2018 ANNUAL CHINA IN THE WORLD LECTURE

AUSTRALIA-CHINA RELATIONS AT THE CROSSROADS?

Text adapted from unscripted remarks

Professor the Honourable Bob Carr

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Introduction

The Australian Centre on China in the World (CIW) 中华全球研究中心, in The Australian National University's College of Asia and the Pacific, was established in April 2010, following then-Prime Minister Kevin Rudd's George E Morrison Lecture on Australia and China in the World, in which he called for:

> A place where scholars, thinkers and policy specialists can engage in an across-the-board approach that brings history, culture, literature, philosophy and cultural studies perspectives into active engagement with those working on public policy, the environment, social change, economics, trade, foreign policy, defence policy and strategic analysis.

The inaugural CIW Annual Lecture was given in 2011 by the Centre's Founding Director, Professor Geremie Barmé, speaking about 'Australia and China in the World: Whose Literacy?' Annual lectures since then have included Professor Gungwu Wang from the National University of Singapore (and ANU Emeritus Professor) on 'China's choices'; ANU's former Vice-Chancellor, Professor Ian Chubb, on 'Partners in Influence: How Australia and China relate through Science'; CIW's architect, Mr Gerald Szeto, on 'The Architecture of Education in Canberra and Beijing'; and ANU (now Emeritus) Professor Hugh White, on 'China's Power and the Future of Australia'.

As the Founding Director of the Australia-China Relations Institute at the University of Technology Sydney and former Australian Foreign Minister, we were delighted to host the Professor the Honourable Bob Carr to give the 2018 CIW Annual Lecture. His active involvement in Australian foreign policy making and related debates about China over many decades is reflected in this outstanding lecture on 'Australia-China relations at the crossroads'. Not everyone will agree with all of his points. But at this critical juncture in Australia's bilateral relationship with the world's second-largest economy and our most significant trading partner, that's what makes it all the more worth reading, or listening to.

Dr Jane Golley
Acting Director, Australian Centre on China in the World
December 2018

ALP delegation members Mick Young, Tom Burns, Stephen FitzGerald, Gough Whitlam, Rex Patterson, Graham Freudenberg, China, 1971 *(Fairfax Regional Media archives)*

2018 Annual China in the World Lecture. Australia-China Relations at the Crossroads?

Professor the Honourable Bob Carr
November 13 2018
Australian National University, Canberra

It's one of the clichés of talking about China to invoke the 1793 ambassadorial visit to Peking of Lord Macartney for an entirely unsatisfactory encounter with the Emperor Qianlong, one of the three great emperors of the Manchu dynasty and in the 58th year of his record-breaking rule. Qianlong famously pronounced, in response to the blandishment of the British ambassador, that 'the products of our empire are abundant and there is nothing we do not have. So we have never needed trade with foreign countries to give us anything we lacked.' That said, he added that the tea, porcelain and silk that the world wanted from China was there for you, who so desperately need it, and that was really that. Macartney then travelled for three months along canals, rivers and over mountains – wouldn't any of us envy him that journey through imperial China– angry and incredulous that the Chinese could not understand 'a couple of English frigates would be an overmatch for the whole naval forces of this tottering empire.' He thought the Chinese empire, so praised by Voltaire as embodying model government, faced a revolution from its Han subjects against what he called their 'Tatar' – what we would call their Manchu – rulers.

Every comprehensive history of China and the West features the story of Lord Macartney and his encounter with Qianlong. I want to recommend a book published this year by Stephen R. Platt, *Imperial Twilight: The Opium War and the End of China's Last Golden Age*, an elegant history. It reminds me how indebted we are to American scholarship on China. I say this knowing the air is heavy with a certain McCarthyist odour at this time and that at any moment I could be denounced for praising scholarship on China. A nod in its direction could bring a stern indictment.

