

# Former Australian PM promotes Pax Pacifica as US-China tensions rise

Peter Symonds  
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A series of high-profile speeches by former Australian Prime Minister Kevin Rudd in recent weeks signal, not only his continuing ambitions to retake the top post from Julia Gillard, but also deep concerns in sections of the political establishment and corporate elite over the impact of sharpening geo-political tensions in Asia, especially between the US and China.

Rudd was ousted by Gillard as prime minister in June 2010 with, at the very least, the tacit approval of the Obama administration, which regarded his proposals to ameliorate US tensions with China as cutting across its own agenda. Gillard completely fell into line with Obama's provocative stepping up of pressure on China throughout Asia, dangerously inflaming rivalries in the region.

Last November, the political and media establishment hailed Obama's speech in the Australian parliament, setting out his "refocus" on Asia, and dismissed warnings about the consequences of stationing US Marines in the northern city of Darwin. Critics such as strategic analyst Hugh White and former Liberal Prime Minister Malcolm Fraser were dealt with as political cranks when they pointed to the dangers of war between the US and China.

Since then, however, White has published a book entitled *The China Choice: Why America Should Share Power* to support his thesis that a new "Concert of Asia" is needed to prevent war in Asia. Fraser delivered a speech on September 25, entitled "Australia-US Relations in the 'Asia Century': to avoid unnecessary and ill-advised conflict." He warned that the Obama administration's efforts to maintain American domination in Asia risked war, including nuclear war, with China. Criticising the commitment of the Labor government and Liberal opposition to Obama's policies in Asia, Fraser declared: "We must preserve alliances certainly, but must not extend the scope of those alliances in a way that binds us to follow America into wars, which are contrary to our interests."

Unlike last year, media commentators did not dismiss these remarks out of hand. What was treated as absurd 12 months ago is looming as a more obvious danger, with the disputes between China and Japan over the Senkaku/Diaoyu islands in the East China Sea, and between China and the Philippines over disputed territory in the South China Sea—all egged on by Washington.

Moreover, the risk of these disputes spilling over into economic conflict threatens the interests of powerful sections of the corporate elite in Australia, the region and around the world, even as the global economic crisis worsens and impacts on Asia, including China.

This is the context in which Rudd—now a parliamentary backbencher after his failed bid for the Labor leadership in February—made speeches in Australia, Singapore, China and Hong Kong over past month. He was even invited, expenses paid, by Indonesian President Susilo Bambang Yudhoyono, to join a World Leadership Forum panel in New York that included financial tycoon George Soros and the UN Special Representative for Syria, Lakhdar Brahimi. Rudd declined, apparently because his presence would have been too obvious an attempt to upstage Prime Minister Gillard, who was in New York for the UN General Assembly.

Rudd used his speeches to proselytise for a Pax Pacifica—a new strategic order in Asia to accommodate China and the US. He stated at the Singapore Global Dialogue on September 25: "The core objective of the Asian hemisphere in the first half of the 21<sup>st</sup> century is to avoid instability, conflict or war between China and the United States."

Rudd noted: "In this age of globalisation, many around the world find it extraordinary that we could even be having such a conversation about the possibility of future conflict in Asia." He added: "Regrettably, that is what the nations of Europe said to one another a hundred years ago in the decade leading up to Sarejevo [that is, World War I], when economic globalisation was even more comprehensive than is the case today."

Rudd warned that in addition to longstanding regional flashpoints, such as the Korean Peninsula, the Taiwan Straits and India-Pakistan rivalry, "new instabilities" were emerging—"namely the conflicting territorial claims of a number of regional states to various islands and surrounding seas in the South China Sea, the East China Sea and the Sea of Japan."

Rudd made no criticism of Washington's aggressive policy of containment toward China. While acknowledging that the Obama administration had "radically re-engaged the [Asian] region under the foreign policy activism of Secretary of State Clinton," he was

silent on the reckless encouragement of allies such as Japan and the Philippines to assert their maritime claims, thus stoking the dangerous “new instabilities.”

In Rudd’s view of the world, Asia has become “the vortex of two formidable yet fundamentally conflicting forces: those of economic globalisation and those of political nationalism... And the question for all is this: whether the globalists or the nationalists will win the race that has been set before us.”

However, what Rudd presents as distinct forces and choices, are intimately interrelated. The more the processes of economic globalisation develop, the more the interests of the major powers clash in every part of the world. China’s growing need for raw materials and markets in Asia, the Middle East, Africa and Latin America brings it into conflict with the established powers, above all the United States. This is an expression of what Marxists have long analysed as the fundamental contradiction of capitalism, between world economy and the outmoded nation state system that has already led to two world wars.

Amid the worsening global economic breakdown, US imperialism is being driven to use its military might in a bid to maintain its world dominance and counter its historic economic decline. Obama’s refocus on Asia is a pre-emptive strike against a potential rival in the world’s most economically dynamic region.

Rudd is conscious of the immense dangers, but that only makes his appeals to reason and diplomacy all the more pitiful. In a speech on October 5, entitled “China under Xi Jinping: A New Strategic Roadmap for China-US Relations,” he outlined proposals for the incoming Chinese president and a re-elected Obama—more bilateral summits, the appointment of high-level go-betweens, making the rules-based global order work, and building a new rules-based security order for East Asia. It was as if the world wars of the 20<sup>th</sup> century could have been avoided had there been hotlines between the major international capitals and a rational plan to accommodate all the rivalries and tensions.

That is the nub of Rudd’s proposal for a Pax Pacifica: “mutual acceptances of China’s peaceful rise; the continued strategic presence of the US and its alliances; agreement on the non-use of force dispute resolution mechanisms, and possibly the freezing of territorial claims.” But China’s ongoing rise is precisely what US imperialism cannot accept. Obama has been strengthening military alliances and strategic partnerships throughout Asia in a determined bid to undercut China’s economic and strategic position and to pressure Beijing to abide by the present “rules-based global order”—that is, one dominated by Washington.

The Obama administration’s actions have intensified the historic contradiction facing the Australian bourgeoisie, caught between the United States, on which it depends strategically to defend its interests in the South West Pacific, and China, now Australia’s largest trading partner. Rudd is a staunch supporter of the Australia-US alliance but he is speaking for powerful layers of the ruling

elite fearful that the growing tensions between the US and China will damage the Australian economy and their economic interests. Those fears have only been heightened by the economic fallout from the diplomatic standoff between China and Japan over the disputed Senkaku/Diaoyu islands, which is predicted to cut nearly 1 percent from Japan’s GDP next quarter.

Major Australian mining corporations exporting to China and other corporate giants have a great deal at stake. At a conference last month, two billionaires—James Packer and Kerry Stokes—slammed Australian governments for undermining relations with China. “China has been a better friend to us than we have been to China,” Packer said, warning that “friendships get damaged.” Stokes said he was physically repulsed by the presence of US troops on Australian soil and believed it had upset China. Packer is the executive chairman of Crown, which owns one third of Melco Crown Entertainment, a casino licensee in Macau. Stokes’s Seven Group Holdings owns WesTrac, which sells Caterpillar mining equipment and vehicles in China.

Rudd’s speeches are also in line with elements in ruling circles in Asia and around the world, including in the United States, anxious about the prospect of war. Earlier this month, former US Secretary of State Henry Kissinger berated both presidential candidates—Obama and Romney—for their “extremely deplorable” comments branding China as a trade “cheat.” Like Rudd, he called for a US accommodation with China, saying a conflict would be “a disaster for both countries” where “it would be impossible to describe what a victory would look like.”

The very fact that a catastrophic war between the US and China is being openly discussed, not summarily dismissed, is an ominous sign that the danger has heightened over the past year as the global economic crisis fuelled even greater rivalry and tensions.



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