

Middle Power Dreaming: Australian Foreign Policy during the Rudd–Gillard Governments

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The five years covered by this volume were the first such period since the first half of the 1970s in which three governments held office: those of John Howard (until November 1997), Kevin Rudd (until June 2010), and Julia Gillard. The transition from a Liberal–National Party Coalition to Labor governments during this period offered observers an unusual opportunity to see the extent to which partisanship made a difference in Australian foreign policy (although the relatively small part of the period covered by this volume in which the Gillard government was in office rendered it risky to draw any firm conclusions about the direction of foreign policy under Australia's first female prime minister).

Commentators frequently note that Australia's two major parties seldom diverge significantly in their foreign policies. This continuity reflects the constraints faced by a country that can at best exert a relatively small influence on global politics. Governments are also constrained by public opinion: some policy choices are simply ruled out for any government that wishes to be re-elected. No government would challenge the centrality of the US alliance to Australia's defence and foreign policies. Similarly, no contemporary government would question the importance of facilitating economic relations with Asia, on which Australia depends more heavily for its prosperity than does any other country within or outside East Asia.

These constraints notwithstanding, commentators have frequently observed that Australian Labor Party (ALP) and Coalition governments have differed in their approaches to foreign policy. Most notably, ALP governments have been more internationalist, whereas Coalition governments—as was particularly the case under Howard—have relied more heavily on bilateral relationships, and particularly on Australia's relationship with the dominant global power. ALP governments typically have been more activist in their foreign policies, an approach that rests on a perception

that Australia, as a *middle power*, can play a constructive foreign policy role by using the various foreign policy resources at its disposal to promote enhanced international cooperation.

The use of the term ‘middle power’ is largely synonymous with a long tradition of foreign policy-making by Labor governments, although, as Carl Ungerer (2007b) demonstrates, it was also employed by some Coalition politicians, notably Garfield Barwick (External Affairs Minister, 1961–64). Alexander Downer preferred the term ‘pivotal power’ to ‘middle power’, again suggesting an activist role for Australia; the close identification of the country’s foreign policy with that of the United States during the Howard governments, and their contempt for many of the activities of the United Nations (UN), rendered any middle power ambitions that Downer might have harboured unlikely to be realised (an issue considered in the two most recent volumes in this series).

In Opposition, Rudd did employ the term—although sparingly—restricting its use to Australian action within the UN. With the advent of the Rudd administration, however, the concept of middle power again occupied a central place in the government’s foreign policy rhetoric. Gillard also employed it in her first foreign policy pronouncement. In his speech to the Brookings Institution in March 2008, Rudd expressly linked Australia’s ‘creative middle power diplomacy’ to actions on climate change as well as to programs for the attainment of the Millennium Development Goals, especially in the Pacific (Rudd 2008f). In other speeches, he described his Asia-Pacific Community (APC) proposal as embedded in his conception of Australia as a practitioner of ‘active middle power diplomacy’ (Rudd 2009g); an activist foreign policy agenda was also the context for establishing the International Commission on Nuclear Non-proliferation and Disarmament (ICNND) (Rudd 2009c). Gillard, in her first foreign affairs policy release as prime minister—a document that dealt largely with the global economic crisis and Afghanistan—stated, ‘We are committed to building on the Labor tradition of active contribution to the world beyond our shores. And we are committed to an activist middle power diplomacy that delivers the best outcomes for Australia and Australians’ (Gillard 2010c).

The ‘middle power’ concept refers principally to aspects other than size, but most definitions refer, in one way or another, to capability or ‘capacity’ (Ravenhill 1998: 310). If the smaller members of the G-20 are considered, Australia is in the company of Argentina, Canada, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea and Turkey, most of which have either labelled themselves or been described by commentators as middle powers. Significantly, Australia is the least populous of the whole group, though measured by size of gross domestic product (GDP), the Australian economy (rated thirteenth in the world in 2010) was larger than all of the smaller G-20 members except Canada. Moreover, in 2010, boosted by an appreciated exchange rate, Australia’s per capita income was the highest among this group. The country’s wealth provides it with the potential to play an activist middle power role.

