

Australian PM seeks to protect revenue from China while reasserting US alliance

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Just days after returning from Tokyo, where he signed a military pact with Japan directed against China, Australian Prime Minister Scott Morrison gave a revealing online speech to a high-level British think tank.

In it, Morrison desperately tried to reconcile the ruling establishment's overwhelming commitment to the US offensive against Beijing with an appeal for the preservation of Australian capitalism's lucrative earnings from Chinese markets.

Morrison pleaded that Australia should not have to choose between its "enduring alliance" with the US and an "open, transparent and mutually beneficial relationship" with China. It was a telling indication of the mounting dilemma facing the Australian ruling class, caught between its reliance on the US for investment and military protection and its heavy dependence on China for exports, as well as revenue from Chinese tourists and students.

During the question time after his speech, Morrison anxiously expressed a hope that "perhaps" the acrimonious "atmospherics" of the relations between Washington and Beijing would change following the US presidential election. Yet the reality is that a Biden administration will be even more intent than Donald Trump's on using military might to confront China and reassert US hegemony over the Indo-Pacific.

This drive began under the Obama administration, in which Biden was vice president. It is not the individual personality of Trump or Biden that determines the aggression of US policy, but the underlying disintegration of US imperialism's post-World War II dominance.

Evidently, Morrison's speech was delivered in response to rising alarm in corporate circles about the loss of Chinese markets this year as his Liberal-

National government has taken a vanguard role in the escalating US accusations and threats against China. These have included the Trump White House blaming Beijing for the COVID-19 pandemic that is now resurging and ravaging the American population.

"A rising tide of fear has begun to course through the boardrooms of some of the nation's biggest companies," Australian Broadcasting Corporation business editor Ian Verrender reported on Monday, a day before Morrison's speech. "A long line of business leaders" were "beating a path to Canberra, urging restraint and calm, fearful that the increasing hostilities will impact sales, profits and, of course, the lucrative salaries Australian executives have built off the back of the trade."

In recent weeks, Chinese authorities have invoked various long-running trade disputes to effectively freeze Australian imports worth an estimated \$6 billion a year, ranging from coal to barley, wine, timber, cotton, seafood and meat.

This month, the Chinese embassy in Canberra listed 14 grievances with Australia, such as the banning of the Chinese telecommunication company Huawei from Australian 5G contracts over "unfounded" concerns of "national security," the introduction of "foreign interference" laws "viewed as targeting China" and "thinly veiled allegations against China on cyber-attacks without any evidence."

The list included "siding with the US anti-China campaign" on the pandemic, accusing China of aggression in the South China Sea, and accusing Beijing of "peddling lies" over human rights allegations in Xinjiang. Also listed were raids on Chinese journalists and academic visa cancellations, blocking 10 Chinese foreign investment deals across the infrastructure, agriculture and animal husbandry

sectors, and new foreign relations laws that give the Australian government power to veto state or local government agreements with China.

Morrison initially responded belligerently to the 14 points last week, saying Australia would not be cowed by threats. Answering questions after his speech, however, he said his government was “happy to have a discussion about all of them.” He said it was unfortunate that the lines of communication with Beijing were “not as we’d like them to be.”

In his speech, Morrison first reiterated Australia’s alignment with the US, supposedly in defence of the global “rules-based order.” He also defended the new Reciprocal Access Agreement for stepped-up military exercises and basing arrangements with Japan, and the recently forged Quadrilateral pact between the US, Japan, India and Australia, saying it is “supporting a strategic balance in the Indo-Pacific.”

Provocatively, Morrison urged the UK and other European powers—the old colonial rulers of Asia—to step up their role in the Indo-Pacific. While the US was “vital” to preserving the rules, norms and living standards in the region, “European engagement will also be critical.”

At the same time, Morrison revealed anxiety about US supremacy being replaced by a “new era of geopolitical competition.” He appealed for Australia and other regional countries not to be forced into making “binary choices” between “the world’s largest economic and military powers, the United States and China.”

The prime minister said “greater latitude” would be required from the two powers to accommodate the interests of their partners and allies. “We all need a bit more room to move,” he pleaded. “Stark choices are in no-one’s interests.”

Morrison offered China some accommodation and false praise. “Australia is not and has never been in the economic containment camp on China,” he said, adding “that no country has pulled more people out of poverty than China.”

Morrison’s tortured performance reflects historic tensions wracking the Australian ruling class. Some elements, especially the multi-billionaires whose fortunes are built on iron ore, coal and gas exports to China, and the agricultural interests whose products are facing Chinese restrictions, are voicing fears of the

fallout from Australia’s intensifying line-up with the US conflict against China.

Nevertheless, the dominant layers of the corporate and financial elite are committed to the US drive to reassert the hegemony it won in World War II because of their dependence on the US for capital—it remains the largest source of foreign investment in Australia—and military and intelligence backup for their own predatory operations.

That is what underpins the “enduring alliance” with the US, a commitment equally made by the Labor Party opposition.

Over the past two decades, however, China’s economic growth has made it Australian capitalism’s biggest export market, accounting for about 30 percent of Australian exports, and contributing some \$80 billion annually from iron ore sales alone. That same growth, although initially as a cheap labour platform for US and other global corporations, has turned it into a direct threat to the post-World War II dominance of US imperialism.

Regardless of the wishes of the Australian political establishment, the intensifying US diplomatic and economic attacks on China are threatening to descend into a military conflict, potentially fought with nuclear weapons, placing Australia’s population on the frontline of a developing catastrophe.



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