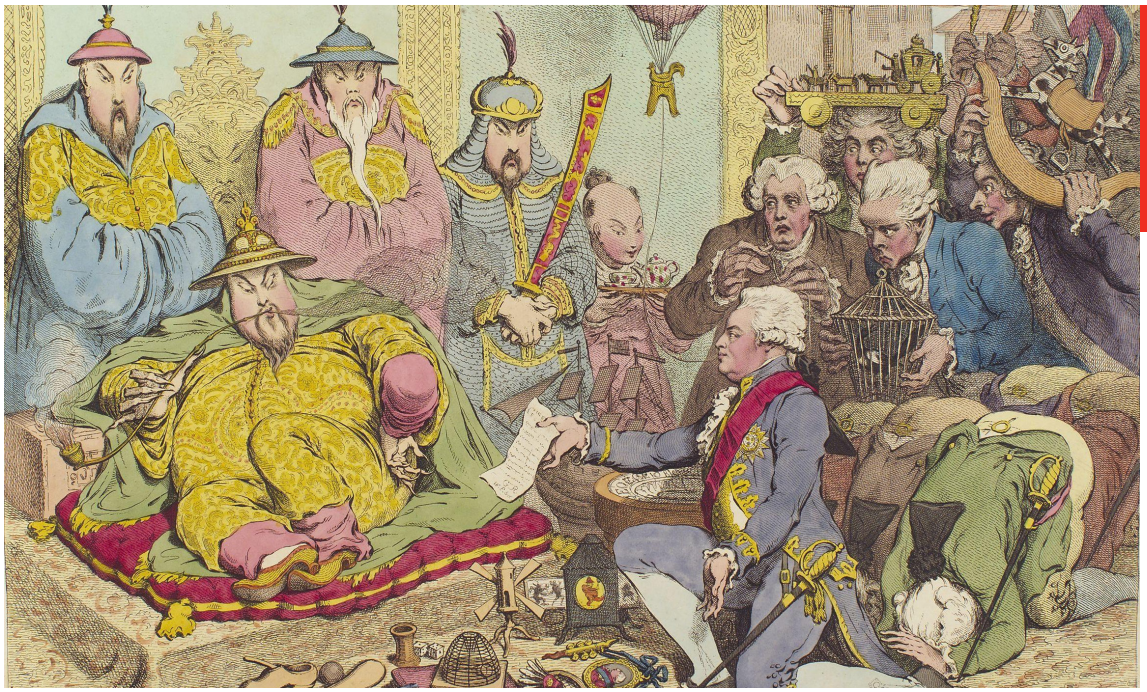
But Platt's account of the famous encounter is a reminder of another time when China was antiseptically closed, foreigners restricted, its borders sealed. For Australians Macartney's probe is a pre-echo of 1971, when Gough Whitlam went to China. Again I trespass on cliché, because there is not a Labor spokesperson or leader who speaks about Australia and China who won't invoke Whitlam's visit as Opposition Leader. Whitlam had shot off a telegram from Parliament House addressed to Zhou Enlai, Peking; there was no embassy there, of course. And it was a farfetched and high risk political adventure to say, 'I will stake out a position urging an opening to Communist China.'

In 1972, when Whitlam became Prime Minister and quickly recognised China, he used language quoted in Stephen FitzGerald's book *Comrade Ambassador: Whitlam's Beijing Envoy*, the memoirs of our first ambassador to the People's Republic of China. FitzGerald recalls what is known as a 'post-directive' – a formal letter of direction and advice from the foreign minister to the head of mission going off to represent Australia.

I wish those words were chiselled up on the wall behind me. Whitlam said in his directions to his ambassador, 'We seek a relationship with China based on friendship, cooperation and mutual trust, comparable with that which we have, or seek, with other major powers.'

At that time it was a huge leap in strategic thinking; FitzGerald says, 'from where we were before us in 1972 – a leap of the imagination'. You couldn't just walk into China and invent a relationship comparable to that we had with Washington, Tokyo, Jakarta. But that's what Whitlam aspired to build. And it's noteworthy to me that Whitlam didn't say he wanted a relationship with China based on friendship, cooperation and mutual trust, adding a qualification that read, 'Only as long as China remains impoverished and enfeebled.' Whitlam didn't say we want a relationship of friendship, cooperation and mutual trust with China 'only as long as China promises never to become an economic challenger to the Western world.' Whitlam didn't say we want a relationship with China based on friendship, cooperation and mutual trust 'only as long as this is satisfactory to our great and powerful ally, the United States.'

It was a leap of the imagination, as FitzGerald says. And it envisaged a day when China would enter the community of nations; when it might belong to the UN and other institutions and it might even devise some institutions of its own. By one estimate, there are 22 such institutions in which China is participating and usually the lead member. The Asian Infrastructure Investment Bank and Shanghai Cooperation Organisation are examples.



'The reception of the diplomatique and his suite, at the Court of Pekin' by James Gillray, published by Hannah Humphrey hand-coloured etching September 14 1927 *(National Portrait Gallery, London)*

Gough Whitlam with Mao Tse-tung, Peking, 1973 *(National Archives of Australia)*

Whitlam's words – those visionary words – allowed the possibility that China would become a great economic power. By 1976, remarkably, FitzGerald as our ambassador, living in cramped and difficult circumstances in Beijing, was sending a cable back to Canberra, contemplating that this impoverished and enfeebled China – enfeebled by the self-inflicted damage caused by the Maoist policies of the previous decade – would grow in the vicinity of 10 percent per annum over a period of 25 years, leading to a 10-fold increase in GDP in real terms by the close of the century. FitzGerald wrote, 'Our projection assumes stability in politics and commitment to economic reform, but most of all assumes that China will rediscover for itself the dynamism we have seen in other Asian societies that have their roots in Chinese culture'. He was thinking of Japan, South Korea, Taiwan, Singapore, Thailand. That was a leap of the imagination by Whitlam's ambassador. It was greeted with official silence from Canberra bureaucrats. He assumed there were loud guffaws of incredulity at the embassy's prediction.

But it came to pass. One economist from the OECD, and now at the Brookings Institution, Homi Kharas, argues that no previous industrial revolution, not that of the UK; not that of the US from the end of the Civil War to 1920; not that of Japan in the post-war period, rivals for scale and speed the industrialisation and urbanisation that China has achieved since the start of what it still refers to as 'Reform and Opening Up' in 1979.