Capacity (and the 'concentration' of that capacity) also relies, however, on the resources devoted specifically to diplomacy, and more generally on the projection of power and influence, including influence exerted through aid, defence and (to an extent) international cultural activities. In other words, governments must consciously choose to realise their underlying capacity if they are to exercise power and influence. And in this respect, the record of recent governments has been mixed. Australian defence spending was the eleventh highest in the world (amounting to around 2 per cent of GDP and thus pushing up against budgetary constraints). Australian expenditure on aid was also substantial: building on a trend established in the Howard period, spending on Official Development Assistance (ODA) grew to reach 0.33 per cent of GDP by 2009 (and was planned to reach a target of 0.5 per cent of GDP by 2015–16) (a development discussed in Chapter 3). Australia was the thirteenth largest donor of ODA among members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD). In its immediate neighbourhood, then, Australia possessed the resources that could have enabled it to wield considerable influence.

The instruments of diplomacy, however, were seriously neglected during the Howard–Downer period, and this neglect was continued by the incoming Rudd administration. By comparison with other OECD members, Australian diplomacy, as reflected in the budgets and deployments of the Department of Foreign Affairs and Trade (DFAT), was in a parlous state (Blue Ribbon Panel 2009). With 91 missions abroad, Australia was a long way behind the OECD average of 150, being on a par with the Slovak Republic (a nation not known to claim middle power status). Moreover, 40 per cent of Australia's missions (a proportion that had almost doubled since 1999) contained three or fewer Australian staff. With this level of staffing, posts can do little more than administer themselves and host visiting ministers. In the same period, consular cases handled by Australia's overseas missions had more than doubled, yet there were fewer personnel working for the department in 2009 than had been employed in 1996.

In the period under review, DFAT was required to find an annual 'efficiency dividend' and also ordered to make additional economies in 2008–10, a reflection of government expenditure cuts in response to the global financial crisis. It was not only observers, then, but also DFAT officials who consequently found it more than a little ironic that Rudd, then Minister for Foreign Affairs, should use a speech commemorating the 75th anniversary of the establishment of the Australian foreign service to attack the under-resourcing of DFAT, which his own government's policies had exacerbated:

Finally there is the challenge of resourcing. The truth is, DFAT was starved for a decade ... But I am acutely conscious of a core fact: we now have 18% fewer staff abroad than we did in 1996 while, in the rest of the APS [Australian Public Service], there are now 12% more staff (Rudd 2010e).

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Trade and investment promotion appeared to be somewhat better provisioned, but of necessity much more narrowly focused. At a time when national security budgets grew, in some cases exponentially, and Defence enjoyed steady funding growth, DFAT budgets languished. As commentators frequently assert, active middle powers require the means to concentrate on an issue of interest: without resources and with the concomitant lowered morale, DFAT was not in a position to provide sustained intellectual engagement with activist initiatives.

Over this period, the resources available to the Department of the Prime Minister and Cabinet did grow, and some of these were devoted to international affairs, notably through the establishment of a National Security Adviser, who became head of a National Security and International Policy Division (as noted in Chapter 15). However these additional personnel did not translate into more effective policy. It was perhaps significant that DFAT's annual report at the end of the period under review used the term 'middle power' just once, and only then in a report of a speech (DFAT 2010k: 104).

