America's Asia Rebalancing: Understanding New Zealand's Response

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To understand how New Zealand has responded to the United States rebalancing towards Asia we need to know what New Zealand and other Asia-Pacific regional countries are responding to. This requires us to have a good appreciation of the rebalancing in its various elements. It also requires us to consider whether the reality of the rebalancing matches the rhetoric that has been associated with it.

In some minds the U.S. rebalance is largely, if not completely, about the redirection of the American military effort. That perception is not without foundation. In the January 2012 strategic guidance, signed by both President Obama (the Commander in Chief) and his Secretary of Defense, we find the following judgment:

> U.S. economic and security interests are inextricably linked to developments in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia, creating a mix of evolving challenges and opportunities. Accordingly, while the U.S. military will continue to contribute to security globally, we will of necessity rebalance toward the Asia-Pacific region.[1]

The idea that the rebalancing primarily is about America's military effort appears to be confirmed by a number of factors. First

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there is the corresponding judgment by the Obama Administration that American forces had been bogged down for too long in the lengthy wars in Central Asia and the Middle East, namely, Afghanistan and Iraq. Well before the rebalancing (or pivot) became part of Washington's strategic vocabulary, steps had already been taken to end America's combat involvement in Iraq. For the Obama Administration winding down America's participation in the less controversial but still lengthy war in Afghanistan was the next target, and the rebalancing offered part of the justification for this change.

Second, there was the promise of concrete military signs which reflected the importance that the United States was attaching to Asia. Speaking to the 2012 Shangri-La Dialogue in Singapore, the U.S. Defense Secretary of the time, Leon Panetta explained that "by 2020 the [U.S.] Navy will reposture its forces from today's roughly 50/50 percent split between the Pacific and the Atlantic to about a 60/40 split between those oceans. That will include six aircraft carriers in this region, a majority of our cruisers, destroyers, Littoral Combat Ships, and submarines."[2] This signals a clear intention for a greater proportion of U.S. maritime military power to be concentrated in Asia, with proportionately fewer forces being made available elsewhere. A number of factors, including the growing economic importance of Asia in general, have influenced this thinking. As the President's strategic guidance indicates: "The maintenance of peace, stability, the free flow of commerce, and of U.S. influence in this dynamic region will depend in part on an underlying balance of military capability and presence." But there is no question that China's growing military power, which Washington regards as a potential challenge to these interests, has been an especially prominent consideration. As the same passage in that guidance argued:

> "the growth of China's military power must be accompanied by greater clarity of its strategic intentions in order to avoid causing friction in the region. The United States will continue to make the necessary investments to ensure that we maintain regional access and the ability to operate freely in keeping with our treaty obligations and with international law."[3]

The maintenance of U.S. military access close to the Asian mainland, including in support of treaty allies such as Japan and the Republic of Korea, and which involves keeping a close watch on China's capabilities and activities, is a cardinal feature of this approach. This includes the energies which are being devoted by the Pentagon to ensure that America's air-sea battle concept and capabilities can blunt the effect of China's growing ability to raise the costs of American military options in East Asia (China's "counter-intervention" or "anti-access area denial" capabilities). In that context the rebalancing is part of the view in Washington that the United States faces a growing challenge from a potential peer competitor. The concern about non-state military actors, which helped drive the response to the 9/11 attacks and which were also used (with less plausibility) as part of the argument for the attack on Iraq, gets rather less emphasis in the logic of the rebalance. The rebalance reflects a determination to concentrate more on the interstate distribution of military power which is heading in Asia's direction.

But there is a third factor which suggests that the rebalancing is more than an issue of a shift *towards* Asia. It also involves a shift in America's posture *within* Asia with the United States placing more emphasis on its connections to maritime Southeast Asia, India, and Australia. Part of this is encouraged by the rising risks to U.S. forces stationed in North Asia and a desire to reduce Washington's relative dependence on complex basing arrangements with its traditional allies in Japan and the ROK. Another important element is Washington's emphasis on the maritime pathways around maritime Southeast Asia that connect the Indian Ocean and the Pacific Ocean, which Asia's major economies, including China and Japan, depend on heavily for the supply of energy and other goods. Part of it is the genuine desire for a wider array of strategic partnerships in the region.

