

# Australian government torn apart by US-China tensions

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25 February 2012

The extraordinary political crisis that is tearing the Australian government and the Labor Party apart is due to come to a head on Monday with a leadership contest between Prime Minister Julia Gillard and ex-Foreign Minister Kevin Rudd. In the media, however, this fundamental rift is being portrayed, in the words of today's *Australian* editorial, as "not about policy, nor about national interest... [but] about petty squabbles of the past, revenge colliding with retribution, and the politics of personality."

In other words, the vitriol being vented by Rudd and Gillard supporters against their opponents in the leadership battle, unparalleled in post-war Australian political history, has nothing to do with fundamental policy differences. The Labor Party—the country's oldest party, on which the Australian ruling class has relied in every major crisis over the past century—is supposedly imploding because of the overweening ambition of two individuals.

This version of events is simply nonsensical.

The underlying causes of the conflict are not to be found, primarily, in the sphere of domestic politics. Both Rudd and Gillard are committed to the austerity agenda demanded by finance capital and are pitching themselves to big business as the best instrument for implementing the required assault on the working class.

Rather, the fracturing of the Labor Party is bound up with powerful geo-political rivalries centred on the Obama administration's growing confrontation with China. The Australian ruling class has been swept into this maelstrom, confronted point blank with the longstanding dilemma posed by its heavy economic dependence on China, on the one hand, and its geo-strategic reliance on its military alliance with the United States, on the other.

Rudd was removed as prime minister in June 2010 in an overnight inner-party coup carried out by a handful of

factional leaders with close ties to Washington. At the time, Obama had just begun his foreign policy "pivot" from the Middle East to an aggressive diplomatic and strategic intervention in Asia, aimed at undermining China's expanding influence.

The Obama administration regarded Rudd as an obstacle to its orientation. This was not because he in any way threatened the US-Australia alliance, as evidenced in a WikiLeaks cable in which he described himself to American officials as "a brutal realist" who recognised that a US war with China could eventually take place.

Rudd, however, did propose the creation of a regional forum through which the economic and strategic interests of the United States and China could be accommodated by deft negotiation and diplomatic summitry. This cut across Obama's intention, which was not to ease tensions, but rather to heighten the pressure on China across the Indo-Pacific region. He did not want a diplomatic mediator in Canberra, but a staunch, unquestioning ally.

Nearly two years later, US-China tensions have dramatically intensified. Gillard has proven her worth by slavishly supporting every Obama initiative. She announced last November that the US military, including US Marines, would have access to Australian military bases across the north and west of the country, adjacent to highly sensitive shipping lanes through which China gains access to energy and raw materials from the Middle East and Africa.

As foreign minister, Rudd has toed the US line on myriad issues, including the NATO military intervention in Libya. But he has also continued to proselytise in international forums on the need for a Pax Pacifica, as he told the Asia Society in Washington in January—"a peace that will ultimately be anchored in the principles of common security, recognising the realities of US and Chinese power."

This political divide is not limited to the present Labor leadership, to the Labor Party or to Australia. Former Labor Prime Minister Paul Keating and ex-Liberal Party opposition leader Malcolm Turnbull publicly expressed concerns last November about Obama's confrontational approach to China. Keating ousted Bob Hawke as Labor leader in 1991 in part in order to pursue a closer orientation to Asia. Turnbull, who was removed as Liberal Party leader in late 2009, exemplifies the foreign policy split in the opposition's ranks.

Similar dilemmas confront the political establishments in the US, Europe and internationally, where powerful economic and financial interests are heavily dependent on investment in China. The auto giant General Motors, for example, would quickly plunge into the red if its highly profitable operations in China were significantly compromised. Over the past decade, US exports to China have increased by 468 percent, and trade between the two countries is expected to hit half a trillion dollars this year.

Rudd is therefore not alone in his views. Former US National Security Adviser Zbigniew Brzezinski wrote in the closing pages of his new book, *Strategic Vision*: "An active American role in Asia is essential not only in order to promote stability in the region but, even more so, to create circumstances in which the American-Chinese relationship evolves peacefully and cooperatively, and eventually grows into a wide-ranging political and economic global partnership."

Another US foreign policy heavyweight, Henry Kissinger, who was instrumental in securing US-China rapprochement in 1972, has also called for renewed cooperation and expressed fears of a confrontation. In his book *On China* published last year, he warned that a cold war with China "would arrest progress for a generation on both sides of the Pacific" and would "spread disputes into internal politics of every region."

Significantly Kissinger chaired a session of the top-level Munich Security Conference earlier this month at which Rudd repeated his call for a Pax Pacifica that would accommodate China's "legitimate search for national sovereignty" as well as "the US continuing strategic engagement in Asia." He made a particular appeal to the European powers to use their "common security and foreign policy voice... to help shape this emergence of a sense of common security across wider Asia."

These appeals for compromise and reason stand in sharp

contrast to the escalating geo-political tensions that are being driven, above all, by the historic decline of US imperialism. In an attempt to retain its global hegemony, the US has, over the past two decades, used its overwhelming military might to wage a series of criminal wars in the Middle East, the Balkans and Central Asia aimed at undermining its major competitors. Faced with the rapid economic rise of China, the Obama administration is now recklessly confronting what it regards as a potential global rival to the US across the Asian region.

The basic fault lines of new conflicts are rapidly emerging, which, as long as capitalism remains, will plunge humanity into a new and catastrophic world war. Never before in history has the world economy been more closely intertwined, yet that very global integration has only exacerbated the conflicts and contradictions within the outmoded capitalist nation state system.

It is not accidental that these deep-going tensions take particularly explosive form in Australia. No other country in the world is so dependent on China as an export market for its commodities—iron ore, coal and minerals—and at the same time so reliant on the military strength of US imperialism to guarantee its own regional strategic interests. None of these issues can be discussed publicly, precisely because to do so would only compound the dilemma and alert the working class to the perils it faces.

Far from being an inconsequential personality clash, the Australian political crisis must serve as a warning to workers and youth around the world about the dangers of the escalating drive to war and the need to unify the working class internationally in the common struggle to overthrow the capitalist system and establish workers' governments based on the program of socialist internationalism.

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