To be fair, however, the Rudd–Gillard governments arguably faced a more challenging environment in which to pursue middle power diplomacy than had their predecessors. Australia's positive reputation for middle power activism in the Bob Hawke–Paul Keating era rested on initiatives in trade, security and regional organisation. At a time when trade liberalisation was on many progressive agendas, these administrations were able to launch creative vehicles for widening and deepening this movement—the Asia–Pacific Economic Cooperation (APEC) grouping being the most significant example. The Cambodia issue was also ripe for a new approach, given that all the powers involved were experiencing policy fatigue, and especially given that the genocidal record of the Pol Pot regime (still occupying Cambodia's place at the UN) had by then been clearly demonstrated. And although the Association of Southeast Asian Nations (ASEAN) had made considerable advances in overcoming post-colonial enmities and divisions, the Southeast Asian economies were then of limited importance, and their need for security cooperation was hardly articulated. The larger map of regionalism remained to be drawn. None of these 'niche' issues (to use a term favoured by the then Minister for Foreign Affairs, Gareth Evans) had the same standing in the period of the Rudd–Gillard governments, and the areas where the Rudd government sought to play a creative role, most notably on climate change, proved intractable.

How successful were the Rudd–Gillard governments in practising middle power activism? On aid and development, outcomes were largely disappointing, despite the substantial increase in resources devoted to this sector. Australia's largest aid commitment through the period under review was to Papua New Guinea (PNG). AusAID had committed A\$415 million to PNG for 2010–11, with other forms of aid amounting to A\$42.2 million, the total sum representing by far the largest proportion of international ODA provided to PNG (AusAid 2010b). The Howard government entered into an A\$800 million Enhanced Cooperation Program (ECP) with PNG in 2004; in 2008 the Rudd government, seeking to overcome some of the problems that

had plagued the ECP, announced a new Papua New Guinea–Australia Partnership for Development. Yet, as AusAID candidly conceded at the end of the period under review, the performance benchmarks set by the Labor government would not be achieved: ‘PNG’s social and development indicators are not improving. PNG is unlikely to meet any of the Millennium Development Goals’ (AusAID 2010c). Sums even larger in relation to the size of the recipient economies were made available to Solomon Islands and Timor-Leste (in the case of the latter, total ODA committed for 2010–11 was A\$103 million), but again there were few signs of positive outcomes by the end of the period under review.

Nor did the fields of trade and security generate more positive results for activist diplomacy. The permutations and combinations of free (or freer) regional trade and investment had become bewildering; the size and sophistication of the Australian economy relative to that of the larger regional players increasingly prescribed a more modest role in promoting trade liberalisation in an era when negotiation of bilateral agreements predominated. In the security sphere, the North Korea problem had, from 2003, already engaged the energies of the six parties immediately involved with very limited effect. In any case, Rudd, as both prime minister and foreign minister, took such a firm line on North Korea that Pyongyang would hardly have been able to detect any difference from the position adopted by the United States and thus would not have had any special regard for Australian proposals, even if highly innovative. To be effective, middle powers also require ‘credibility’ (Ravenhill 1998: 310), but credibility disappears if they are perceived to be closely aligned with one party to a conflict. To be sure, the Burma/Myanmar problem remained acute and seemingly ripe for creative diplomacy, with a farcical ‘election’ conducted in November 2010, but as long as the governing regime enjoyed the patronage of Beijing as well as ASEAN membership, it was unlikely that an Australian initiative, however ingenious, would gain any traction.

A security area in which Australia continued to be active was non-proliferation, driven by the energetic former foreign minister Gareth Evans in his role as co-chair of the ICNND, but Canberra was content to remain in the system of extended US deterrence and was not prepared to endorse any radical change to that system. Accordingly, proliferators such as Iran, North Korea and Syria, as well as more marginal actors, all viewed Australia in terms of its record as one of the few powers to have backed the Iraq adventure without qualification. The establishment of the ICNND bore some of the hallmarks of middle power activism, but its management was inept. The leakage of diplomatic traffic confirmed that the ICNND initiative had been announced in Japan without the host country being informed ahead of the occasion, which did not bode well for coalition-building. In the event, even the Australian government’s reception of the Gareth Evans–Yoriko Kawaguchi proposals was close to dismissive. Energetic activism on the emerging new security issue, climate, might indeed have attracted global attention, but Rudd’s ambitions were frustrated by the domestic political process if not by his own conservatism and indecision on the question.

