

## **OBSERVATIONS 3:**

### **On Indauspac as an International Framework for China's Role in Global Governance and Economic Relations**

In Observations 2 I raised the concept of the People's "Right to Interfere" in the internal affairs of other nations and their governmental policies. This was deduced from Nelson Mandela's belief that the poverty stricken peoples of the world have a "Right to a Voice" in the decisions that impact their lives.

This very contentious observation was designed to, and satisfyingly has, detonated some vehement responses from both inside and outside the Chamber in the context of the recent Copenhagen "confrontations".

#### **The Right to Interfere**

In order to continue this debate I therefore make further comment regarding some concrete examples in Australia, China and the USA:

- 1) With respect to Copenhagen and the Climate Change Challenge it is claimed up to 40% of carbon emissions pollution comes from coal, and yet Australia, already one of the world's biggest exporters, is set to double production by around 2020. Should the world at subsequent Global Climate Governance "conferences" decide to phase out coal before oil and gas, which decision is unilaterally rejected by Australia because of an economic dependence on coal exports for helping to maintain a very high by world criteria standard of living, do the peoples of other regions/nations have the right of interference in Australia's internal governance?
- 2) Similarly, since the May 1967 Aboriginals Referendum that was so overwhelmingly supported by the Australian people all governments whether Labor or Liberal National Coalition have abjectly failed to improve the living standards of aboriginal people particularly in rural areas and specifically in the Northern Territory. International institutional reports have for more than 40 years highlighted this failure, the latest from the UN claiming that aboriginal health (particularly concerning life expectancy and chronic diseases) compares badly with indigenous communities in other developed countries and was even "worse" than in some Third World countries. If aborigines have a Right to a Voice, which infers action in terms of a programme with goals and objectives to address their grievances, and failure by all Australian governments is so obvious, then surely there is a Right of Interference by the peoples of the world in support of humanity – in this case meeting Australia's responsibility for "basic needs, such as adequate housing, safe drinking water and sanitation ....." etc.
- 3) Similar arguments might be mounted with respect to the PRC policies in the border regions of China where the centuries' old "Han-isation" programmes are economically and culturally marginalising tens of millions of ethnic minorities in their own communities, regions and Autonomous Provinces from Inner Mongolia to

Xinjiang to Tibet to Guangxi as well as in Yunnan, Hainan, Jilin and Heilongjiang. These peoples have a Right to a Voice and their protestations are not limited in the modern Global Society to their national government in Beijing. Non-interference in the internal affairs of countries has become an outdated cloak for oppression and denial of both economic and political human rights in so many countries across the world.

- 4) Again with the “Rise of China”, and as I asserted at the conclusion of Observations 2 the CCP’s likely attempted “export” of the Socialist Market and the Beijing Consensus specifically to developing countries in Africa, Asia and Latin America, the question of the likely reaction of other societies and particularly religious fundamentalists whether Western Christian or Jewish and alternatively Eastern Muslim or Hindu, becomes highly critical for a “harmonious world”. When the central issue in Global Economic Relations is the securing of natural resources so that national governments can prop-up their internal economic and political “mandates”, and in the context of the Copenhagen “disputations”, then the nature of those national governments becomes pertinent to any decisions by the peoples of the world. My contention is simply that the essentially elitist CCP/PRC Party-State in China will not only be repudiated by other democratically structured national governments but that the growing global public-space “structure” will increasingly host people’s interference in China’s internal affairs across a multitude of issues. Genuine “Freedom of Information” in China will become a rallying focus for many domestic organisations, and subsequently internationally linked nationwide NGO institutions.
- 5) In the USA, historically and still today, business economics has been beyond the powers of national government except in times of grave emergency such as the Great Depression of the 1930s and the recent and current Global Financial Crisis from late 2007. The material well-being and aspirations of billions of people around the world have been governed by an extremely small oligarchy of financiers, or “funny-money” corporations, operating from Wall Street in New York and via London. No national government has been able to stand against the outcomes of wrong decisions and excessive greed washing across the world from this obnoxiously arrogant born-to-rule strata of mainly US society. The Right to a Voice and the Right to Interfere crosses borders – even those of the USA – in the aspiration for “life, liberty and the pursuit of happiness”.
- 6) Finally, I refer to the question of State sanctioned torture. In today’s Global Society Human Rights are acknowledged as being universal even though there is still profound debate as to their definitions and applications. However it cannot be challenged that there is a responsibility for countries and their governments with generations of leadership – in the case of the USA since the Declaration of Independence in 1776 – to maintain international standards. What took place in the name of the USA post 9/17 under the Bush Administration was a debasement of all that America has proclaimed to the world for more than two centuries. It was nothing less than State organised and sanctioned torture on a multitude of governmental levels for which all those in national leadership positions at the time ought to be held accountable. The peoples of the world have a right to interfere by demanding that eventually US officials are brought before the International Criminal Court for Crimes against Humanity. Until

the first US leader – Kissinger for Chile or Cheney for Iraq or whomever in the future – are convicted and jailed there will be no belief at the grass-roots levels that the USA, or its allies like Australia, is sincere about extending its national governance traditions to the rest of the peoples of the world.

## **Global Communities**

The above is obviously relevant to my objective in Observations 3 which is to comment upon the third heading on the ACCCI Website Homepage. There are four concepts, each of which can stand alone but are also inter-related, that collectively launch in my view a very powerful new perspective on Australia's future role in the world.

### **a) Global Economic Relations**

In a Google search on the subject "Global Economic Relations" the sources were disappointingly unfocused and out of date indicating either no thought or like myself an inability to comprehend the future parameters of Climate Change, G20 financial regulation, WTO negotiations/implementations and so forth.

Over the last 20 years, despite the uneven development of international economic institutions, the global economy has truly begun to end national boundaries. As one commentator stated "Trade grew faster than GDP, and FDI grew faster than trade, but the volume of financial flows and currency transactions grew faster than either trade or FDI".

A bewildering number of International Institutions have been created and then evolved since the Second World War including the UN and its range of Agencies, World Bank, IMF, WTO, OECD, NATO, EU, APEC and now the G20.

The politics of global economic relations was clear for all to see over the last two weeks at the Copenhagen Climate Change Conference with the various blocs and regional sub-blocs. But above all the Conference highlighted the emergence of the G2, the USA and PRC, to global pre-dominance.

### **b) Global Governance**

The Google search on "Global Governance" was much better.

"Global Governance" might be defined as the management if not control of a "dense network" of international flows of goods, services, capital, information, ideas and people. Globalisation has changed the nature of the State and the 2008 GFC has expedited the necessity for the "creation of a global financial regulatory structure". At this early stage via the G20 the structure's focus is with the political management of globalisation by the most powerful core of nations based on three tiers: the Developed Countries (DC) lead by the USA plus Europe – Germany, France, UK; the More Quickly Developing Countries (MQDC) based on Asia principally China, India and Indonesia; with an assortment of Unaligned or potentially unaligned countries (UC) such as Russia, Brazil, South Africa, and Saudi Arabia, and even

Australia and Japan. The reasons for the classification of this later group, itself split in its levels of development, are controversial I agree.

c) Indauspac

Indauspac, as a geo-strategic perspective, is essentially Australia-centred although acknowledging that ASEAN as a regional group or Singapore as a City State have a similar focus throughout the Indian and Pacific Oceans. It is only in 2009 that ACCCI has officially pushed the concept. Although Indauspac originated in the 1970s, it was the admission of China to the WTO in 2002 in the context of 9/11 and later the GFC that has raised to media prominence a number of relevant global possibilities. First has been the possibility and realisation that the Atlantic Community through NATO could operate in Asia - presently Afghanistan. This in turn has stimulated deeper discussion of Asia's Institutional Architecture whether the re-structuring of APEC, re-focusing of ASEAN or creation of a new Asia Pacific Community that addresses security as well as economic issues.

Australia has traditionally seen the South Pacific Community as "its" backyard. Thus China's increasing engagement in the South Pacific has prompted considerable concern in Canberra's political and policymaking circles. For example the Australian and New Zealand "hard-line" stance regarding the Fijian "Interim" Government has created opportunities for China and other Asian countries to increase their engagement in the region. As another observer stated "whilst the Prime Minister's Office in Fiji is on first name terms with the Chinese Embassy diplomats, and the Chinese Ambassador reportedly has weekly meetings, Australia and NZ now no longer have top diplomats in the country".

Again it is stated that "In the five years leading up to 2009 China's bilateral trade and investment with Fiji has significantly increased; it has announced an aid package worth \$135m in concessional loans; and it has increased its support to the key regional organisations, tripling its funding to the Pacific Islands Forum. Australia's aid budget to Fiji was \$27m for 2008-09". What impact the Tuvalu contribution to Copenhagen will have waits analysis.

d) Maritime Community

Historically there have been many "maritime communities" throughout Indauspac – the Indian Ocean, Australasia and Pacific Ocean.

- 1) The Polynesian Seafarers from between 6000 and 4500 years ago started an extraordinary migration beginning in Taiwan and extending through South East Asia to the Pacific and Indian Oceans. From the islands of Northern New Guinea over a period of 2000 years mariners established settlements in Fiji and Samoa and then by about 1000 CE as far as Easter Island towards South America. At the same time the "Malays", seafarers from modern day Indonesia, journeyed to Sri Lanka and India and on to settle Madagascar off South East Africa. It is interesting that Hawai'i from the Cook Islands and Madagascar were "colonised" about the same time - 700 CE, and that the Chinese trading fleets reached Madagascar waters about 1300 CE when New

Zealand's south island was being settled by a second wave of Polynesians known as the Maoris.

- 2) The Persian Gulf and the North Eastern Indian Ocean were well known to the Ancients whether Egyptian, Phoenician, Persian, Greek or Roman. Classical Eurasia was described by Strabo and Ptolemy, naming the Oceanus Indicus and Magnus Sinus by the first and second centuries CE.
- 3) The Arab traders from the 8<sup>th</sup> century took control of the Arabian Sea and via the wind systems of the monsoon used the sea-routes to reach China and Eastern Indonesia and as far south as Madagascar and Sofala in Southern Africa by the early 10<sup>th</sup> century. