

# Australian PM affirms US alliance as tensions with China escalate

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Labor Prime Minister Julia Gillard returned to familiar ground last weekend, giving the keynote speech to the annual Australian American Leadership Dialogue event.

The Leadership Dialogue allows selected Australian and American government officials, policymakers, military commanders, academics, and journalists to “network” behind closed doors. This year’s event, held in Perth, featured World Bank President Robert Zoellick; senior US Federal Reserve official Terence Checki; the second most senior figure within the US Pacific Command, Lieutenant-General Daniel Darnell; and Kurt Campbell, the State Department’s Assistant Secretary for East Asia and the Pacific.

Gillard first became involved in the Leadership Dialogue shortly after she was appointed deputy prime minister in 2007, using the opportunity to assure Washington of her pro-US and pro-Israel credentials. It is now known, through WikiLeaks’ publication of American diplomatic cables, that the US played an active role in helping install Gillard via last year’s anti-democratic Labor Party coup. Vital geo-strategic interests were at stake. The previous Labor prime minister, Kevin Rudd, drew Washington’s ire by launching various diplomatic initiatives without first securing US approval—including a proposed Asia Pacific Community, which Rudd regarded as a potential mechanism to mediate between US and Chinese interests in the Pacific region.

Since taking office, Gillard has repudiated any perspective of Canberra acting as a “middle power” balancing between Washington and Beijing. She has instead backed the Obama administration’s aggressive efforts to contain Chinese influence and uphold the military-strategic status quo in East Asia. Clearly signalling her willingness to line up with Washington in the event of a war with China, the prime minister has agreed to a substantially larger US military and intelligence presence in Australia.

The central theme of Gillard’s speech last Saturday was, unsurprisingly, the continued importance of the US alliance. “Our historic friendship has become an enduring global

alliance, and as global society has transformed, as the global balance of power has shifted, the relationship between Australia and America has risen to the challenge of change,” she declared. “It is a living relationship, one that that will grow and develop because that is what our century, with its geopolitical, economic and environmental challenges, dictates.”

Gillard was, however, unable to avoid alluding to the strategic implications of the deepening crisis of US capitalism. “US global leadership and its influence in a rapidly changing Asia Pacific depend on a continued economic strength,” she asserted. “Ultimately, it is economic power which underpins strategic power.”

The decline of the United States’s economic dominance—clearly expressed in the recent downgrading of US debt by ratings agency Standard and Poor’s—is exacerbating the strategic dilemma confronting the Australian ruling elite. US imperialism has been Canberra’s key military and strategic ally since 1941, but China is Australia’s largest trading partner and a vital destination for lucrative mineral exports.

Sections of the Australian political establishment are clearly concerned over the implications of Gillard’s stance, and hope to head off a potential conflict between the US and China by somehow positioning Canberra as a mediator between the rival powers.

Former Defence Department official and long-time foreign policy analyst Hugh White is the most prominent spokesman for this faction of the ruling elite. He has repeatedly urged the Labor government to lobby Washington to cede some power to Beijing in the Pacific and thereby defuse rising tensions and potential conflict.

Last Tuesday he wrote a sharply worded op-ed in the *Age* and *Sydney Morning Herald* newspapers, titled “America is rotting at its core.” The article argued that the US decline is unfolding more rapidly than had been previously thought, lending greater urgency to the issues he had been raising about Australia’s position relative to Washington and Beijing. “It is possible that

we are witnessing not one but two remarkable national transformations, as America stumbles while China ascends,” he wrote. “If so, that will make the shifting power balance between them much faster, more destabilising and more risky than we thought.”

The *Australian’s* foreign editor Greg Sheridan is a staunch and long standing advocate of the US alliance. After attending the Australian American Leadership Dialogue, he breathlessly reported that the US-Australia partnership is set to become “more intimate.”

During the Leadership Dialogue, Sheridan interviewed the State Department’s Kurt Campbell, who explained the shifting focus. “One of the most important challenges for US foreign policy is to effect a transition from the immediate and vexing challenges of the Middle East to the long-term and deeply consequential issues in Asia,” he said.

The senior State Department official clearly laid out the Obama administration’s strategy of cultivating ties with China’s neighbours—including India, Indonesia, Vietnam, Singapore, and the Philippines—in order to maintain US dominance in the region and contain Beijing. Campbell accused China of provoking naval confrontations in the region, declaring, “There is an undeniable assertive quality to Chinese foreign policy, and we are seeing that play out in the South China Sea and elsewhere.”

This is extraordinary hypocrisy. The reality is that Washington has been deliberately inflaming regional tensions by egging on countries such as Japan, Vietnam and the Philippines to adopt a more aggressive posture in their maritime disputes with China. The result has been a series of potentially explosive incidents in the Sea of Japan and the South China Sea.

Campbell spoke with the Australian Broadcasting Corporation’s “Lateline” program on August 12 and frankly acknowledged what was at stake. The first question put to him was whether it is “inevitable that Beijing will one day challenge American dominance in this region.” He replied: “Well look, do I think that China will pose a challenge to the United States and other countries in the region? The answer to that is absolutely yes.”

Campbell went on to describe Washington’s approach to “hegemonic challenges, when you have a rising state and then an established state.” He explained: “If you look back at the experiences where these kinds of transitions have failed miserably, it’s generally in circumstances where the established state has denied the rising state a role in global politics. Like, for instance, Germany both before the First and

Second World Wars, when they were not given the role they thought they deserved in global politics.”

The State Department official concluded that things were different now, because the US was urging China to play a greater role in the G20 and other forums. He added that the “the simple fact that leaders and strategists in both countries are aware of the bad examples, and what can go wrong, and they study those aspects very carefully ... in itself, I think, gives us some hope that such negative consequences and outcomes can be avoided.”

In reality, Washington has no intention of ceding any significant strategic power to China, either in Asia or anywhere else in the world. Its offer of an international role for Beijing is entirely within the framework of the existing world order—that is, with the US in the dominant position. The strategic and economic interests of Chinese capitalism, which have expanded as it seeks markets and raw materials around the globe, are inevitably coming increasingly into collision with those of American imperialism.

Lenin explained that the capitalist system’s uneven development meant that international alliances and agreements merely marked a temporary period of truce between wars. A “peaceful” balance of power established between imperialist powers will inevitably break down because the diverging development of different capitalist economies quickly creates new strategic conflicts.

The current epoch is dominated by the historic decline of US capitalism and the collapse of the post-1945 international order. The Australian and American ruling classes are engaged in a highly reckless drive to enforce China’s strategically subordinate position in the Pacific—even as the Asian power rapidly heads toward becoming the world’s largest economy—raising the spectre of a devastating third world war.

The only alternative to war is a revolutionary struggle by the working class in Australia, the US, China and internationally to abolish the profit system and the capitalist nation-state system which is the fundamental source of military conflict. The Socialist Equality Party has convened conferences in Sydney (August 20-21) and Melbourne (August 27-28) to discuss these critical issues. We urge *World Socialist Web Site* readers to register and attend.



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