought likely to be the ‘key to the defence of South East Asia’, while in the event of a ‘global war’, Malaya’s ‘retention’ would have to be ensured.

Along the way, the 1953 review noted, among its ‘definitions’, that the term ‘Far East’ excluded Sinkiang and Tibet. Whatever the purpose of this distinction, it was considered important enough to repeat in the next several reviews.

The 1956 *Strategic Basis of Australian Defence Policy* introduced for the first time the possibility that Soviet and Chinese interests might not be as one. The Soviet Union, it said, was likely to envisage a world ‘controlled by Moscow’, but ‘it is doubtful whether Communist China would acquiesce in this.’ While China’s ‘aims were likely to run parallel with those of the USSR’, this did not mean they would ‘automatically go to war to support one another.’ In the event of a war with the Soviet Union, China was thought likely to ‘pursue its own expansionist aims in the Far East’. For Australia, ‘(s)hould a situation develop in South East Asia which indicates that war with China is imminent, a danger of war threatening Australia’s security would exist ...The threat ... would be... after 1960 if bases in Indonesia

were available to the Chinese communists, sporadic raids by medium bombers on targets anywhere in Australia.’

With China embarked by now on its ‘Great Leap Forward’, the 1959 *Strategic Basis* paper canvassed, presciently but prematurely, a theme that would recur over the next 50 years. China, it said, was ‘already the predominant Asian nation,’ whose ‘great material progress may be expected to consolidate its influence in the Far East and attract the admiration and perhaps the emulation of other Asian countries.’ China was seen likely to ‘increase its stature as a dominant Asian nation.’ Rather less presciently, it also foreshadowed the possible deployment in China of ‘tactical nuclear weapons under Russian control.’

Three years on, the next *Strategic Bases of Australian Defence Policy* judged that limited war was still a possibility. China though was thought ‘unlikely to launch independently a limited war, at least until she acquires an independent nuclear capability,’ which was thought likely after 1966. China’s ‘growing political and economic power was’ again noted, and its military strength was considered ‘far superior to that of all non-communist indigenous forces in South East Asia and Australasia.’ Reflecting the ‘domino theory’, the review judged that ‘the armed forces of North Vietnam backed by Communist China pose a threat to Thailand, South Vietnam, Laos and Cambodia.’

The January 1963 review of *Australia’s Strategic Position* reflected the fuller exposure of the Sino-Soviet dispute and the failure of the ‘Great Leap Forward.’ It assessed that the rift with Moscow, together with the ‘continued effects of inept economic policies and agricultural failures,’ had restricted China’s ‘war potential,’ limited its ‘ability to sustain a major war’ and delayed its acquisition of a nuclear capability (now ‘by 1970’). China was seen likely nevertheless to ‘continue to promote wars of liberation’.

The next review, in October 1964, looked ahead ten years and foresaw, in addition to a reasonable expectation that Mao Tse-Tung would be replaced, a continued ‘possibility of a war between Communist China and the United States.’ China’s first nuclear test was now ‘expected at any time’. (In fact it occurred later that year.) It considered that ‘if Taiwan were ousted from the United Nations with no United Nations guarantee for its future, the likelihood of Chinese/United States clashes which could involve Australia under ANZUS might well increase’ – a hydra-headed proposition which, in addition to introducing the UN membership to strategic deliberations, implied some interesting judgements about both the United States and ANZUS. The review also introduced India to the strategic picture, noting that it would ‘provide some counter-balance to the power and prestige in Asia of communist China.’

The 1968 *Strategic Basis of Australian Defence Policy* elevated China to a role of 'key significance in shaping Australian strategy.' It noted China's 'growing military capability, particularly in the nuclear weapons field' and assessed that China 'as an unrestricted nuclear power poses a direct threat to the USSR and the USA.' It assessed nevertheless that China was 'unlikely to use its forces unless it considers itself threatened,' and contended, in the first acknowledgement of its kind, that 'Chinese military policy is at present geared to the defence of the homeland.'

With China's admission to the UN six months away and debate about Taiwan and issues relating to recognition of Beijing well under way in Australia, the March 1971 *Strategic Basis*, unusually, broke foreign policy ground to assert that it was 'in Australia's long-term strategic interests to establish satisfactory relations with mainland China' and that 'Australia should at least stay abreast of the United States in an accommodation with China, both within the United Nations and outside it.' China was expected to 'appreciate the need to avoid direct military confrontation with either the United States or the USSR,' and was judged 'unlikely to embark on overt military aggression against neighbouring states,' though it would 'continue for some years at least to support national liberation and other insurgent movements.'

Nixon, Whitlam and the regional balance

The *Strategic Basis* paper which the Whitlam Government considered in June 1973 marked a change of tone, offering a loftier and more conceptual appraisal of the world situation. It acknowledged that 'President Nixon's visit to China in 1971 finally opened a new era in international relations'. China's 're-entry into the international community' was considered to have 'modified its ideological ambitions for world revolution,' and 'appears likely to favour the United States rather than the USSR.' Apprehension remained, however: China maintained its publicly declared support for national liberation movements, and by 1974 would have 'acquired the ability to deliver a three mega-ton nuclear warhead onto Australia'. Concern about American 'stickability' seemed to be reflected in the judgement that 'China's regional policy is probably long-term. It can afford to wait for US disengagement.'