Let's think about what China has done as a shock. It's the shock of the new. It's a shock, given the way it's gathered pace and been reflected in China's strategic rise. It's certainly a shock to what I refer to as the prevailing power, the United States, and I will develop that later. Professor James Laurenceson, my Deputy Director, has produced a very useful report, *Australia Talks China*. It discusses the ways in which Australia has processed its shock at China's rise. David Goodman, for example, was the first to use the term 'China threat' appearing in Australian discourse – again, a result of surprise at the speed and scale of China's rise. Nothing like this had happened in human history; little has come close to it from 1979 until today. Professor Greg McCarthy refers to 'China Angst', which he describes as the anxiety that our sovereignty is threatened by the rise of China. And a third academic, Joo-Cheong Tham describes recent Australian discourse as 'scarcely veiled xenophobia with the old fears of the yellow peril.'

Certainly one sees that in, for example, Clive Hamilton's assessment that up to 40 percent of Chinese-born Australian citizens are 'ready to take to the streets to express their loyalty to Beijing – in other words, to Australia's enemy.' Consider this language: forty percent of Chinese-born Australians ready to take to the streets in support of China, which he describes as 'Australia's enemy'. This is language no Australian Government has used since Billy McMahon. In the face of the shock response of some Australians to the rapidity and speed of China's growth – they talk about Chinese students or Chinese tourists as potential spies; to Chinese investments, like that in the port of Darwin, as threats to Australian sovereignty; and to Chinese donations to Australian political parties – it's reasonable to stop and ask, 'What is the evidentiary base?'

Not an unreasonable question: what is the evidentiary base? Do the headlines and the commentary and the assertions accord with a recognisable, identifiable evidentiary base? That's what James Laurenceson asks in the ACRI publication *Australia Talks China*. In respect of Clive Hamilton's claims that 40 percent of Chinese-born Australians are 'ready to take to the streets in support of Australia's enemy – China,' his evidentiary base, Hamilton concedes, is the opinion of two unnamed friends.

All I ask in response to heated claims about China – its influence in Australia, its influence in our region, its inclination to build a naval base in Vanuatu (another example of recent commentary) – is, 'What is the evidentiary base?' Apply that, and in some cases, concern and criticism of Chinese behaviour might be entirely justified. In others, partially justified. In others, not at all justified.

Let me describe one encounter with a senior American. It's the White House. Winter 2013. It's in Vice President Biden's office. The furniture – Federation-era American – would have made Paul Keating abandon his taste for the French of the same era. There was an almost theatrical log crackling in the fireplace. The Vice President was practicing his super-charged American charm, and nobody in the world charms with more laser concentration than Americans and no Americans more than Irish Democrat pols. 'China does not innovate,' he said to me.

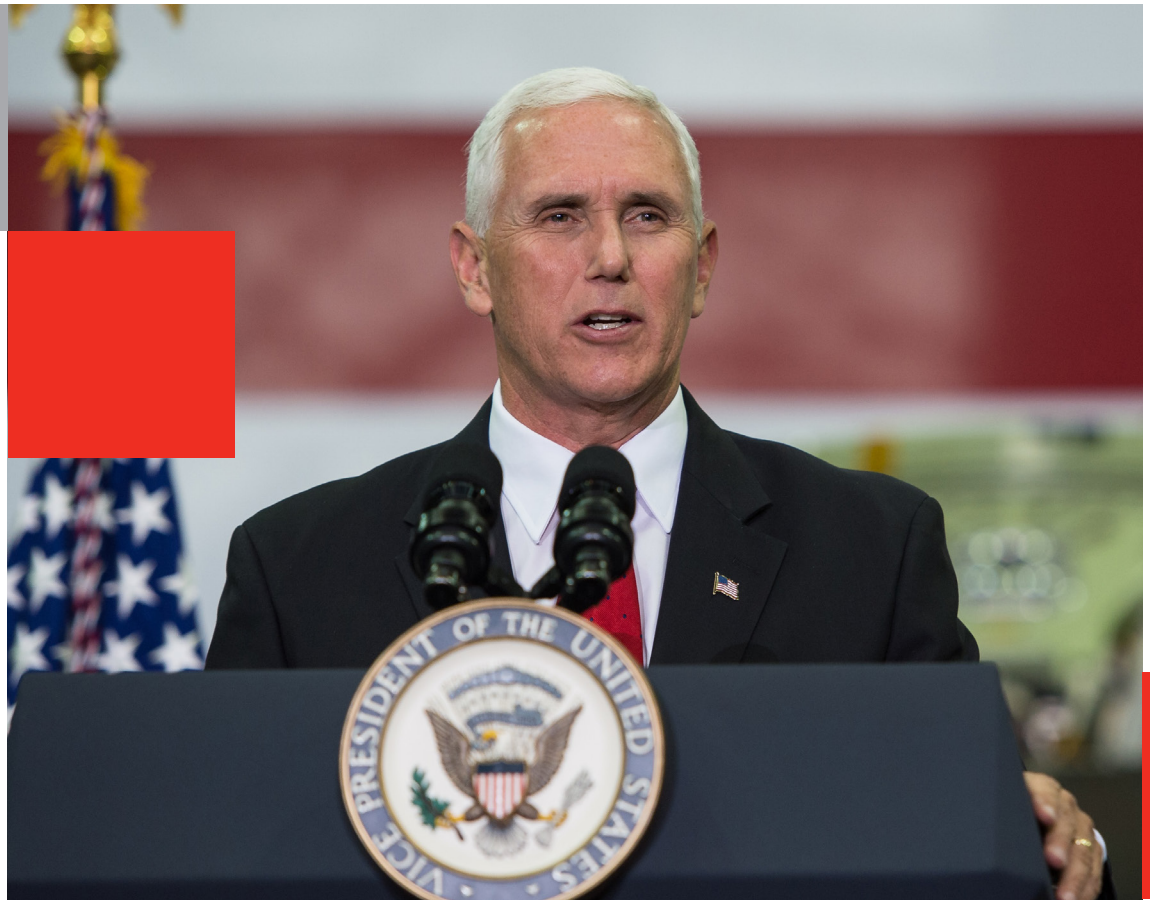
China, perhaps too provocatively, unveiled its plans, Made in China 2025. I have often thought how shocked Joe Biden would be, by what seems to be the daring aspiration of China to lead America in artificial intelligence and robotics.

