**Q + A**

**Episode 37**

**BOB CARR**

**Interviewed by Corin Dann**

**BOB** Well, the first thing is I think we have got to be careful of China panic. In both Australia and New Zealand, it’s been easy to generate headlines that suggest China’s compromising our sovereignty. Now, any country is entitled to protect its sovereignty, and Australia’s done that with legislation I, for one, don’t oppose, which requires people to declare if they’re promoting a Chinese interest, for example. And there’s been a ban on foreign campaign donations in Australia. But it’s another thing to drift into China panic. We have got to accept the fact that China, China is on the rise, and it will start to behave like a country that is a major economic power, because it is. And America as the prevailing power, that’s a term that I prefer to use is a prevailing power, is going to be somewhat wary or jealous or competitive.

**CORIN** Both New Zealand and Australia are hugely dependant on China in terms of trade. Does that limit our ability, and does it limit the ability of New Zealand and Australia to criticise China, given the alliance we have on trade?

**BOB** Yeah, not remotely. Not remotely. This is the considered view I have reached after giving a lot of thought to this. China takes one-third of Australian exports, but it is still entirely respectable, defensible for Australia to say to China, on the South China Sea, we disagree with you building artificial structures around reefs and shoals, and further, militarising those structures. Now, that’s a considered diplomatic position. But the Chinese accept the fact that we, like New Zealand, are allies of the United States; good trade partners of China; and in a sense, it’s a matter of listing those things where we can agree with China – a free and open trade system, for example; and listing those things where there’s a disagreement.

**CORIN** But you yourself ran into some problems. Someone said you were taking a bunch of journalists to China. Their visas were blocked.

**BOB** Yeah.

**CORIN** And you yourself said at the time this was a sign perhaps of China pushing back, that it was unhappy.

**BOB** Yeah, in 2017 Australia-China relations went through a freeze. I think Australia chose entirely unnecessary rhetoric from our leadership about China throughout 2017, and without compromising any of our positions – our position on the South China Sea, for example, or our position opposed to foreign campaign donations, we could have exercised better diplomacy. In 2018 former Prime Minister Turnbull corrected the position. He gave a landmark speech on China relations that was much positive. And his replacement has continued that. And it’s interesting that the Lowy Institute respected think tank polled Australian attitudes, and in June this year 82% of Australians said they saw China as more economic opportunity than military risk – 82%.

**CORIN** We’re starting to see some vocal critics of China’s influence in New Zealand, soft power, political influence, donors – this sort of thing. Is there any lessons for New Zealand?

**BOB** Yeah. The warning I would make is any country is entitled to protect its sovereignty. Be careful of panicky headlines. The headlines in Australia about Chinese campaign donations - when you looked at the evidentiary base, of the 300 Chinese companies in the Australia-China Chamber of Commerce, none of them, state-owned or private, were making donations. Donations came from two high-profile individuals. One of them, while born in China, had been an Australian citizen for 20 years.

**CORIN** But we do know that, for example, in New Zealand, that according to Anne-Marie Brady, the academic’s work, that there is a strong, soft power influence in New Zealand from China. Should we be worried about that?

**BOB** I’ve looked at the evidence in Australia. I had a bit of a look at the evidence in New Zealand. You know what strikes me? How relatively uninterested in foreign policy questions Chinese-born Australians and Chinese-born New Zealanders are. If I look at other communities – the Jewish community, for example, or Tamils, Turks in Australia – they’re quite unabashed; Vietnamese, about making representations to Australian politicians on foreign policy interests. I got to say Chinese-born Australians aren’t pressing on the neuralgic issues like Tibet, Taiwan or South China Sea. They are relatively non-political. I think Chinese soft power in Australia and New Zealand is pretty modest compared to the easy-going familiarity of the United States in both countries, for example.

**CORIN** Now, I should point out in Australia, you have your critics. I think one critic called you in his book, ‘Beijing Bob.’ Who claimed that you are effectively a mouthpiece for the Chinese, that you are sympathetic to the Chinese Communist Party – whatever. They have attacked you.

**BOB** Yeah, yeah, but look at what he said in the book. He said I’m compromised because he said my wife is Chinese. And he’s wrong on three counts. Helena was born in Malaysia; she’s half-Chinese, half-Indian; and she’s been an Australian citizen for 40 years. This is the same critic you’re quoting – he said the University of Technology Sydney was compromised on China because we were close to Sydney’s Chinatown. He said that, this is the third quote, Chinese-Australians were ready to take to the streets in support of Australia’s enemy – his words – China. Now, this was the wording of an anti-China zealot. And in both Australia and New Zealand, you’ve got people prepared to burn our bilateral relationship, including the opportunity for trade between New Zealand and China and Australia and China, in the pursuit of an ideological foreign policy.

**CORIN** But what about the Uighur people and this issue that China has been accused of the re-education camps, the incarceration of a million of the Uighur Muslim people in the Xinjiang Province? Doesn’t the world, including New Zealand and Australia, need to speak up far more vocally and loudly about them?

**BOB** Indeed. I said in a lecture in Canberra last Tuesday night – that’s Tuesday last week – that in respect of the intemperate and rather inflammatory speech on China by the US vice-president, Vice-President Pence, one area where America was correct, where the vice-president was correct, was in listing human-rights concerns, pre-eminently the treatment of Uighurs, as an issue that America is entitled to pursue with China. And that’s true of Australia and New Zealand as well. We’re entitled – foreign minister to foreign minister, Prime Minister to Prime Minister, talking to the Chinese, to list this as a matter of concern.

**CORIN** If you were foreign minister now, would you have signed Australia up to the Belt and Road concept? I mean, New Zealand has signed a memorandum of understanding. It sounds as though the current administration of New Zealand is having a bit of a rethink. Actually, you know, does it offer some promise?

**BOB** I think it was a reasonable thing for China and New Zealand to sign a memorandum of understanding. But if I’d been in charge in Australia, I wouldn’t have done it. I think I would have said in Australia terms, let’s wait for the deal flow, and let’s look at some specifics on transparency. I think China will get there, and I think New Zealand will probably have done itself a favour with that memorandum of understanding, because its businesses are going to be briefed before anyone else. But that’s all it amounts to. Then you get down to the specific deals.

**CORIN** Just finally, you look at the trade potential for a trade war between China and the US – where’s your concern level about this globally? We’re heading towards the G20 with President Xi and Trump set to meet. There’s no deal or prospect of one, it looks like, within that short timeframe. Are you optimistic that this can be resolved or are we heading for something more serious?

**BOB** No, I’m terribly pessimistic. I think President Trump’s instincts will be to offer something to the New York stock market by hinting that there might be some agreement, but I think he’s being pressed by hardliners in Washington, trade hawks, to elevate this. I think his ‘America first’ instincts as a nationalist president will be to drive this very hard. As he said, this is all about stopping China getting bigger. The New Zealand and Australian perspective is very different. A lot of our prosperity is based on the calculation that China is going to be adding dramatically to its middle class consumers - as it is, by 2030, hundreds of millions more elevated to middle-income-consumer status. And Australia and New Zealand have got one mission in Washington, and that is to attempt to persuade the Trump administration that this is not good for us and it’s not good for them – it’s not good for the world economy.