

WikiLeaks cables expose US hostility to Rudd's Asia Pacific Community plan

Peter Symonds

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The latest WikiLeaks cables have again highlighted American hostility to efforts by Australian Foreign Minister Kevin Rudd to defuse mounting tensions between the US and China. When Rudd, then prime minister, announced his plan in 2008 for a new overarching regional body—an Asia Pacific Community (APC)—US embassy officials in Canberra immediately responded by penning negative reports to Washington about his lack of consultation.

The APC proposal was aimed at resolving the central conundrum confronting the Australian ruling elite—how to respond to growing rivalry between China, the country's largest trading partner, and the United States, its longstanding strategic ally. By easing tensions, Rudd was hoping to maintain Canberra's balancing act between the two powers, both of which are vital to the economic and geo-political interests of Australian capitalism.

Excerpts of the cables published in the *Sydney Morning Herald* last Friday confirm that Washington was dismayed at the way Rudd's proposal was developed. On the day after the PM announced the plan on June 5, 2008, the US embassy in Canberra wrote to Washington that it was "hastily rolled out, with minimal consultations."

"Most working level contacts within the [Australian government] seem to have been caught off guard by the PM's announcement, with many embassies advising that they had received notification immediately before the speech and had not been consulted on the concept," the cable stated.

The US embassy went on to emphasise that the Japanese ambassador had only been told about the proposal two days in advance and suggested that it was hurriedly thought out. The cable noted that veteran Australian diplomat Richard Woolcott, appointed by Rudd as special envoy to spearhead the initiative, learnt of his new role just hours before Rudd's announcement, made in a speech to the Asia Society in Sydney.

Some three weeks later, Woolcott had still not been briefed by Rudd. In a meeting on June 25, 2008 with US deputy secretary of state Robert Zoellick, Woolcott was openly disparaging of the proposal. A US State Department cable reported that, in an aside, Woolcott told Zoellick: "While the idea had been percolating in Rudd's head for some time, it had not been vetted with other elements of the Australian government or any other country."

By the end of 2008, then US ambassador in Canberra, Robert McCallum, listed the lack of consultation over the APC as one of "Rudd's foreign policy mistakes". Among the government's other "significant blunders" was the announcement by then foreign minister Stephen Smith, in February 2008, that Australia would not participate in the so-called Quadrilateral strategic dialogue with Japan, the US and India.

Washington's concern was that Rudd's foreign policy was cutting across the US agenda. The so-called Quad had been initiated by Japan, but vigorously backed by the Bush administration, as a means of countering growing Chinese influence in the region. Beijing had reacted angrily, denouncing the scheme as an "Asian NATO"; Australia's withdrawal effectively scuttled it. Smith underscored the point that Canberra would not join any grouping that could be construed as an anti-Chinese alliance by making the announcement while standing alongside China's foreign minister Yang Jiechi.

The US cables concerning Rudd, and the media's coverage of them, have all focussed on the former prime minister's leadership "style"—his alleged egotism, tendency to micromanage and failure to consult. However, Rudd's announcement of the APC prior to any discussion with his advisers was not simply a product of a flawed methodology, but an expression of his concerns that the proposal would meet strong opposition from within Canberra's foreign policy establishment. Rudd Labor's predecessor, the Liberal-National coalition government of John Howard, had marched in foreign policy lockstep with the Bush administration, including into the wars in Afghanistan and Iraq. While Rudd had declared himself, during the 2007 election campaign, as "rock solid" on the US-Australian military alliance, he was seeking to carve out a somewhat more independent Australian role through what he described as "middle power diplomacy".

Rudd's speech to the Asia Society in June 2008 had the character of a pre-emptive strike aimed at seizing the initiative from his likely opponents, not only in Canberra but within the Asian region. If that were the case, he severely underestimated the level of hostility it would attract. Organising all the major regional powers—including the US, India and Russia—in a completely new body would have effectively sidelined longstanding efforts by the Association of South East Asian Nations (ASEAN) to play the central role in constructing regional bodies. Venting the sentiment of ASEAN countries, leading Singaporean officials bluntly described Rudd's plan as "dead in the water".

