Some years ago the late Prime Minister of Singapore Lee Kuan Yew predicted that Australia would become “the poor white trash of Asia.” His words at the time shocked the Australian body politic and were fiercely denied. After all, Australia at the time was enjoying its largest trading boost with its Asian neighbours and nobody in the country could envisage that the golden years would not continue indefinitely.

Australia at the time, and currently, was firmly part of the American military camp. It was even, at the time, only half-jokingly referred to as America’s “deputy sheriff.” It was an image faithfully promoted by the nation’s political leaders. It did not matter whether they belonged to either the Liberal-National coalition, or to the Labor Party. The commitment to the United States remained one of the firmest foundations of the Australian body politic.

After all, Australia had willingly joined the war in Korea (1950–53) although it was manifestly part of a desperate United States attempt to overthrow the then newly installed Communist party of China. It took the brief reign of the progressive Whitlam Labor government (1972–75) to recognise the People’s Republic of China as the legitimate government of China. That choice caused much anguish in the opposition Liberal Party who attacked Whitlam, entirely oblivious to the fact that the Nixon administration in Washington was at the very same time in the process of switching its allegiance from Taipei to Beijing as the legitimate government of China.

It is one of the bitter ironies of history, despite the diplomatic recognition of the People’s Republic of China, the United States maintains its commitment to Taipei with elements of the United States fleet regularly patrolling the
relatively narrow sea passageway between Taipei and the mainland. It was a further irony that the Taiwanese government in those days always maintained that they were part of China. It was just that the latter had the “wrong government”. They clung to the dream that they could one-day be reinstalled as China’s government. That dream has not died.

Australia’s adherence to United States militarism did not of course cease with Korea. Since then, Australia has been a willing and eager participant in United States wars of choice. Australian troops are currently involved in Afghanistan, Iraq and Syria, despite the respective governments of those nations making it increasingly clear that the Australian presence (and that of other foreign nations) is not welcome.

All the while Australia’s trading relationship with Asia in general and China in particular continued to grow. Twelve of Australia’s 16 biggest trading partners are in Asia, and China and Japan between them account for nearly 60% of all Australian exports. It appeared during the past decade that Lee’s prediction was wrong and that Australia was going to maintain its balancing act of devotion to the United States cause, all the while maintaining its crucial links to Asia.

If a week is a long time in politics, then 12 months must seem like a lifetime. Australia’s relationship to China is undergoing a major transition. When that transition began exactly is difficult to pinpoint, although early signs were there no later than 2018 when China refused to invite Australia’s prime minister or any senior members of his cabinet to Beijing. When their respective leaderships did encounter one another at international conferences Australia was, to put it bluntly, simply ignored by the Chinese.

Conditions deteriorated further with the Australian Prime Minister’s ill-considered public questioning of China’s role in the origins of the coronavirus now sweeping the world. There is little doubt that in doing so he was acting at the instigation of the United States President Donald Trump. That hardly constituted an excuse in the eyes of the Chinese who were understandably furious. All subsequent knowledge about the origins of the virus have confirmed the Chinese viewpoint, but there has not been a single word of retraction or apology from the Australian Prime Minister.

Throughout 2020 the Chinese progressively barred imports from Australia, or imposed swingeing tariffs. The professed reasons for doing so by the Chinese were a fig leaf. The intention was clearly to damage Australian exports, and it succeeded, with volumes of goods sold to China dropping dramatically throughout 2020 and into 2021.

It was not just exports that were affected. China was also the largest source of foreign students in Australian universities, a multi-billion-dollar source of revenue. Literally hundreds of Australian university staff have been laid off in recent months. The Chinese government is openly advising students to look elsewhere for their education.

The anti-China policies of the Australian government have also extended to Chinese investment in Australia with Chinese investment proposals now being routinely disapproved.

One of the curiosities of this process is that the Australian mainstream media is almost totally silent on what is happening to their export income, Chinese students and foreign investment. It is uncanny how the mainstream media and politicians are very quiet about the enormous damage being done to their economy.

It is not as if there are alternative markets queueing up for Australian goods. Australia’s major trading partners in Asia are also heavily dependent upon the Chinese and are therefore highly unlikely to do or say anything that will jeopardise their own major trading and other relationships with China.

The Asian world itself is changing and recent years have seen a plethora of trading relationships spring up, of which the Shanghai Corporation Organisation is perhaps the best known, but far from the only example. United States attempts to create an alternative block of the United States, Japan, India and Australia have recently been resurrected. It is likely to fail for the same reasons that the original attempts to create such a block during the Obama administration failed. Self-interest is the dominant trait of all nations, and both Japan and India have such thoughts uppermost in their minds, United States blandishments notwithstanding.

The core issue here is the changing nature of the world economy. The centre of gravity has firmly shifted back to Asia after three centuries where Western influence prevailed. The West doesn’t like the loss of power and is making increasingly desperate moves to change the patterns which become clearer by the day.

Which brings us back to Lee’s view of the future of Australia. Australia has clearly made a political choice to cling to
the declining West. That will prove to be one of the great blunders of modern geo-politics. Australia’s near neighbours, including Indonesia and New Guinea are steadily increasing the links to China, with the latter country in particular causing consternation in Canberra. Australians are not taking kindly to New Guinea’s changing alliances and Australia views with undisguised alarm evidence of Chinese economic activity a short distance from its own territory.

There is no evidence at all in the Australian media that they recognise the implications of the price they are having to increasingly pay for their adherence to the United States “partnership” at the expense of economic well-being. Perhaps even worse, the first response to the re-emergence of China as the world’s dominant economic power is being totally misrepresented as some sort of military threat. It is an error of judgement that is going to cost the country dearly.

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