One factor, by the way, in the shock America feels at the speed of China's rise is that their newspapers do not report China. It's as if *The New York Times*, for whatever reason, has decided to boycott China. If I were the editor of the paper, I would want to know why China is not being explained or illuminated by its staff. I think that's one reason that elements of the American leadership were shocked by the emergence of the Chinese middle class, by the sophistication of the Chinese economy, by the trajectory that China is on. And one response to the shock is to revive Cold War tropes. If China's catching up, it is because China has stolen US know-how. True or false, the argument was well rehearsed by America about the Soviet Union during the Cold War.

Vice President Pence refers to a nine-fold growth in the last 17 years in China and says that is because China has stolen American technology. And an even more perfectly revived piece of Cold War nostalgia was Vice President Pence's speech, 'detecting Chinese Communist subversion in American movie studios,' which would create a *prima facie* case for reinstating the House Un-American Activities Committee, calling directors and actors to Washington to be questioned and even considering a Hollywood blacklist to remove from screenwriting anyone who might be suspected of sympathy for Chinese communism.

In fact, in his address of October 4 delivered to the Hudson Institute – which Australians need to read, our policymakers need to study – the Vice President accuses China of 'pursuing a comprehensive and coordinated campaign to undermine support for the President and our nation's most cherished ideals.' This is a mythological interpretation of the country's own recent history. Russia destroyed a potential presidency in Hillary Clinton and China is now setting out to destroy the presidency of Donald Trump. The speech is worth a study. Reading it as a justification for adversarial policies against China, I am drawn to Cicero's observation as Caesar approached Rome, 'This cause lacks nothing but a cause.'

Of course, there are elements in the Pence critique that are valid. Two examples: China's social credit scores and the repressive policies directed at the Uyghur population in Xinjiang. Any democratic government is going to be drawn because of its own values to saying to China, 'We want to talk to you about these, especially the harsh measures apply to Uyghurs'. In fact, it's altogether appropriate, even using Reagan-esque language, as part of the ideological competition with a non-democratic state, for a democratic state to say, 'This is wrong. We can't support it. We want to talk to you about it.' And then to do so, from an Australian perspective in bilateral meetings and in the international fora that are appropriate to it, such as the Human Rights Council, and third, in a structure like the Australia-China Human Rights Dialogue. We are democracies; we are true to our values; we are entitled to press such concerns.



Mike Pence visits Kennedy Space Center, July 6 2017 *(NASA/Aubrey Gemignani)*

There's a second category where Pence and his strategy can be engaged with seriously, and lends itself to hard-nosed economic negotiations. Here I would place American concerns with forced technology transfer and unjustified subsidies to state-owned industries. These should be the stuff of economic negotiations in regular dialogues between China and the US. If I were Foreign Minister today I would find very little to disagree with in America's language on the South China Sea and in America's insistence on its right, in accordance with international law and consistent American practice, to run freedom of navigation patrols that enter the 12 nautical mile radius of artificial Chinese structures. They make a point. America is justified in making the point. And the language that Julie Bishop has used on the South China Sea in general, but on American patrols specifically, is no different from what I would use if I were Foreign Minister today.

What, however, makes the Pence speech less convincing as a *casus belli* is the jumble of grievances that fill the pages. It comprises even the politically convenient locution, and I quote, 'What the Russians are doing pales in comparison to what China is doing across the country.' That is, across the US. This is suspiciously convenient for an administration that is being investigated by a powerful special prosecutor about its links with Russia and the Russian role already identified by American security agencies in internal American politics. Also unconvincing is the criticism of China for what Pence says is its appeal to US voters, with a wrap-around supplement to the *Des Moines Register*, the only example he can instance; or Pence's suggestion that China is seducing business 'with the allure of their large marketplace,' as if the hardheads of Wall Street can be conned by Party bosses into putting their money where it is not going to be profitable, but rather serve the purpose of the Chinese Communist Party.