The next *Strategic Basis* was drafted in late 1975 and submitted to – but rejected by – the incoming Fraser Government in 1976. It included what seems to be the first references both to Japan's strategic weight and to the notion of a regional power balance, noting that the 'regional balance in East Asia among the USSR, the United States, China and Japan was likely to continue.' It judged that the main thrust of China's foreign policy was to mobilize

political support against the ‘hegemony’ of the two super powers, and assessed that ‘China’s military planning and dispositions are primarily defensive.’

The *Strategic Analysis* prepared in 1976 reflected strong concern about the Soviet Union and placed much of its coverage of China in that context. It noted that the ‘Sino-Soviet confrontation ... benefits the US military position’ and proffered the unprecedented judgement that ‘in some important respects, China’s interests, as now apparent, do not conflict with Australia’s.’ China, in addition to tying up substantial Soviet forces, was nevertheless seen to ‘impose(s) contingent restraint on Japan, is a factor in South Asia, and is expanding its influence in South East Asia.’ The analysis acknowledged that while ‘China’s small nuclear force could already reach north-west Australia...military attack on Australia is considered most unlikely.’ China’s posture, it reaffirmed, is ‘one of national defence; it neither threatens nor opposes other powers of direct defence concern to Australia.’

The 1976 review’s concluding note on China was one that was to underpin Australia’s approach for the next 20 years: China, it said, ‘is of little direct defence, as opposed to political, significance to Australia at the present time,’ though ‘in the longer term there are bound to be uncertainties about a China that has developed the political and economic strength to pursue significant policy beyond its neighbouring regions, and capability to project supporting military force... China could in time establish a primary status in the region that would be a substantial political and strategic consequence for Australia.’

Rising China

The unpublished 1979 and 1983 reviews, Frühling says, did not depart from ‘the broad policy outlines’ of 1976. The 1987 White Paper, *Defence of Australia*, did however mark departures in a number of respects, in particular in defining as a basis for force structuring an ‘area of direct military interest’ for Australia – an area that certainly excluded China.

A *Strategic Review* undertaken in 1993, the first published after the Cold War, in effect returned to earlier themes in noting increased uncertainty, in the new post-Soviet era, about the US role in Asia, and China’s potential to ‘emerge ... as a strategic rival to the United States in Asia’.

The 1994 White Paper, *Defending Australia*, developed further than earlier reviews the notion that economic growth in Asia was impacting on the strategic environment. It forecast that

within 15 years 'China's economy will be the largest in Asia and the second largest in the world (and) this will affect global power relationships and become a dominant factor in the strategic framework in Asia and the Pacific.' While China's economic growth predictions were over-stated (it still ranks second in Asia and third in the world), it was rightly seen to be 'already allowing China to increase its military capabilities, especially of its maritime forces. China was considered likely to continue its strategic objectives by a combination of diplomatic, political and economic means, underpinned by its military strength.' As a result, China was likely, over the next decade, 'to become the most powerful new influence on the strategic affairs of our wider region'. The response to this was seen to be the development of strategic dialogue with China, and encouragement to China 'to participate fully in regional and other multilateral security discussions.'

The Howard Government's White Paper, *Defence 2000*, took this approach a step further and introduced more balance-of-power thinking. 'The most critical issue for the security of the whole (Asia-Pacific) region', it said, was 'the nature of the relationship between the region's major powers – China, Japan, India, Russia and the United States', while 'the trilateral relationship between China, Japan and India will define the East Asian strategic framework.' The White Paper assessed that there was 'a small but significant possibility of ... confrontation between major powers in Asia, and even outright conflict.' If that occurred, 'Australia's interests would be deeply engaged, especially if it involved the United States and intruded into the nearer region.' Within the region, China was seen as an increasingly important strategic interlocutor for Australia,' and the Government would have to 'deepen and develop the (bilateral) dialogue on strategic issues.'

Enduring themes

Setting aside issues which were topical at the time of writing, like China's support for national liberation or other revolutionary movements in South-East Asia, the Sino-Soviet split and the matters of UN membership and China recognition, two enduring themes emerge from this set of strategic reviews.

The view that China's military planning is primarily defensive is one such: first put in 1968, it was amplified subsequently and, over time, developed further to embrace the views that China's first priority is economic growth, for which it requires regional stability, and that the nature of China's growth locks it into interdependency with the global economy.

A second is the assessment that China's economic growth would change regional strategic relativities. This prospect was first foreseen in 1959, prematurely, but became increasingly important as a line of analysis in the 1970s and, since the early 1990s, has become a constant in Australian strategic commentary.

Together, these two themes constitute what might be called a 'consensus' on China; while the judgements it embraced were widely shared beyond Australia, this 'consensus' was an essential foundation for the building of an increasingly significant and beneficial relationship with China since the 1970s. It was supported of course by other considerations, especially assumptions – which were themselves the subject of periodic anxiety on the part of Australia's strategists – about America's durability in the Pacific.

Hugh White's Lowy Paper, *A Focused Force: Australia's defence priorities in the Asian century*, is a typically well-argued and challenging contribution to strategic debate in Australia. If the Government were to consider a White Paper which reflected the sort of approach he recommends to the implications for Australia of China's rise as a strategic force in the Asia-Pacific region, it would of course be considering a significant shift in its approach to the role and capabilities of the Australian Defence Force. Beyond that, though, it would also be re-evaluating the 'consensus' which has underpinned Australia's approach to the pursuit of its interests with China for more than a generation. The stakes would be high for more than just the Defence budget.

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