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The major initiative of the Rudd era was in the sphere of regionalism, a dimension of diplomacy largely ignored by the Howard governments. But here again the record of the Rudd government was unimpressive, not least because of the apparently haphazard manner in which its central initiative, the APC proposal, was launched. The hurried announcement left even some members of the Australian policy machine in the dark, including Richard Woolcott, the emissary chosen by Rudd to promote the proposal: prior to the launch, Woolcott was given no guidance on how to explain the new community's relationship to pre-existing groupings that already had strong Australian endorsement, not least APEC. Moreover, by not placing ASEAN at its centre, even at the level of rhetoric, the proposal seemed doomed to fail, an assessment shared by most seasoned observers of the region. The perception that Australia and the United States had identical views on the desired institutional architecture for the region (a question reviewed in Chapter 4) seemed to be validated by accounts (exposed by WikiLeaks) of a meeting between Rudd and US Secretary of State Hillary Clinton, where the Prime Minister explained that his APC proposal was designed to keep the United States at the centre at a time when it seemed that East Asian regionalism was destined to be dominated by China and thus to exclude the United States. Again, issues relating to the 'credibility' of the Australian initiative were raised. In such circumstances, Australia could hardly be accepted as playing the middle power role of disinterested mediator (Cooper, Higgott & Nossal 1993: 20). Australian policy-makers during this period may have dreamed of assuming a middle power role on the world stage, but they were destined to play a minor part, a character torn between a realist mien and more noble impulses.

While in most respects, the Rudd–Gillard governments' role as an activist middle power remained limited, a prominent exception was Australia's response to the global financial crisis of 2008–09, during which the Rudd government seized the opportunity to 'punch above its weight' in world economic affairs. Rudd personally played a pivotal role in convincing George W Bush to elevate the G-20 to the role of principal manager of the global economic system (as discussed in Chapter 3).

FRUSTRATED EXPECTATIONS

Did governments meet the expectations of the Australian public on foreign policy issues during this period? With the Howard government entering its eleventh year in 2006, its foreign policy credentials were well established. Howard was best known to the public as a dogged and apparently unreserved ally of Bush, a stance that had served him well in the years immediately following the terrorist attacks on the United States on 11 September 2001. But his loyalty to Bush was increasingly seen as a liability in light of the mayhem and disorder of occupied Iraq and the poor progress of the regime change engineered through intervention in Afghanistan. These were among

the most prominent foreign policy issues in the lead-up to the 2007 elections, and their prominence tended to shift attention from some of the government's foreign policy successes, most notably in pursuing the closest of associations with Washington while simultaneously managing a burgeoning trade relationship with China. Moreover, Howard's status as the region's most senior statesman was obscured, during his hosting of APEC in Sydney in September 2007, by doubts within the ruling Coalition on the viability of his continued political leadership.

Rudd came to the prime ministership with high public expectations, as much in foreign affairs as in the various dimensions of domestic politics. Not beholden to any particular party faction, and sustained by very high levels of public approval, his administration seemed well placed to undertake significant innovations, especially in the field of foreign policy, his area of personal expertise. An impressive public performer, at ease with the international policy community, Rudd's facility in the Chinese language, which put him in direct personal touch with the leadership of the predominant emerging Asian power, suggested that Australia was destined for a sea change of sorts in its regional and global outlook.

Rudd's opinions were already a matter of record. While foreign affairs spokesperson in Opposition in 2004, Rudd had released a detailed White Paper outlining in considerable detail his foreign policy views and intentions (Rudd 2004). The document devoted particular attention to the urgent need to adopt an emissions trading scheme to deal with climate change, proposed greater efforts to prevent weapons of mass destruction proliferation, and promised extra funds to promote Asian languages and studies, reversing the Howard government's abandonment of the National Asian Languages strategy. Notable in this statement was the use of the expression 'global governance', a phrase uncongenial to Howard and Downer, by which Rudd meant both a commitment to the UN system and also a wider pursuit of an international order based upon such values as 'equity, compassion and sustainability'. It was principally on the basis that it lacked sufficient grounding in UN processes that Rudd had labelled the Iraq occupation unacceptable.