Also verging on the ludicrous is the suggestion that China is exploiting the divisions between federal and local levels of government in America. As if a constitution drafted by Thomas Jefferson, John Adams and James Mason could be undermined by Confucius Institutes teaching Mandarin in American universities. Going further, Pence lamented, 'China wants a different US president.' In fact, there is a lot of evidence that Chinese mass opinion, even elite opinion, is rather fond of Trump. But I presume Pence is saying China wants regime change in Washington (I'm not aware of evidence of this) in contradistinction to a United States that has never trespassed on the sacred groves of the internal politics of any other country.

Two influences have fed the Pence speech. One is a fondly-held American notion that this rise of China over the past 40 years – a kind of thing imagined by Stephen FitzGerald and laughed at by his seniors in Canberra when he sent them cables in 1976; the sort of thing that Deng Xiaoping, perhaps the greatest revolutionary leader of the 20th century gave effect to – is due only to American help.

Pence says in his speech that much of the success that China has enjoyed has been driven by US investment. The figures show that US investment in China has accounted for less than 1/20 of total foreign investment flows. In other words, US capital has been a marginal source for China. And foreign investment has at no time been worth more than one tenth of total investment in China. Currently foreign investment accounts for less than three percent. In other words, the overwhelming bulk has been mobilised from domestic sources. The same point can be made of trade. Currently the value added in exports to the US accounts for less than three percent of China's GDP. The US has never taken more than one fifth of China's total exports.

Henry Kissinger shakes hands with Zhou Enlai, Peking, July 9 1971 *(AP Photo/File)*

The second American notion that feeds into the Pence challenge has been developed by a number of American commentators, most seriously by Kurt M. Campbell and Ely Ratner in their article in *Foreign Affairs* on February 13, reproduced in *The Economist*. That is the notion that American engagement with China, going back to Kissinger and Nixon, has always been based on the expectation that China would become 'more like us.'

Henry Kissinger, who still deserves to be counted as the most insightful of American observers of China, took a different view. In his book *Does America Need a Foreign Policy?* he discusses how US foreign policy has become increasingly driven by domestic politics. He says when pressure on foreign countries appears free of risk, there's an increasing scope for legislating American domestic preferences as objectives of foreign policy. He instances the comment by representative Nancy Pelosi of California, a strong supporter of restriction on Chinese trade. When Clinton early in his administration made the granting of most favoured nation status to China dependent on the Chinese demonstrating progress on human rights within a year, Nancy Pelosi rhapsodised, 'Hopefully at the end of these 12 months, if there's freedom of the press in China and the other human rights conditions have been met, then we can begin to solve some of the other problems that members of Congress have.' Kissinger observed,

Nothing illustrates better the collapse of the Westphalian notion of non-interference than the proposition that freedom of speech and the press, which has never existed in China for five millennia of history, could be brought about through legislation by the American Congress as the initial twelve-month instalment in a continuing series of unilateral American demands.

Kissinger's scepticism is the more realistic American view of China. I am not sure whether many Americans believed at any time that China would become 'more like us'.

These then are the two intellectual underpinnings of the Pence speech: the romantic American notion that no country could have done what China did in the last 40 years without help from America. This is national egotism. America's historic achievements have been so extraordinary; they can be forgiven for needing to believe the mythology that China only replicated it with US assistance. The second conceit is that America believed from 1971 and the Nixon-Kissinger initiative that China, as a result of engagement, would be drawn to American standards of quasi-democratic practice. Again, a deeply flattering view.

The implications of the Pence speech for Australians are several. The October 4 ruminations of the Vice President are a recasting of US-China relations, the most radical and most dramatic since 1971. The recasting is supported across the spectrum of American politics. A former American diplomat said to me recently there is no one left in Washington who would want to be seen inhabiting the Kissinger camp of realism on China. No one is an advocate for America-China relations.

During the 2016 presidential campaign, however, not even Senators Cruz and Rubio talked about economic warfare against China but rather defended the practice of free trade. Trump, as a political genius, has recast his own party and has changed the opposition party. And the thinking of both on China. Now there is a consensus in Washington that China must be combatted, that the rise of China must be curbed. As the President put it, 'When I came in, we were heading in a certain direction that was going to allow China to be bigger than us in a very short period of time. That's not going to happen anymore.' Here is an example of that disarming honesty with which this exceptional president captures his nation's thinking, certainly that of his own party. These words say it all: this new policy is designed to curb China's growth, to disrupt the trajectory that China is on towards rich world status by 2030 or soon after.