This rebalance within Asia has been reflected, at least symbolically, in the news that up to four American littoral vessels would be deployed (on a rotational basis) in Singapore[4] — an increasingly important non-allied security partner of the United States. It is also demonstrated in the announcement during President Obama's late 2011 visit to Australia that initially 250 and eventually up to 2,500

American marines would be rotated through Darwin.[5] Increased access by American naval and air forces to facilities in Australia's west and north also appeared to be on the cards. It is reflected also in the attention that the Obama administration has paid to cultivating a strategic partnership with Indonesia, and in the symbolism associated with Leon Panetta's visit to Vietnam's Cam Ranh Bay, the first American Secretary of Defense to do so since the Vietnam War.[6]

None of these developments, on their own or in combination, will transform the distribution of military power in Asia. They do not alter the fact, for example, the gap in military power between the United States and China is coming down, although they may slow the pace of that change to a modest degree. America's military footprint in Asia is not being revolutionized. And the rolling out of the rebalancing in military terms will be affected by the challenges which face the Obama Administration at home as a politically divided United States struggles to confront the serious debt problems which have already cut into the defense budget. The current challenges posed by the sequestration process are only part of the question here. Further stringencies, which cannot be ruled out, would further erode America's edge as the world's leading military actor. They may also have an effect on plans in Washington to inject additional military resources into Asia, even if some are freed from other parts of the world.

More than a Military Rebalance

Rebalancing should not be understood as a unilateral display of American power in the region.

This does mean that the America's rebalancing is suddenly empty. It is not a simple readjustment of the presence and role of U.S. military forces in Asia. Nor should the rebalancing be understood as a unilateral display of American power in the region. Instead we need to consider the emphasis that Washington has been placing on building its security *relationships* in the region, both with long-standing allies and emerging security partners. And these relationships do not simply consist of the closer

links which are being formed between America's armed forces and other militaries in the region. These defense links certainly generated the headlines in President Obama's visit to Australia in late 2011, for example, but at about the same time *Foreign Policy* magazine published a major article by Secretary of State Hillary Clinton which also emphasized the diplomatic and economic elements of the relationships that Washington was seeking to build in the region.[7]

Perhaps the first sign of America's rebalance towards Asia came not from the deployment of U.S. ships or aircraft, or a new military exercise, but with the decision to take Asia's multilateral diplomatic forums more seriously than had been occurring under the George W. Bush Administration. That decision was relayed in President Obama's involvement in the East Asia Summit (EAS), also in November 2011. Few in the region regard the EAS and the region's other groupings, including the ASEAN Regional Forum, Asia Pacific Economic Cooperation (APEC) and the ASEAN Defence Ministers' Meeting Plus (ADMM+), as decisive bodies which drive the strategic agenda in the region and ensure that the great powers show restraint in their regional interactions. But in part because these gatherings can become important venues for the great powers to display their influence, membership and participation in them carries important symbolic weight. And after some years on the multilateral sidelines, the United States was showing itself to be back. This includes an increased engagement in regional multilateralism further south in the region, with the United States taking a much more active interest in annual meetings of the Pacific Islands Forum.[8]

In the first term of the Obama Administration the United States had not given up on the surpassing importance of its bilateral connections in Asia. Here too Washington devoted considerable energy, including in the speedy development of a new relationship with a reforming Myanmar. But the emphasis on regional multilateralism which came from the Obama Administration's foreign policy team (Hillary Clinton and leading Asia policy official Kurt Campbell) reflected much more than a progressive approach to foreign policy. It also reflected a calculation of what went down

well publicly amongst the many Southeast Asian countries it was courting as new security partners. This approach was motivated partly by the realization in Washington that for many years China had been making steady progress in these processes. As Ralf Emmers observed, for example, "By joining the EAS the U.S. has seized an opportunity to reverse the perceived American disengagement from the region, which had allowed China to play a larger role in East Asian regional platforms."[9] At the same time the United States was actively encouraged to play a more obvious diplomatic role in Asia by many regional countries, including in Southeast Asia, who wanted a stronger American presence to ensure a great power equilibrium as China continued to rise. This encouragement to Washington from the region became obvious from about 2009 as signs of a more assertive approach by China were becoming evident.