Rudd also badly misjudged the US response. It appears that he calculated on Washington supporting the APC, since he was offering a means for undermining China's role in various ASEAN sponsored groups, including the East Asian Summit. But the reaction of the Bush administration, which was preoccupied with its "war on terror" and military interventions into the Middle East and Central Asia, was cool at best.

At first sight, the prospect of a Democrat in the White House seemed to offer Rudd a better reception for his APC proposal. The Democrats had, after all, been critical of Bush for focussing on the Iraq war at the expense

of Afghanistan and of Asia, particularly under conditions of China's rapid expansion. Very early, however, the Obama administration adopted a far more belligerent approach to China, aimed at countering and undermining, rather than accommodating, Beijing's growing influence in Asia.

In the midst of the global financial crisis, the Obama administration faced a quandary. The first visits to China in early 2009 by US Secretary of State Hillary Clinton and US Treasury Secretary Tim Geithner involved humiliating public appeals to China that it continue purchasing US bonds. Clearly exasperated, Clinton asked Rudd when they met on March 24, 2009: "How do you deal though with your banker?"

Rudd's response—as reported in a US State department cable—was to attempt to interest Clinton in his APC plan. Describing himself as "a brutal realist", Rudd proposed integrating "China effectively into the international community and allowing it to demonstrate greater responsibility, all while also preparing to deploy force if everything goes wrong." He concluded by promising to send Clinton his upcoming essay in the prestigious American journal, *Foreign Affairs*—"Managing Global and Regional Interdependence: the Future of the G20 and an Asian Pacific Community".

In that essay, Rudd argued that "a fundamental objective of an APC must be to help prevent a US-China strategic fault line through East Asia ... A US-China conflict would be a disaster for everyone." After calling for China to be given "a seat at the main table" in the IMF and other international bodies, he emphasised: "The Asia Pacific is where the template for the US-China relationship will be forged and where their interests—competitive and complementary—will need to be managed, harmonised and reconciled." Rudd's conciliatory approach was clearly out of favour in Washington, with *Foreign Affairs* taking the highly unusual step of refusing to publish an essay submitted by the prime minister of a close US ally.

The Obama administration began challenging China in the very forums where Beijing had worked to establish its own presence. Unlike the Bush administration, the Obama White House signed ASEAN's Treaty of Amity and Cooperation. In July 2009, Clinton attended the ASEAN summit declaring that the US was "back in South East Asia" and announced a special US mission to ASEAN with an ambassador in Jakarta.

Since then the Obama administration has escalated the diplomatic equivalent of a full frontal assault on Chinese positions throughout the Asian region. The US has strengthened its existing alliances, such as with Japan and South Korea, sought closer ties with potential allies, including India and Vietnam, and tried to undermine China's longstanding relations with countries like Cambodia and Burma.

At this year's ASEAN summit in July, Clinton provocatively declared the US had a "national interest" in the South China Sea and sided with ASEAN members in their maritime disputes with China. Chinese Foreign Minister Yang Jiechi described her remarks as "virtually an attack on China". In November, what Clinton described as the US "forward-deployed diplomacy" has been followed by a series of major military exercises with Japan and South Korea, most recently amid sharp tensions between North and South Korea.

In the midst of this increasingly belligerent US stance, Rudd was ousted as prime minister by his deputy Julia Gillard in an inner party coup on June 22-23. Washington's displeasure with Rudd was already evident; Obama had twice cancelled official trips to Australia. As leaked US cables

in recent weeks have made clear, the key Labor Party plotters all had close contact with the US embassy in Canberra. At the very least, the White House knew about the imminent coup against Rudd and gave the green light. Significantly, had Obama not cancelled his second planned trip, he would have arrived in Canberra just days before Rudd's removal.