The Opposition had been highly critical of the Howard government's handling, in its final years, of several major foreign policy questions. One area was climate change (an issue discussed in Chapter 12). In addition, Rudd had harassed the government on the surreptitious payments made by the Australian Wheat Board (AWB) to Saddam Hussein's regime in contravention of UN Security Council Resolution 661. Rudd coined the phrase 'the wheat-for-weapons scandal' on the grounds that these revenues were used by the Iraqis to sustain their illicit programs and to fund the families of Palestinian suicide bombers. He was sharply critical of Downer's failure to exercise any effective superintendence of DFAT on this question, given the department's responsibility to play an oversight role on all dealings with Iraq. Rudd also criticised the government's failure to promote knowledge of Australia's immediate region: Rudd was a particular champion of 'Asia literacy' and had played a prominent role

in promoting it, including as principal author of the Rudd Report of 1994 (Rudd 1994). The Opposition consistently criticised the Howard government's treatment of asylum-seekers arriving by boat, principally from Iraq, Afghanistan and Sri Lanka, and in particular their removal to Nauru and to Manus in PNG, and the payments made to these countries in recompense through the aid budget. Accordingly, the ALP's electoral platform in 2007 promised to 'end the so-called Pacific solution' and to make no further use of such offshore detention in third countries.

With the Rudd government in power, a start was made in addressing these policy issues. The matter that became the subject of the greatest domestic contention undoubtedly was refugees. In February 2008, the last of the refugees held in Nauru were brought to Australia. Later that year the Minister for Immigration, Senator Chris Evans, announced what was described as a new direction for refugee policy. While all seaborne asylum-seekers would still be subject to mandatory processing, detention would only be used 'as a last resort ... and for the shortest practicable period' (Evans 2008). At the same time, temporary protection visas were abolished, and in 2009 legislation was introduced to parliament to liberalise the *Migration Act 1958* significantly. However, an increase in the number of refugee boats making their way to Australia, and pressure on the facilities used to house the asylum-seekers, especially on Christmas Island, led the government in April 2010 to announce that it would suspend the processing of the claims of refugee arrivals from Sri Lanka (for three months) and from Afghanistan (for six months). One of Gillard's first initiatives after deposing Rudd in June 2010 was to announce that she was negotiating with the President of Timor-Leste, José Ramos-Horta, for the location there of a new refugee facility, a negotiation that then caused some embarrassment because neither the government in Dili nor the national parliament had been informed of the proposed arrangement. The resemblance of this proposal to Howard's 'Pacific solution' was not lost on critics. Meanwhile refugees held in detention increased in number, reflecting boat arrivals: at the time of the 2007 election, 487 asylum-seekers were held in immigration detention; by the time of the 2010 election, this number had increased to 1606 (Karlsen 2010). And the reforms proposed by Evans, still before parliament, lapsed with the dissolution of the parliament for the 2010 election.

Expectations were also not met in other policy areas. Rudd's aspirations to assume the role of *zhengyou* ('true friend') and frank confidant to China's leaders was frustrated, as Chapter 5 demonstrates. Rudd's advocacy of 'Asia literacy' produced little in new funding, beyond a new China in the World Institute for the Australian National University; the numbers of students studying Asian languages at all levels continued to diminish. The leading personnel of the AWB became the subjects of an Australian Federal Police investigation, but the case was abandoned in August 2009 (Overington 2009). A measure of justice was provided, however, in the promotion of Bronte Moules to the position of Ambassador to Burma/Myanmar; Moules, then first secretary at Australia's mission at the UN, had authored the first cable to DFAT alerting

the department and the minister to the possibility of AWB contractual malfeasance in January 2000 (DFAT 2010; Overington 2007: 41–2).