When understood in these broader terms beyond a strictly military dimension, the U.S. rebalancing also extends to the area of regional economic cooperation. The Obama Administration's decision to join the negotiations for the Trans-Pacific Partnership (which builds on the existing P4 free trade arrangement between Singapore, Chile, Brunei and New Zealand) is the clearest sign of Washington's determination in this regard. This reflected the convergence of judgments on the part of the Obama Administration. Here again there was a clear sense that China had been taking a leading role at the centre of another process (in this case Asia's economic integration) while the United States, despite being a very important market, purchaser and investor for Asia's economies, remained rather on the sidelines. Additionally, in the wake of the global financial crisis a deeper involvement with many of Asia's economies appealed as an answer to America's own economic downturn. A recent congressional research report has depicted the TPP as "the leading trade policy initiative of the Obama Administration and a manifestation of the Administration's 'pivot' to Asia"[10] and the second term of that administration might well attach even greater importance to the TPP in its rebalancing policy than did the first.

New Zealand's Response

New Zealand certainly sees itself as one of the originators of the TPP concept not least because of its own involvement in the original P4. But America's involvement in the TPP negotiations corresponds nicely with New Zealand's ambition to establish a free trade agreement involving the United States which has proven almost impossible to secure on a bilateral basis. This has increased the complexity of the process, not least because New Zealand (which seeks open access for its agricultural products) and the United States (which seeks concessions on pharmaceuticals and intellectual property) define a high quality trade agreement in different ways. But American involvement was certainly one of the aims which motivated New Zealand to encourage a widening of the original P4 group.

These questions may seem to be a fair distance from the security issues with which the American rebalancing is normally associated. These security issues are very much at the forefront of the thinking in Australia, New Zealand's neighbor and most important partner.[11] But while Australians have worried historically about their country's geographical proximity to Asia, New Zealand's nightmares have much more to do with the risks of economic marginalization. The TPP might therefore be regarded as one element of New Zealand's quest for a measure of economic security, a quest which also led to the signing of New Zealand's very important free trade agreement with China several years ago. New Zealand policymakers and political leaders are aware that in parts of the region the TPP has developed a reputation for being more than a trade agreement. Indeed some (although by no means all) observers in Beijing have been concerned that the TPP, now that the U.S. is involved in the negotiations, represents an attempt to exclude China. New Zealand Ministers have indicated that Wellington would simply not sign an agreement that had the exclusion of China in mind.[12] Likewise for New Zealand, a closer trading and economic relationship with the United States is one way in which a stronger American profile in Asia can be encouraged. But for John Key's government, that does not mean a taking of sides with the United States in any competition with China. Wellington clearly

feels a closer relationship with Washington is compatible with its interest in maintaining strong links with China.

A similar logic is evident in New Zealand's response to a second element of America's rebalancing: Washington's closer diplomatic engagement in the region. Wellington was particularly enthusiastic about the incorporation of the United States in the East Asia Summit, a move which reflected New Zealand's interest in a stronger American diplomatic presence in a changing region, gave New Zealand and the United States another multilateral forum in which to cooperate, and which also ties in with the high profile that regional multilateralism enjoys in New Zealand's foreign policy. Closer to home, New Zealand was very keen to welcome Washington's renewed interest in the South Pacific region, including the active participation of Secretary of State Clinton and other leading American officials in the Pacific Islands Forum meetings.

This enthusiasm did not reflect a New Zealand interest in displacing other major powers from their increasingly important roles in New Zealand's immediate neighborhood. Wellington has not regarded China's increasing role in the South Pacific, including the establishment of multiple diplomatic missions and the provision of development assistance, as an automatic cause for concern. With one or two exceptions, including China's cooperation with Fiji, a South Pacific country which is led by a military regime which overthrew a democratically elected government, New Zealand has seen China's role as an opportunity rather than a problem. Indeed at the last Pacific Islands Forum meeting, New Zealand and China announced a trilateral aid project with the Cook Islands.[13]

New Zealand has not taken the unsustainable view that major powers can be prevented from playing major roles in the South Pacific. But greater American interest represents an opportunity to ensure that there is a balance in those roles. It is also an opportunity for the development of a closer security partnership between the United States and New Zealand. In 2010 Hillary Clinton signed the Wellington Declaration during her visit to New Zealand's capital city which signified a new era in bilateral security cooperation. That cooperation has a clear South Pacific emphasis. According to the

short Declaration, which was also signed by New Zealand's Foreign Minister Murray McCully:

> "The United States-New Zealand strategic partnership is to have two fundamental elements: a new focus on practical cooperation in the Pacific region; and enhanced political and subject-matter expert dialogue — including regular Foreign Ministers' meetings and political-military discussions."[14]

The promised focus of that South Pacific cooperation, which included initiatives to promote renewable energy and disaster response mechanisms, and a recognition of the challenge that climate change posed to low lying Pacific countries, suggests that the Wellington Declaration is not an instrument of geopolitical competition. New Zealand officials are well aware, however, that even in the South Pacific, elements of that competition between the United States and China can occasionally be felt. But Wellington has no interest in intensifying any such contest through its own relationships with either major power.

