



Our ties to the US and China can co-exist

Australia may be close strategically to the US, but the Coalition needs to ensure this doesn't hinder it from doing business with China.



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As in Washington, so in Canberra both sides of politics exhibit internal differences in China policy. Tony Abbott's broad tent Coalition has a majority for business-as-usual with Beijing, but a minority who are wary of the Chinese like Labor idealists. Therefore a neat package in China policy may be elusive for the new government.

Abbott would be wise to compare notes with Japan on Asia policy, and to learn from the approach to Beijing that succeeded prior to 2007. Howard and Downer set out Australia's interests, listened to China's, and did business on that basis. From 1997 to 2007 our trade with China grew an astonishing 626 per cent, yet Howard told an audience at the Communist Party School in Beijing that hectored him about meeting the Dalai Lama: "If it was good enough for Australians to tolerate the continuation of the Communist Party as a legal entity, it ought to be good enough for Chinese to tolerate the leader of a friendly country, Australia, allowing the Dalai Lama to visit and me as prime minister to see him."

Howard once said to Jiang Zemin, China's president in the 1990s: "I don't believe in lecturing others any more than we [Australians] like receiving lectures ourselves." Ric Smith, Australian ambassador in Beijing during those years, looked back: "The Chinese would have preferred [that] Australians not keep saying, 'We have different values, different history' and just get to the bottom line, 'We can do business', but they accepted it." Labor and some Liberal business folk are more prone to talk about common values with the Chinese, but that seldom furthers Australia's interests.

Last year Beijing suggested to foreign minister Bob Carr Australia may have to choose between China and the United States. But over 11 years, Howard found the US alliance "no impediment" to Australia's relations with Beijing. "Many Chinese saw it as an asset," he recalls in his memoirs. "It was evidence that we were a dependable, reliable people with whom to have an association."

Some Australian scholars worry two ill-fitting "structures" mark the Asia Pacific (unlike the smooth Brussels machine allegedly masterminding Europe!). One comprises US alliances with Japan, Australia, South Korea and others. A second is the grip of the Chinese economy. But the apparent anarchy of this jostling pair may not be so problematic. Asia is not a cultural region, so we may leave culture aside and consider money and power.

Australia's "problem" is that it's close to China economically but close to the US strategically. But the dualism is so widespread in the Asia Pacific that one doubts it's really a problem.

With the Soviet Union, such a two-sided policy was not possible for many reasons including the limitations of Moscow's economy. But today China and the US are deeply involved economically with each other, to mutual benefit, just as US allies are with China. Beijing has had to contemplate Australia and the US as allies ever since ANZUS's birth in 1951. This didn't stop it buying Australian wheat in the 1950s and 1960s. It doesn't limit coal and iron ore purchases today (prices may).

Those who fret about upsetting China should consult a map.

South Korea hosts many times more US