On climate change, despite his best middle power efforts, the Prime Minister was unable to induce the Chinese government to adopt a more accommodating stance at the Copenhagen environmental summit in December 2009. Neither did he overcome domestic opposition to his plans, some of it from within his own party leadership. Rudd's decision not to pursue a double dissolution election on the issue, given the Senate's failure to pass the emissions trading legislation, was a major factor in the collapse of his previously strong public approval in 2009, and this fall in popularity provided the rationale, such as it was, for his removal as leader. His successor's proposal, during the 2010 election campaign, to convene a 'citizens assembly' to review the issue was greeted with derision, and the hard decisions required were further postponed.

In the trade sphere, heightened expectations were again frustrated. Although it would have been totally unrealistic to expect the Rudd government to have engineered a resolution to the impasse in the Doha Round of negotiations at the World Trade Organization, the government seemed more intent on business as usual than in crafting creative initiatives. Despite criticisms of the Howard government's record of negotiating discriminatory trade agreements of questionable quality, no substantial change in policy occurred after Rudd came to office.

Rudd's apparent desire to open the foreign policy-making process to popular input through the 2020 Summit (as discussed in Chapter 13) sat uneasily with the increasing concentration of decision-making on matters of foreign policy within the Office of the Prime Minister and Cabinet, and Rudd's effective emasculation of his own foreign minister, Stephen Smith. The 'securitisation' of foreign policy that had been so evident in Australia in the period after the terrorist attacks on the United States and Bali continued apace during the Rudd period: as Michael Wesley notes in Chapter 15, by the end of the Rudd tenure, there was an 'almost complete alignment of Australia's foreign policy priorities with its national security agenda'.

RESPONDING TO CHANGING POWER RELATIVITIES

In the period under review, there were clear signs that a fundamental shift in regional power relativities was under way. With the emergence of China as the major power in the western Pacific, capable of contesting the United States in that region, if not globally, Australia was facing a trend not seen in its entire history. Since Federation, and even since 1788, Australia had enjoyed a uniquely advantageous alignment in external affairs. With those countries that provided the ultimate security guarantee, first Great Britain and then the United States, Australia enjoyed deep cultural, ideological and economic relations. Until recently, Australia's protectors have been the nation's

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biggest trading partners and investors; they have also shared important cultural and institutional identities. And perhaps the most significant aspect of these relations has been that, with the exception of the 1930s, these guarantors were themselves powers with global reach, even if they were not totally dominant in the Asia–Pacific.

No analysis of Australian foreign policy is complete without a particular quotation from Sir Robert Menzies (prime minister 1939–41 and 1949–63). He argued that Australia's interests were bound up with those of 'great and powerful friends'; correspondingly, little in Australia's international policy was likely to be effective without the support of such friends. Menzies's contention continued to have relevance. So, in 1999, the final decision on Australia's intervention in Timor-Leste depended on the support of Bill Clinton's administration. And there were some anxious moments in the days leading up to this decision when it seemed that the United States might have reservations. Australians were not sufficiently aware of the US preoccupation with Kosovo at the time, and were immensely relieved when President Clinton threatened Jakarta with financial restrictions if Indonesia did not cooperate.

Given that through almost its entire history, 'loyalty' to a congenial alliance has been the watchword of Australia's external policy, dealing with China will require a vocabulary that probably has yet to be coined. At any rate, a basis in sentiment for close relations with China has been lacking, with Beijing slow to deploy its soft power assets. Thus, on some views, the rise of China is rendering obsolete the accustomed Australian foreign and security policy strategy of gaining the attention of its protectors: this has traditionally been achieved by becoming involved in conflicts and alignment strategies in Asia that were central to the concerns of alliance partners. Korea, the Malayan emergency, the Indonesia–Malaysia confrontation, Vietnam, and Gulf War I all fit that description. In the first decade of the twenty-first century, Australia's hosting of US intelligence facilities (originally justified on the grounds of the Cold War) had segued into a shared distrust of Beijing. Australia's roles in Iraq and Afghanistan—justified in the 2010 parliamentary debate on the basis that they were in conformity with alliance requirements—might come to be seen as the last active iterations of this policy. In the future, however, Asia east of the Indus River is perhaps unlikely to be a region in which the United States can expect to wield direct military power.