Wellington has no interest in intensifying the competition between the United States and China in the South Pacific through its own relationships with either one.

This approach receives its greatest challenge in the third area of New Zealand's enthusiasm for America's rebalancing: the *military* dimension. A sense of perspective is in order here. New Zealand has a small defense force with under ten thousand regular personnel. Its capabilities including mobile light infantry, maritime surveillance and patrol, and air and sea transport, most of which are generally not suited to high intensity combat missions. As a result it is difficult to see New Zealand contributing to a shift in the distribution of material military power in the Asia-Pacific. But New Zealand's small force is a disciplined and adaptable one, and the reputational affect of Wellington's political-military choices still carry some weight.

Washington's interest in a closer military relationship with New Zealand does not therefore reflect an attempt to create a formidable South Pacific order of battle involving the two countries. It is

instead because of the reputational benefits that such a partnership offers, especially because of New Zealand's proven ability to make independent judgments about its own strategic interests. The very obvious welcome that John Key's government has given to the prospect of a stronger American military emphasis on the Asia-Pacific, and to a significantly closer bilateral defense relationship between New Zealand and the United States, has a symbolic significance that is greater than the size of the NZDF might suggest. But this is not a zero-sum-game. New Zealand has an active relationship in defense diplomacy with China that works for both countries.

Wellington's support for a closer military relationship with Washington was conveyed in the 2010 Defense White Paper, which argued that it was in New Zealand's security interests to be "an engaged, active and stalwart partner of the U.S."[15] The development of these links was reflected not only in New Zealand's participation in a major U.S.-led humanitarian exercise in the South Pacific and in the presence of U.S. personnel in New Zealand for exercises and reciprocal training opportunities for New Zealand defense personnel in the United States, and in New Zealand's participation in the 2012 Rim of the Pacific (RIMPAC) exercise (in which China will participate in a limited capacity in 2014). More significant still was the signing in 2012 of the Washington Declaration, which paid greater attention to the military element of the bilateral relationship than the Wellington Declaration had two years earlier. Signed by New Zealand's Defense Minister Jonathan Coleman during a meeting at the Pentagon with his American counterpart Leon Panetta, the Washington Declaration commits the two countries to a potentially extensive array of cooperation with a particular emphasis on the maritime dimension in the wider Asia-Pacific region. Under this second bilateral declaration, the two countries have indicated their intention to enhance their "maritime security presence and capabilities," their "maritime domain awareness" and work together to develop their "deployable capabilities, in support of peace and security in the Asia-Pacific."[16]

Perhaps conscious of the implications that others in the region might draw from this new agreement, including the view that

New Zealand might be aligning itself particularly strongly with the United States, ministers in Wellington tended to play down its significance. But it was even harder to dispel the notion that New Zealand was doing what it could for the pivot when a few months later Leon Panetta became the first U.S. Defense Secretary to visit New Zealand in more than a generation. When asked by a journalist whether American forces might be stationed in New Zealand at some future time (in comparison to the already announced rotation of marines through Darwin), Mr. Panetta did not rule out that possibility, arguing that the United States would work with New Zealand in a way that was comfortable to Wellington.[17] Mr. Panetta also announced that the long-standing restriction on New Zealand naval vessels, which meant that they could not dock in American military ports, would be lifted.

Not Just the Rebalance!

This particular episode reveals something important about the nature of the rebalancing and the extent to which it explains the closer security relationship that New Zealand and the United States now enjoy. First of all, the fact that the United States intentionally tailored its message for a New Zealand audience was a sign that there is no one-size-fits-all approach to the various relationships that Washington has been cultivating in the Asia-Pacific region. American officials have been careful not to generate the impression that they are seeking from New Zealand a formal alliance relationship. In fact, the *less* that the United States has given the impression that it is seeking to renew a formal alliance relationship with New Zealand, the easier it has been for Wellington to come to the party.

