

FairfaxDigital

NEWS | MYCAREER | DOMAIN | DRIVE | FINANCE | CITYSEARCH


 THE AGE
theage.com.au

In love with China

March 30, 2005



Illustration: Spooner

Australians are now backing Howard's way with China, writes Michelle Grattan.

When it comes to getting closer to China, John Howard and Australian public opinion are clearly marching in sync, a unity dramatically demonstrated by new data on public attitudes to Asia's emerging superpower.

Howard is deeply and viscerally attached to the American alliance but he equally understands Australia's need to actively foster its relationship with Beijing. This is about to take another step forward next month with the Prime Minister's visit to Beijing, when negotiations for the proposed Australia-China free trade agreement will get the go-ahead.

In historical terms, it has been a rough but remarkable journey in relations. In the 1960s and early '70s, amid Vietnam and the fear of falling dominoes, the conservative government was talking up the threat of the downward thrust of China (not that that prevented wheat sales).

Gough Whitlam and diplomatic recognition ushered in a new era. The Tiananmen Square massacre of 1989 was a big setback in relations, but not an enduring one.

Today, economic interests form the core of a relationship based also, from Australia's side, on China's long-term strategic importance. And it's being built on very positive community attitudes.

The inaugural poll released by the Lowy Institute for International Policy, an independent think tank, is startling for the negativity people expressed about the Americans and fascinating for the way they

regard China.

Australians are significantly more positive towards China (69 per cent) than towards the US (58 per cent) and Indonesia (52 per cent).

It is obvious that Australians are more relaxed about China, with its great power, than about Indonesia, closer but with limited power.

China's growing power comes last in a list of threats (concerning only just over one-third of Australians), while US foreign policies and Islamic fundamentalism each worry well over half. Lowy Institute executive director Allan Gyngell says: "Australians see China as an opportunity, not a threat. The yellow peril seems to have dried up."

Howard is deeply and viscerally attached to the American alliance but he understands Australia's need to foster its relationship with Beijing.

Only about one in five people think Australia should join America if it went to war with China over Taiwan. And on the issue of the moment in the Australia-China relationship, 51 per cent believe a free trade agreement would be good for Australia, compared with only 34 per cent who believe the FTA with the US, concluded last year, will be beneficial. Partly, the difference may be that the Australian-US agreement had a lot of bad publicity at the end (for example, about drug prices). Perhaps views on the China FTA might change a little when things get to the serious stage. Nevertheless, the positive Australian attitudes provide a good atmosphere for starting negotiations.

A joint scoping study is near completion, clearing the way for negotiations that would take two to three years. Principles for the talks have already been laid down: no area is ruled out and nothing will be agreed until everything is agreed - that is, sectors won't be signed off piecemeal.

Modelling suggests a significant expansion of trade both ways could come from an FTA. Australia would be looking for gains in exports of agriculture and services and opportunities for investment; China would gain more manufacturing access.

The extra opportunity for Chinese manufactures has agitated the Australian Industry Group, concerned about the potential for China to dump cheap goods.

But the group's chief executive, Heather Ridout, has been reassured by the Australian Government's promises of anti-dumping protection and also what she heard at a Beijing symposium last week on the FTA. Any Australia-China FTA would be accompanied by increased resources and beefed-up procedures for Australian customs and by some trigger mechanism to provide a warning of surges in imports of particular goods.

"At the end of the (Beijing) conference, a Chinese assistant minister acknowledged sensitivities on the Australian side in relation to manufacturing. I was pleased that they had heard our concern," Ridout says.

But the assistant minister also noted Chinese sensitivities on agriculture. There is a danger that the Chinese (noting how canny US negotiators were in the Australia-US FTA talks) could get the best of the negotiations.

Australian National University's Professor Ross Garnaut, a sceptic about FTAs in general, expects gains from this one could be larger than those from the Australia-US FTA, although he warned in a speech at Asialink in Melbourne last week that practical politics (pressures from the Australian manufacturing lobby and China's desire to protect its agriculture) would inevitably limit the scope of the agreement.

As the FTA negotiations are about to get under way, Australia and China are also beginning the long process to prepare for Australian uranium exports to China. A bilateral nuclear safeguards agreement is needed; the Chinese recently raised this with the Department of Foreign Affairs and Trade. When he attends the Boao Forum for Asia (a rival to the Davos economic meeting) during his China trip, Howard will take part in a session on energy, at which Australia's potential as a uranium supplier in the future could come up.

In international relations, the landscape can transform quickly, making it impossible to predict how, another generation on, Australia's relations will be with China, which by then will have enormous economic and strategic power. In the medium term, they could always be complicated by twists and turns in the American-China relationship, forcing hard choices on Australia. (The optimists believe Sino-US relations are likely to evolve harmoniously.)

However, the stronger the economic and other ties developed now - especially Australia's role as a major resources and energy supplier for China - the more chance that the Sino-Australian rapport will withstand any buffeting and remain positive.

Michelle Grattan is political editor of The Age.

[Get The Age delivered to your home for as little as \\$2.70 a week*](#)

Our Advertisers

[Home](#) > [Opinion](#) > [Michelle Grattan](#) > Article

Copyright © 2005.