The roots of this thinking exist in a combative paranoia that occurs from time to time and which is at odds with some of the finer features of American liberal internationalism. In my book *Run for Your Life* I recalled Bill Clinton at a function I hosted in Sydney when I was Premier. It is easy to remember the date, the Sunday night before September 11. It was Clinton's first visit to Australia since he had stepped down as President. An Australian-Chinese woman came up to him with a book of photos of his administration. I remember Clinton was very touched by a photo of him and Yitzhak Rabin, the former Prime Minister of Israel. He said, 'He was a great man. He was a friend of mine. If he had lived, I believe we would have peace in the Middle East.' Next was a photo of Clinton with Deng Xiaoping. Clinton said, 'We could be friends with the Chinese,' or words to that effect. And then, he said, 'You know, there are some people in my country who think America must always have enemies.' That stuck with me.

USS Kidd in the South China Sea *(US Navy)*

I also remember Norman Mailer, the American novelist whom I had the privilege to meet on a few occasions, saying, 'The end of the Cold War in this country left the air full of iron filings. They had been drawn into a unifying hatred at the Soviet Union, but when the Soviet Union collapsed almost without warning, they had nowhere else to go and were looking for a new target.' I thought that was a vivid novelistic insight. I think too of Owen Harries, a Welsh-Australian and former editor of a journal in Washington, who had some influence on neo-conservative opinion, although he belonged more in the Kissinger realist school. He wrote in 1997 in *Prospect Magazine* about America having 'enemy deprivation syndrome' because of its triumph in the Cold War. The Soviet Union had collapsed and the US was looking for a new enemy to provide a sense of national cohesion. He said, and proved it with some extensive quotations, that America became focused on Japan as a rival and potential enemy, then on China.

I remember an Australian American Leadership Dialogue with Rich Armitage, who went on to serve in the Bush Administration under Colin Powell. At this dialogue in Sydney in 1999 or 2000, Armitage said, 'You Aussies are going to make a decision. There is going to be a war over the Taiwan Strait and you've got to determine whose side you are on.' Coalition MPs as much as Labor were looking at one another with raised eyebrows. This was not the way we would frame the tensions in the Taiwan Strait, then or now. Foreign Minister Alexander Downer was asked on a visit to China in 2004, 'Would ANZUS be invoked in respect to the Taiwan Strait?' Downer reflected with words to the effect that 'it wouldn't'. The ANZUS Treaty would not oblige us to enter a conflict between America and China over the status of Taiwan. Later Downer backtracked from that form of words. But I think America got the message.

In 2014 the then-Defence Minister David Johnston was asked whether ANZUS would commit Australia to joining the US in a showdown with China in the East China Sea. His response was, 'I don't believe it does.' There were no alarums or excursions back in Canberra; there was no suggestion that he should recast this and retreat. I think, therefore, it's very likely – even in a shuffling embarrassed manner – Australia will say to Washington, 'If your Vice President's speech on October 4 is the unveiling of a new Cold War directed against China; this is not in Australia's interest.' Given that Hugh White is sitting with us tonight, I can say this is the 'China Choice', even more real for us than when Tony Abbott decided we would join the Asian Infrastructure Investment Bank against the request of President Obama.

It was just as much a choice when, through five years of Coalition government under Prime Ministers Abbott and Turnbull, despite heavy-handed hints from three US admirals, Australia made the decision that we would not run patrols that mimicked the American patrols – the US patrols, as I said earlier, being justified, defensible – in the South China Sea. Eighty-two percent of Australians according to Lowy believed China is 'more of an economic partner' than a 'military threat'. That figure strikes me as powerful. Even more striking is that this 82 percent reflects a five percent increase in Australians holding that view over the last three years, which includes the year or so of concentrated China Panic.

It seems that Australians have accepted their economic future is linked with China. It might have begun when Bob Hawke in 1984 went with the Chinese General Secretary Hu Yaobang to Mount Channar, a great iron ore mine, and sent a subliminal message. This relationship with China – that visit seemed to imply – is a guarantor of Australian prosperity into the years ahead. Australians absorbed that message.

The gap between the American perception of China's continued economic growth and the Australian perception has been confirmed by the fact that even after a lurid China Panic, Federal Treasurer Josh Frydenberg can say, 'Australia is a trade-exposed country... we want to see cooler heads prevail.' Or Scott Morrison can say, 'It is important that US-China relations do not become defined by confrontation.' Or for the Prime Minister to also say at some length in *The Australian Financial Review* that John Howard on China, not Malcolm Turnbull on China, is the model that he as Prime Minister aspires to. 'He [Howard] used to talk about that relationship and not having to choose but just understanding the differences in the nature of both relationships,' said Prime Minister Morrison, invoking his predecessor Howard. 'As a sovereign nation, we're going to have our own views on a range of things, but we respect the views absolutely of those who may not share all beliefs with us.'

Opposition Leader Bill Shorten addressing the Lowy Institute was explicit about the opening divergence in US and Australian views. He said, 'Pre-emptively framing China as a strategic threat isn't a sufficient response to its role and increasing influence in our region. These kinds of false binaries take us nowhere...We will deal with China, respectfully and directly at all times, and frankly when necessary. We will speak out when its actions are contrary to our own interests and we would expect China to do the same.'

It has been easy up to now to reject the notion – I always have – that Australia has a role as some kind of mediator or interlocutor between China and the US. In that conversation with Biden, he kept saying – as part of the flattery that's instinctive to an Irish-American politician charming an Australian – that 'you Australians know so much about China; you Australians are the expert in this.' I thought I had to point out, that I respect American expertise on China. Their relationship with China started when *The Empress of China* set out from the East River, New York in 1783 to launch trade with China because the monopoly of the East India Company, which America as a British colony had previously to respect, was now irrelevant given American independence and the Treaty of Paris. The American relationship with China goes back a long way, I said. American scholarly expertise on China has always run strong. On the other side, there is a deep reservoir of goodwill towards the United States extant in China.

Yet now, I don't think it is anymore naïve to think that Australia, with mature and confident diplomacy, could play a role, if we take up some openings, like the opening hinted at by Defence Secretary Mattis on October 27 when he said, 'Strategic competition does not imply hostility.' Indeed Pence himself said in his speech, quoting the US National Security Strategy, that 'competition does not always mean hostility.'

We enjoy respect in Washington. We have an opportunity to engage with the Trump Administration, to invite America to think about nuance in a policy that, based on the October 4 speech, can easily be portrayed as Cold War. In the current setting we have the right to say that the words used by the Defence Secretary are reassuring. We would be speaking in tandem with Japan, another US ally, and American partners such as India and Singapore. This new climate gives us the opportunity to exert more influence on China, for example, in pressing for reform and opening up that goes beyond the commitments that President Xi Jinping gave in Davos and, more recently, this month in Shanghai. This is the time for some confidence and urgency in Australia's conversation with both Beijing and Washington. We should do this in partnership with other American friends and partners like Japan, India, Canada, New Zealand and Singapore.

I began with a book recommendation: Stephen R. Platt's account of the forcible opening up of China, of the decades leading up to the Opium War. I conclude with another commendation, one on Australian history. It's by historian Peter Cochrane, called *Best We Forget: The War for White Australia, 1914–18* (Text Publishing, 2018). It settles on a subject that also might be heavy with cliché, an account of White Australia, the racism in our national DNA. Cochrane's argument is that it did more than ensure the *Immigration Restriction Act* was one of the first pieces of legislation enacted by the new Australian Parliament in 1901. Cochrane goes beyond that. He says the notion of White Australia so passionately held by our forebears at the turn of the century fed into a deep insecurity. Australians feared this continent would be lost to white Australians because the United Kingdom would not defend the idea of Australia for the Anglo-Saxon race. They were alarmed that Britain's naval treaty with Japan would count more for Britain than the idea of protecting a white Australia. Cochrane details the panic, from 1911 to 1914, that ministers in the British Government could not be relied upon to respect the notion of Australia for the white race. Our leaders feared Britain would force on us a change in our immigration policy that would mean we would be opened up to Asia; the major phobia being Japanese immigration. It is a fascinating account. It suggests one of the reasons we so eagerly entered World War I was that we wanted to demonstrate our indispensability to Britain so that Britain could never overlook our desire to be protected as a bastion of the Anglo-Saxons.

Merchant ship in Port Kembla, 1940s *(State Library of New South Wales)*

William Morris Hughes, our seventh Prime Minister, fought hard at Versailles to entrench this notion forever. Support for a white Australia, our desire to be part of an empire that would protect our status as a white Australia, was a great determining motif in our history argues Cochrane in what I think is a compelling addition to our historical literature. The title of his book, *Best We Forget: The War for White Australia, 1914–18* implies this is now uncomfortable for us to contemplate given our multicultural character, our triumph at multiculturalism.

But even as we reflect on our racist origins, there comes from our history the most optimistic contradiction. It's about our China relationship.

On Thursday there will be a memorial unveiled at Port Kembla. It is about what happened there in 1938, a remarkable thing, if you consider our history as a white Australia. There were 180 waterside workers on the wharves of Port Kembla in 1938. They were persuaded that what the Japanese were doing following the Rape of Nanjing in 1937-38 was so horrific that on the other side of the world in this distant part of the British Empire, workers labouring on the wharves should go without their incomes and risk losing their job, and even risk going to jail – and that's what the Federal Government threatened– because they refused to load pig iron on a vessel headed for the steel works in Kobe, Japan where munitions would be produced for the undeclared Japanese invasion of China.

These proudly white Australians had absorbed the suffering of the Chinese people, the brutal Rape of Nanjing, effectively the commencement of World War II and said, 'No, we will risk everything to ensure Australian iron ore does not feed this brutal Japanese invasion and the suffering of the Chinese people.' It led to refusal by workers in other wharves to load pig iron on ships they believed were bound for Japan. On December 17, BHP laid off 4,000 men claiming that this ban was responsible for bringing everything to a standstill. There was increasing hardship experienced by the workers at BHP as a result of the shutdown of the wharves, and eventually talks between the communist leader of the Waterside Workers' Federation and the Federal Government resulted in an unofficial assurance that no more pig iron would be shipped to Japan. The export ceased as a result of this brave action.

