

## **Carr to steer new line on China**

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The political story of Bob Carr's move to Foreign Affairs is huge, but the policy story is even bigger. It goes to the issue at the heart of Australian foreign policy today, and portends a truly momentous shift. This is going to be interesting.

The issue is how Australia positions itself between the United States and China as the strategic rivalry between them grows. Our biggest trading partner and Asia's leading power faces our traditional ally across a widening gulf of mutual antagonism. If this trend is not reversed it will end in disaster for us. But what can we do?

The orthodox view is that we have no choice but to support Washington in whatever policy it decides to adopt towards China. As an ally it is unthinkable for us to do anything else. We just hope that America gets it right, and that China either doesn't notice, or doesn't mind.

Carr challenges that orthodoxy. He believes that any Australian government has a responsibility to work out for itself what kind of relationship between the US and China works best for Australia, and to carry the debate to Washington and elsewhere.

Julia Gillard's decision to make Carr her foreign minister is so intriguing because, until now, she has seemed firmly in the orthodox camp. Remember last November when she welcomed Barack Obama to Australia? Her agreement that Australia would host more US forces as part of America's military build-up against Beijing was seen — not just here in Australia, but around Asia and in America — as a ringing endorsement, no questions asked, of the tough new approach to China that Obama announced to the world while he was here.

But Obama's speech to our Parliament marked a new high point in escalating US-China rivalry.

He committed America to use all the elements of its power to resist any compromise or accommodation with a rising China, and demanded that China accept unquestioned American primacy as the only possible basis for their relationship. It set out a policy of containment against China.

Carr did not like this. He believed that America should turn away from Obama's containment policy and explore ways to accommodate China's ambitions where possible while constraining them where necessary.

On this view, America should continue to play a central role in Asia, but not necessarily the dominant role. It should be willing to share power with China.

Of course, until now Carr's views on foreign affairs were those of a private citizen. Many of them will now be quietly shelved, as he suggested over the weekend. But not on this issue. No one who knows Carr would imagine that his views on the US-China relationship have been lightly adopted, or will be lightly discarded.

He knows too well what is at stake for Australia. We must assume that Gillard appointed Carr knowing his views on this central question and expecting that they would be reflected in his policy, and hence in her government's policy, too.

Gillard's decision therefore suggests that she now shares Carr's doubts about American policy on China, and wants to do something about it.

Perhaps, once the magic of the moment had passed, she reflected on what Obama actually said and the implications of his policy sank in. Obama's speech made it clear just how hardline America's policy on China is, and how damaging to Australia's interests it might be.

Perhaps Gillard herself has begun to wonder whether trying to contain China will work, and where it will lead.

This is all the more likely because there were earlier signs — even before the US President's visit — that Gillard was moving away from the orthodox view that perpetual primacy was the only possible future for America in Asia.

In September last year she gave a remarkable speech to Asialink in Melbourne in which she plainly described the immense significance of China's rise — including its strategic significance. She implied that Australia should expect a new strategic order to emerge in Asia which takes account of China's power. This is very different from Obama's view.

At the same time, she announced a new white paper on Australia in the Asian century, which is clearly expected to address these big political and strategic questions in an open-minded way.

This could provide a major opportunity for the kind of debate about our future positioning between America and China that the government has so far seemed keen to avoid.

Intriguingly, addressing the Asia Society in New York in January, Kevin Rudd plainly distanced himself from Obama's vision of America's future role in Asia when he proposed that the old Pax Americana should be replaced by a new, more co-operative Pax Pacifica. Not what they want to hear in Washington.

All this suggests that the moment has come for some very interesting foreign policy indeed. If so, Bob Carr is just the man for it, and not just because he is very bright, articulate and very serious.

Perhaps Carr's greatest asset in the struggle ahead to define Australia's place in the Asian century is that he knows America so well and loves it so deeply.

It is easy to stigmatise anyone who strays from the orthodoxy of automatic support for American policy as anti-American. No one can accuse Bob Carr of that.

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