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China remarks add edge to Rice trip to Sydney

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Condoleezza Rice arrived in Sydney last night for talks with her Australian and Japanese counterparts, her first visit to the region. But the US secretary of state had already made her presence felt last week from across the Pacific, with some unexpectedly hawkish comments on China that have left her hosts reeling.

Ms Rice, who arrived from Indonesia after a two-day trip, will spend two days with John Howard, the Australian prime minister, and Alexander Downer, foreign minister, before Taro Aso, Japan's combative foreign minister, joins them on Saturday for the inaugural Trilateral Security Dialogue.

Keen not to antagonise China, Australia had flagged the dialogue as focusing on Asia Pacific issues of concern including North Korea, Iran, energy security and the frosty relations between Japan and China.

But Ms Rice gave the talks a sharper edge last week when she warned that Beijing could become a "negative force" in the region, disclosing that the trilateral talks would centre on China's military and economic rise.

Ms Rice said China's military build-up was "concerning for those of us that had a responsibility for defending the peace in the Asia Pacific region, of which I would count all three".

She added: "All of us in the region, particularly long-standing allies, have a joint responsibility and obligation to try to produce conditions in which the rise of China will be a positive force in international politics, not a negative one."

The comments caused consternation in Canberra, which sees in China a huge economic opportunity. Australia is supplying the raw materials that underpin China's industrialisation while in return sucking in cheap imports that help it to contain inflation.

In an interview with the Financial Times last month, Mr Howard sidestepped questions about whether the dialogue was a counterweight to China. He said: "It's a reminder to everybody that we have a close security relationship with Japan as well as the US and the three of us together,

the three Pacific democracies, have a lot in common.”

Ms Rice’s comments have forced Mr Downer into a damage limitation exercise. Yesterday he denied the talks were aimed at containing the role of China and said the trio should help to ensure that the growing power of Beijing was harnessed to the advantage of the region.

He said: “The discussion should not be in any way construed as hostile towards China.”

Analysts say the stark difference in emphasis highlights the difficulties for Australia in balancing its traditional friendship with the US and Japan, and its growing trade-led relationship with China.

Malcolm Cook, Asia Pacific programme director at the Lowy Institute, a Sydney-based think-tank, says: “It is clear that the US will set the agenda for these talks. If the US and Japan decide on a policy of containing China, there is not much Australia will be able to do about it. It is going to be hard for Australia to be friends with the US, Japan and China.

“Japan and Australia have little influence over issues such as Iran and North Korea. The shadow of China will loom large during the talks.” Japan and Australia are key countries in the US-led Proliferation Security Initiative, an ad hoc alliance without headquarters that is aimed at curbing the weapons programmes of North Korea and Iran by intercepting illegal air and sea cargoes.

But the trio will have much to discuss on the deteriorating security situation in Iraq, with both Japanese and Australian troops stationed in the country.

The dialogue comes as the US seeks to develop a policy, in response to China’s rise, that best protects its interests in the Asia Pacific region.

The US has been preoccupied with the Middle East and North Korea, and only this week proposed Robert McCallum, a former tobacco industry lawyer, to fill a 12-month gap and be its new ambassador to Canberra.

Analysts see the visit by Ms Rice as recognition that the US has some catching up to do in the Asia Pacific region if it is to maintain its long-term influence there.

The US risks being marginalised by the creation of the China-dominated, 16-nation East Asia Summit, which held its inaugural meeting in December.

Meanwhile, the Asia Pacific Economic Co-operation organisation, set up by countries including the US, Japan and Australia to break down trade barriers, has lost its focus and requires a fresh impetus.

This weekend’s trilateral dialogue has twice been scheduled and then cancelled, most recently after Ariel Sharon, Israel’s prime minister, fell ill in January.

One Canberra-based diplomat says: “It will be fascinating to see if the trio try to present a united front over China. Condi Rice’s visit shows that this region is back on the US’s radar screen.”

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