Secondly, and more importantly, the development of closer security ties between New Zealand and the United States in recent years can be explained as part of the rebalancing only to a limited degree. We know this partly because the improvement in U.S.-NZ relations was occurring well before the military part of the pivot had made itself known, and even before the Clinton and Campbell State Department efforts to forge a set of deeper diplomatic relationships for the United States in Asia. In fact, there is something rather unique

about the last thirty years of U.S.-New Zealand relations, and about the way those relations have become closer in more recent times.

For over three decades, from its signature to the 1951 ANZUS (Australia-New Zealand-United States) Security Treaty until the mid-1980s, New Zealand was an active participant in the American-led "San Francisco" alliance system in Asia. Australia was always more enthusiastic than New Zealand about the development of a treaty relationship with the United States, and relied more on American military power in Asia. New Zealand itself developed close security links with Washington, participating in such arrangements as the South East Asia Treaty Organization and in such conflicts as the Vietnam War, and becoming closely interconnected in the sharing of information. But as feelings rose in New Zealand and Australia against nuclear testing (including French testing in the South Pacific) and the resumption of Cold War nuclear tensions in the late 1970s and early 1980s, they had a stronger impact on Wellington's relationship with the United States than they did on Canberra's. David Lange's Labor government, which was elected in 1984, set about implementing a nuclear free policy, and applying it to prospective visits by American naval vessels to New Zealand ports, in such a way that the Reagan Administration chose to suspend active alliance relations with New Zealand under ANZUS.[18] In short, New Zealand was no longer the active member of the Western alliance system that it had been for so long.

It is against this historical legacy that a good deal of the improvement in U.S.-NZ security relations in recent years ought to be understood. A few years after the mid-1980s ANZUS crisis, more conservative New Zealand governments sought a closer relationship with Washington, but found it domestically impossible to alter the nuclear free policy, which by 1987 had been enacted into law by the New Zealand parliament. New Zealand contributions to conflicts in the early post-Cold War period alongside old allies, in Bosnia, Somalia and the Middle East, were not enough to persuade Washington to relax what had become a deep freeze in security ties. But as time went on Washington did notice New Zealand's participation in the management of international security. This

became particularly clear after the 9/11 attacks as a host of formal allies and security partners of different stripes joined the campaign in Afghanistan. With strong United Nations support for an international response, New Zealand first deployed forces in 2001 to Afghanistan, a commitment that continues at the time this article was written. It is inaccurate to suggest that the quest for a closer relationship with the United States explains New Zealand's original commitment to Afghanistan. But governments in Wellington have retained forces there partly because of the benefits that have come in that regard.

Under the last few years of the George W. Bush Administration, leading American officials, including Christopher Hill, were keen to change the absurd situation whereby New Zealand was an active security partner with the United States (and NATO) but was being treated as if it was a pariah. Some changes did result, but the real push came after Mr. Obama's election, and here some credit does need to be given to the thinking which we have come to understand as the rebalancing. As Washington freed itself from its painful commitment in Iraq (which New Zealand stayed away from in 2003 because Helen Clark's government did not regard military action as necessary or legitimate), and looked also to a post-Afghanistan moment, the perception crept in that in a long period of Middle Eastern and Central Asian distraction the United States had taken its eyes off the main game in East Asia. That criticism is not entirely fair, because as America's allies and others in Asia know, the 7th Fleet did not get up and leave during the first decade of the 21st century. But it is true that some of Washington's diplomatic attention at the very least was distracted.

The China Factor

Here the China factor was of course paramount. Had it not been for China's rise, and for Beijing's active and fruitful participation in Asia's economic integration and in ASEAN-based diplomatic forums, and for the economics points China has been scoring for over a decade since its response to the 1997/8 financial crisis, it is hard to imagine that the rebalancing would have been seen as quite

so urgent. As it responded, the United States might have chosen to rely on its own power and its cooperation with traditional formal allies in the region. But in terms of the latter, only the treaty-based relationships with Tokyo, Seoul and Canberra really mattered. As a consequence a broader diplomatic and strategic approach was needed, one which drew in new security partners and which also engaged Asia's multilateral forums. And here New Zealand was one of these new partners, even though it had also been an old ally!

Does that mean that in its enthusiasm for a closer security relationship with the United States, New Zealand has been motivated by a common concern about the advances that a rising China has made? My answer to this question is "only to a limited degree." Does it mean, moreover, that New Zealand is part of an attempt, led by the United States, to contain the People's Republic? In my view, the answer to this question is a definitive "no." Let me explain why I think these are the correct answers to these two important questions about New Zealand's endorsement of the American rebalance, and about the part that New Zealand may play in its courtesy of its new strategic relationship with the United States.

In terms of the first question, the New Zealand government is very likely to be conscious that the China factor is a large part of the explanation for America's rebalancing. It may not be the only factor, but it is difficult to find one that is more important. New Zealand officials are very likely to be aware that without the China factor, it is hard to see why the Obama Administration would have paid such reasonably close attention to America's profile in the South Pacific. It is not the China factor alone, however, that explains why Washington was keen to sign the Wellington Declaration with New Zealand and work more closely on cooperation in the South Pacific. But it is part of the package.

It can be argued that New Zealand sees things quite differently and that it would see the advantages of a closer security relationship with the United States on its own merits. In other words, one could make a reasonable argument that even without China's rise, New Zealand would have sought closer security links with Washington. But it would be disingenuous to suggest that New Zealand policy-makers have been completely unaffected by China's growing power

in Asia. Unlike some of China's near neighbors New Zealand is not nearly so sensitive to this change, and Wellington has very good reasons to see China's rise in largely positive terms. Indeed John Key's government has seen the economic locomotive that China has provided for Asia as an unabashed opportunity for New Zealand. The release of a New Zealand strategy on China, focusing on the opportunities available for New Zealand businesses from the Free Trade Agreement[19], is a clear sign of that. There has, in comparison to the debate in Australia, been very little sign in New Zealand of significant concerns about the strategic challenge that a stronger China may provide in addition to the obvious commercial opportunities. But this does not mean that strategic considerations are completely absent. The 2010 Defense White Paper addresses these considerations without suggesting any cause for alarm, but does so in a way which still merits reading:

> "The strategic balance in North Asia is shifting. China both benefits from and contributes to regional stability and prosperity, but there will be a natural tendency for it to define and pursue its interests in a more forthright way on the back of growing wealth and power. The pace of China's military modernization and force projection programme, and the response this could prompt from neighboring states, may test the relationships of the major regional powers."[20]

For New Zealand, a strong and active United States presence in the region is part of the equilibrium that can keep things relatively stable, and a revitalized security relationship with Washington gives a broader basis to New Zealand great power relationships at a time of significant change in the region. In that context then, China's rise is one of the features of the emerging Asia-Pacific strategic environment which has encouraged New Zealand to regard an improved security relationship with the United States as an asset.

But this logic is a long way from the notion that New Zealand has signed up to a containment strategy against China. On the one hand Obama Administration officials have been universal in their denial that they have in mind the containment of China. If by containment we can only mean a carbon copy of the U.S.-led approach to the Soviet Union during the Cold War then it is

clear that the U.S. policy towards China is not in the same league. The United States and China are part of the same market-based economic system, and rely on each other's prosperity for their own. This alone marks a serious break from the Cold War competition between separate blocs. To the extent that the United States views China as a "responsible stakeholder" there is also little obvious sense of containment in the air. But America is nervous about China's growing military power, and in particular the growing ability to China's armed forces to raise the costs for American forces operating in the air and sea close to the Asian mainland. Part of the rebalancing is designed to counter this trend. Moreover, from the perspective of some Chinese observers in Beijing, it is not difficult to see how Washington's attempts to strengthen traditional alliances, build links between existing bilateral relationships, and develop new security partnerships (including with some of China's near neighbors) has the appearance of a coalition designed to restrict China's options.

But even if I am correct in thinking that a modest amount of containment is occurring, it is difficult to argue that New Zealand is part of that picture. This is not so much because New Zealand leaders have insisted that they do not see any conflict between the warming of security relations with the United States and the very valuable relationship that New Zealand has with China. Declarations of this kind always need to be tested. Instead three factors make me think that containment is furthest from the mind of New Zealand decision-makers.

First, in an approach which has been accelerated under John Key's term in office, commercial considerations dominate the foreign policy agenda for New Zealand. The predominance of the desire to secure New Zealand's future prosperity is such that the containment of New Zealand's second largest trading partner, and the largest trading partner for so many of New Zealand's leading markets, simply makes no sense whatsoever.