The real novelty of the 'rise of China' for Australia, then, has been that the nation's largest trading partner and growing investor was neither a security guarantor nor a country with which there was any deep sense of shared culture, values or institutions. From this perspective, it could be argued that, with the rise of China, the regional 'great and powerful' may no longer necessarily be friends.

These developments provoked an intense debate in Australia (discussed further in Chapter 4). Some contributors to this debate could see no alternative to unqualified adherence to the US alliance; indeed, some opinion maintained that the alliance was required as never before. Others thought that changing configurations of power presented new opportunities for Australia to be an intermediary and perhaps to

forge a more independent role for itself in the region. Whatever the result of this debate, it should be recalled that Australians have long exhibited the capacity to think themselves through the big problems—the early conceptualisation of APEC in the 1980s could be regarded as a prime example. There is, however, a germane and much earlier precedent. It is the central argument of the 1893 work of Charles Henry Pearson, *National Life and Character: A Forecast*. An Oxford fellow, world traveller (he was especially taken by the United States), failed Australian farmer, champion of women's education and minister in the government of Victoria, Pearson was a formidable intellect. He could be described as the Australian Alexis de Tocqueville, except that he came to the New World not merely as an observer but as an immigrant from Great Britain. Pearson developed several major propositions, but for present purposes the most important is his prediction of the certain rise of China. Writing at the very peak of European colonialism and self-confidence, Pearson's non-metropolitan, Australian perspective allowed him to see these trends for the temporary phenomena they were. The Chinese were a civilised people with a long tradition of state organisation. They had only to master modern technology and they would take their place with the European nations. The size and scale of China would guarantee regional predominance. Pearson's foresight was, of course, far from perfect, and his analysis did not entirely escape the racial notions of that era. The result was an undoubted ambivalence. Although he thought the solidarity of what he called the 'white races' was a given, he also could see a future in which claims to racial superiority would become unsustainable. His view is perhaps best conveyed in the following passage:

The day will come, and perhaps is not far distant, when the European observer will look round to see the globe circled with a continuous zone of the black and yellow races, no longer too weak for aggression or under tutelage, but independent ... in government, monopolising the trade of their own regions, and circumscribing the industry of the Europeans; when Chinamen and the natives of Hindustan ... are represented by fleets in the European seas, invited to international conferences and welcomed as allies in quarrels of the civilised world. The citizens of these countries will then be taken up into the social relations of the white races, will throng the English turf or the salons of Paris, and will be admitted to inter-marriage. It is idle to say that ... our pride of place will not be humiliated ... We shall wake to find ourselves elbowed and hustled, and perhaps even thrust aside by peoples whom we looked down upon ... as bound always to minister to our needs (Pearson 1893: 89).

These shifting power relativities, foretold in stark terms by Pearson and in evidence by 2010, would mean that Australian governments faced one of the most demanding and important tasks in their future management of foreign policy. The discussion in this volume of the years from 2006 to 2010 shows that great attention continued to be paid to the US alliance during the period, and new efforts were

devoted to furthering security ties with US allies Japan and South Korea, as well as to enhancing Australia's military capabilities, all the while ensuring that the US remained engaged with whatever architecture emerged. The inference to be drawn was that the Rudd and Gillard governments did not consider any hedging strategies appropriate: China's rise did not (yet) merit a new approach. Of the 'three pillars' of Labor's foreign policy, the alliance pillar carried the greatest load (the other pillars being Asian engagement and reliance on global regimes). The continuing emphasis given to the US alliance indicated—examples of middle power activism notwithstanding—strong continuity between the Rudd–Gillard governments and their predecessors from the other side of the political spectrum.

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