While Rudd could in no sense be regarded as "anti-American", the Obama administration wanted a loyal partner in Australia in its efforts to isolate China, not a "middle power" mediator attempting to work out a *modus vivendi* with its rival. Gillard went to great pains to demonstrate that she would not make the same mistake, immediately telegraphing her fealty to Washington by declaring her unconditional support for the US-led war in Afghanistan. On the day of her appointment, she met with the US ambassador and spoke to Obama, while pointedly delaying any call to top Chinese leaders. While Rudd was later appointed foreign minister, Gillard publicly insisted that she would be in charge of foreign policy.

Along with the extraordinary political coup just two months earlier, and the motivations that lay behind it, foreign policy issues were completely buried during the August 21 federal election. But in its wake a debate has erupted in media and foreign policy circles over the Australian ruling elite's strategic dilemma in the Asia Pacific region. If it simply parrots the line from Washington, Canberra risks alienating Beijing and compromising its economic lifeline—mineral exports to China. On the other hand, any, even slight, display of independence from Washington immediately runs into powerful vested interests—particularly in the Australian military and security establishment—that refuse to countenance anything that might endanger the US-Australian alliance and thus the geopolitical interests of Australian imperialism in the region.

The WikiLeaks cables have not only shed light on behind-the-scenes US manoeuvres, but further fuelled divisions in ruling circles. Days after leaked US cables painted a damning picture of Rudd's competence, the foreign minister published a new essay in the *Australian* on December 11 that renewed his appeal for "fresh thinking, both in China and the West" to ensure "a mutually beneficial, peaceful and stable future". For its part, Rudd wrote, China should adopt "a more nuanced engagement with the world" rather than simply categorising countries as pro- or anti-China. Similarly the West had to break from its "outmoded" thinking of only two operating modes, "either conflict or kow-tow". Significantly, Rudd barely mentioned the US in his lengthy essay—it was just one country in the list of Western powers that should come to terms with China.

Rudd is not alone in his efforts. Three days later, in an article entitled "Slavish devotion to the US a foreign policy folly for Australia", ex-Liberal prime minister Malcolm Fraser replied in scathing terms to a WikiLeaks revelation that former Labor opposition leader Kim Beazley had committed the Labor Party to supporting the US in a war with China over Taiwan. Fraser denounced support for such a war as "an absurdity" that was "totally contrary to Australia's interests and indeed to Australian security".

Fraser went on to declare: "The decline in American economic power has already begun and cannot be reversed without an economic revolution of which the US is not capable. China's economic rise will continue. America's superior military power will endure probably for decades, but its limitations in pursuit of its national objectives will increase." While supporting the US alliance, Fraser argued that Australia did not have to choose between America and China and should not be "too compliant, too subservient [to the US] in the false belief that that would create security for Australia."

For the opponents of Rudd and Fraser, however, the idea that Australian capitalism can carve out a foreign policy orientation in any way independent of the US is simply quixotic. When former government adviser Hugh White published an essay in September arguing that Canberra should push for a “Concert of Asia”—akin to Rudd’s APC plan—foreign editor for the *Australian*, Greg Sheridan lambasted it as “the single stupidest document ever prepared”. For Sheridan, who has a long pedigree as advocate for the latest line from Washington, the very idea that the US should accommodate to China and peacefully give up its strategic primacy in Asia was enough to condemn White’s essay (see: Australia: US-China rivalry provokes heated debate 22 September 2010).

The ferocity of the divisions in Australian ruling circles, which have already claimed the political scalp of one prime minister, underscores just how vulnerable Australian capitalism is to the rising geo-political tensions in Asia. As White pointed out in his essay, the break-up of the last two decades of comparative regional stability in the Asia Pacific leaves Australian imperialism with no good options. The fact that both Rudd and Beazley have discussed with top US officials—out of public earshot—the prospect of a war with China is a warning to the working class in Australia, throughout the region and internationally. Behind the coded language of international diplomacy, all sides are prepared to plunge the world into a nuclear nightmare in order to defend their economic and strategic interests.



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