I find this a remarkable story, so positive it deserves its memorialisation.

I find it remarkable because it says a lot about the capacity of a people to grow and to look beyond the horizon – ordinary people to have a vision, workers in Port Kembla, to be touched by what had happened in Nanjing even though we were part of the British Empire, we were a white race imbued with racism, a different people, a different civilisation.

And even our capacity, beyond that, to produce a political leader in Gough Whitlam who in 1972, confronting the self-imposed isolation and the apparent rigidity of Maoist China, could envisage a day when a relationship between two very different peoples might aspire to one based on friendship, cooperation and mutual trust comparable with that which we have or seek with other major powers.

ENDS

Biography

Bob Carr

Professor the Honourable Bob Carr is the Director of the Australia-China Relations Institute (ACRI) at the University of Technology Sydney (UTS), the only Australian think tank devoted to illuminating the Australia-China relationship. He is a Professor in International Relations at UTS.

Professor Carr is a former Foreign Minister of Australia (2012-2013). He is also the longest continuously serving Premier in New South Wales history (1995-2005). His administration pioneered private provision of public infrastructure, lifted public works spending to a record high, increased school literacy standards and declared 350 new national parks. He received his Honours degree in History from the University of New South Wales.

He is an Honorary Professor at Beijing Foreign Studies University. He is a recipient of the RSIS Distinguished Visiting Fellowship from Nanyang Technological University and the Fulbright Distinguished Fellow Award Scholarship for service to US-Australia relations. He has served as Honorary Scholar of the Australian American Leadership Dialogue. He has been frequently interviewed by international media. His opinion pieces are published in *The Australian Financial Review*, *The Australian*, *The Sydney Morning Herald* and *Nikkei Asian Review*. He is the author of *Thoughtlines* (Viking, 2002), *What Australia Means to Me* (Penguin, 2003), *My Reading Life* (Penguin, 2008), *Diary of a Foreign Minister* (NewSouth Publishing, 2014), and *Run for Your Life* (Melbourne University Press, 2018). Professor Carr's research focuses on international relations, foreign policy, Chinese politics and economics, national defence and security.

About the Australia-China Relations Institute

For the first time in its history, Australia's most important economic relationship is with a nation very different in governance, politics and values. In the past, Australia's dominating economic relationships have been with the British Empire, the United States and Japan.

Today our most important economic partner is China.

China contributes now more to world economic growth than any other country. China absorbs 34 percent of Australian goods exports. By 2030, 70 percent of the Chinese population is likely to enjoy middle class status: that's 850 million more middle class Chinese than today.

In 2014 the University of Technology Sydney established the Australia-China Relations Institute (ACRI) as a think tank to illuminate the Australia-China relationship.

Chinese studies centres exist in other universities. ACRI, however, is the first think tank devoted to the study of the relationship of these two countries.

The Prime Minister who opened diplomatic relations with China, Gough Whitlam, wrote in 1973: 'We seek a relationship with China based on friendship, cooperation and mutual trust, comparable with that which we have, or seek, with other major powers.' This spirit was captured by the 2014 commitments by both countries to a Comprehensive Strategic Partnership and the 2015 signing of a Free Trade Agreement.

About the Australian Centre on China in the World

The Australian Centre on China in the World is a research institution established to enhance the existing capabilities of The Australian National University (ANU). It aims to be an integrated, world-leading institution for Chinese Studies and the understanding of China, or what has been called 'Greater China' or the 'Chinese Commonwealth' (the People's Republic of China, the Hong Kong and Macau Special Administrative Regions, as well as Taiwan and the Chinese diaspora), on a global scale.

CIW takes a broad, holistic view and engages multidisciplinary expertise in areas including Chinese history, thought, culture, media, politics, society, gender, environment, economics, foreign and strategic policy, and regional affairs. The Centre aims at realising a national capability by enhancing the University's ability to guide national research and educational efforts, and to stimulate interest in the study of China by working with other key research/teaching institutions and scholars in Australia and internationally. We will use these connections to help train and support upcoming generations of China scholars, specialists and China-literate young people.

The Centre is primarily a research body led by humanities work in collaboration with the social sciences. The brief and vision of the Centre are for it to pursue research, education and outreach activities in innovative ways not achieved by similar institutions. The Centre will also serve the long-term national interest through the pursuit of independent scholarship and thought, and will go beyond a reactive and short-term approach to issues related to the Chinese world and the global presence of China.

The activities of the Centre constitute an addition to the range of China-related research and teaching work being undertaken by the ANU China Institute (the umbrella and coordinating body for ANU-specific China work university wide), and the various schools of the ANU College of Asia & the Pacific. The Centre is not a replacement of, or substitute for, the already substantial commitment ANU places on Chinese Studies. It will draw on ANU expertise in the context of the Centre's brief.

The key aims for the Centre are:

- to enhance innovative research and education on China;
- to enhance Australian understandings of China in the global context;
- to increase substantially the profile of China-related work in Australia and internationally.

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