Second, because New Zealand's security relations with the United States were at such low levels for many years after the mid-1980s dispute between the two countries, the China factor was not a necessary condition for Wellington's enthusiasm for a closer

partnership with Washington. New Zealand-U.S. relations may have warmed faster than they may have thanks to the rebalancing, but the trend was already well in place before anyone started to talk about the "pivot."

Third, New Zealand Ministers have been very careful to avoid indicating that they are interested in a return to the ANZUS status quo ante. The words "ANZUS" and "alliance" are out of bounds. And ironically, there is a piece of history which will come in handy here: the nuclear free policy, which would probably still need changing if a full alliance relationship was restored, is not up for negotiation. It is part of New Zealand's political furniture, and one reason why there are obvious limits to Wellington's participation in the rebalancing that Washington has been working on in the Asia-Pacific.

None of this changes the fact that unlike Australia, which has an unbroken and very strong formal alliance relationship with the United States at the centerpiece of its security policy, New Zealand does not see Washington as its leading ally. That position in New Zealand's calculations is taken by Australia and not the United States. The fact that New Zealand now has a warmer security relationship with the United States but not a fully fledged formal alliance may reduce the chance of Wellington getting caught in the middle of a dispute between Washington and Beijing. But indirectly, because New Zealand has such a close relationship with Australia, Canberra's own very strong commitment to its United States alliance may at some future time complicate Wellington's positioning.[21]

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Conclusion: Whither the Rebalancing?

America's rebalancing and the response from regional countries has been the main topic of strategic conversation in the Asia-Pacific for the last twelve months. Everybody has been talking about it.

But is there a chance that the pivot has already run out of steam?

Two factors in particular encourage us to be aware of the challenges facing Washington. One is simply that the United States is a global power with a sense of its global responsibilities which no other country in the world feels or is likely to feel in the foreseeable future. And it is more than a question of responsibility or moral obligation. The United States will continue to regard the Middle East and Europe as parts of the world where it can at least sometimes be said to have vital interests. This will probably continue whether or not the United States becomes as energy self-sufficient as it wants to and whether or not the United States regards NATO as an effective instrument. At the time of writing, the future of Syria and the challenge posed by Iran's nuclear weapons program (including to Israel, America's closest ally in the Middle East), and the ongoing consequences of the Arab Spring, are making a mockery of the notion that the United States could free itself from its connections outside of Asia to focus on the rebalancing effort. As the new Secretary of State, John Kerry will need to work doubly hard if he is to replicate the enthusiasm of his predecessor for developing and sustaining America's diplomatic profile in Asia.

The second factor is the domestic American scene. It may be premature to suggest that the United States is developing a more inward focus that will reduce its willingness to bear the costs of its presence in Asia. But the combination of political division and federal budget constraints will make life harder for the champions of America's Asian rebalancing. It may well be the case, for example, that at some future point sixty per cent of the American navy will be based in Asia. But that may be sixty per cent of a slowly decreasing military capability in overall global terms. America's chief challenge in comparison to China, a growing great power which sits in the middle of Asia, is that it has to project power across the seas into the region. The United States may be resident power in the resident possession, in part because of Guam and Hawaii, but it still needs to make a conscious choice to deploy assets into the Asian theatre. That same theatre is home for China.

But even if the rebalancing turns out to have been bigger on rhetoric than in reality, this does not mean that New Zealand and

the United States will unravel the closer security partnership they have recently established. Wellington may find that Washington's enthusiasm for doing more in the South Pacific becomes somewhat temporary. But the more that Washington is aware of its own limitations in the Asia-Pacific, the more it may expect its allies (like Australia) and partners (like New Zealand), to step up to the plate. Moreover, as this article has shown, New Zealand-U.S. security relations were becoming closer well before the "rebalancing" became part of the strategic vocabulary in Asia. Wellington and Washington now have a more normalized bilateral relationship. These improving ties are unlikely to be disturbed too much any short and medium term changes in the rebalancing strategy. Moreover, for New Zealand and other regional countries, it is the longer term which really matters.

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1 U.S. Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, January 2012, p. 2.

2 Leon Panetta, Speech to the Shangri-La Security Dialogue, Singapore, June 2, 2012, U.S. Department of Defense, http://www.defense.gov/speeches/speech.aspx?speechid=1681.

3 U.S. DOD, *Sustaining U.S. Global Leadership*, p. 2.

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