

Foreign minister warns US to guarantee Australian interests

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In a speech delivered Tuesday in Singapore, Australian Foreign Minister Julie Bishop appealed to the Trump administration to ensure that its “America First” economic agenda does not impact on its key allies and that longstanding strategic relationships in Asia remain in place. Labelling China as a mutual “geo-political and geo-strategic competitor,” Bishop said the United States “must play an even greater role as the indispensable strategic power in the Indo-Pacific.”

Bishop framed her appeal to Washington in the context of the inexorable tendencies, arising from the globalisation of production, that have plunged world capitalism into frenzied economic and military struggles between rival nation-states and the corporate elites that rule over them.

Bishop briefly reviewed the vast economic and social transformations over the past 40 years, as country after country in Asia developed along the “export-orientated model”—a model based on the ruthless exploitation of the working class at far lower costs than in the advanced economies.

As an undesired consequence, Bishop declared, “there are now too many countries and too many firms making too many products for too few consumers.”

Bishop noted that despite purported “over-production,” there has been no slowdown in the deployment of new technology, such as “robotics, automation and artificial intelligence,” as corporations seek to gain advantage over their rivals. “In short,” she said, “globalisation and technological advances will only intensify rather than alleviate regional and global competition between nations and firms.”

Bishop excluded from her attempted analysis of the crisis of global capitalism that the cause of “over-capacity” is not lack of demand on the part of the world’s population for affordable goods and services.

Rather, it is the intractable slump that followed the collapse in 2007–2008 of an entire edifice of parasitic financial speculation. More than eight years after the meltdown, there has been no return to pre-crisis economic growth. World trade is stagnant and even greater financial turbulence is looming as a result of the ongoing build-up of debt, especially in developing economies such as China.

While left unstated, Bishop’s remarks point to the fact that the only solution to the crisis under capitalism is that a large section of global finance and industry must be eliminated in order to guarantee profitability for the sections that survive.

Bishop’s speech gave voice to a major fear in the Australian political establishment: That the Trump administration is calling into question the entire framework of alliances through which Washington exercised global dominance following World War II.

The Australian ruling elite has been one of the main beneficiaries of US hegemony, or what commentators call the “existing rules-based order.” Financial and corporate relations between Australia and the US have vastly expanded over the past 40 years. In the last 15 years alone, Australia, based on its status as the 12th largest economy in the world—a status underpinned by massive US, European and Japanese investment in the country—has secured free trade agreements with Singapore, Thailand, the US, Malaysia, Chile, Japan, South Korea and China. It is currently negotiating pacts with the European Union, Indonesia and India.

Confronted by mounting global competition, Australian capitalism placed particular hopes on the potential benefits it could derive from the US-dominated Trans Pacific Partnership (TPP). Initially including the US, Japan, Australia, New Zealand, Canada, Mexico, and six other Asian and South

American countries, the TPP would have delivered Australian-based investors and corporations even greater preferential access to the massive US and Japanese markets.

In the longer term, the exclusion of China, the world's second largest economy, was explicitly aimed at pressuring the Chinese government to meet the terms of entry by deregulating its financial markets, lifting limits on foreign ownership, privatising state-owned assets and enforcing international intellectual property laws.

The expectation in Australia was that Hillary Clinton would win the US presidency and, in broad outline, continue the TPP and the economic agenda pursued by the Obama administration. The victory of Trump therefore came as a shock, followed by an even greater shock when he proceeded to repudiate the TPP in one of his first acts as president.

Trump's actions shattered expectations that the TPP would provide the basis for the Australian capitalist elite to weather, and even prosper in, ever more turbulent international economic conditions. Instead, the US now looms as the greatest potential risk to Australian trade interests and the so-called rules-based order. The Trump administration's demands that countries enter into bilateral trade agreements or face tariffs and other sanctions threaten to result in the loss of lucrative markets for Australian-based firms in Japan, China, South Korea and South East Asia and, above all, the US.

To the extent that there was any coherent strategy contained in Bishop's speech it was that loyal American allies such as Australia and Singapore can somehow influence the Trump administration to take into account the interests of their ruling elites. The "political system and values" of the US corresponded with Australia's, Bishop declared. Those of "non-democracies, such as China," she asserted, did not.

In strategic circles, the perspective of gaining assurances from Washington that Australia will not be sidelined has been labelled "doubling down" on the US alliance. Its advocates expect it will require even greater Australian involvement in the aggressive US military build-up in Asia and provocations against China than took place under the Obama administration's "pivot" to Asia. If competition results in war between the US and China, Australia would be

both a participant and a key base of operations for American forces.

Other options, however, are being canvassed.

In perhaps her most politically significant remark, Bishop stated: "Many regional countries are in a strategic holding pattern, waiting to see whether the United States and its security allies and partners can continue to play the robust and constructive role that they have for many decades in preserving the peace."

Within its cautious "diplomatic speak," Bishop's statement contains an implicit warning: If the US disregards the concerns of its allies in Asia—particularly Australia and Japan—it could rapidly lose their support.

Every action of the Trump administration is being assessed, and not only on the basis of its immediate consequences. With ever-mounting anxiety, the Australian ruling elite is weighing up whether Trump's policies will ultimately trigger a collapse of US influence in the region and call into question Australia's ability to rely on the post-World War II US alliance to assert its economic and strategic interests.

Contrary to Bishop's assertion that Australia and other states are in a "holding pattern," her very presence in Singapore indicates diplomatic activity by Canberra to consolidate and strengthen relations, first and foremost with Japan and South East Asian countries. While there is no suggestion from the dominant sections of the Australian establishment of withdrawing from the US alliance, Australian imperialism is seeking to develop alternative counterweights to what it perceives as a strategic threat from China.



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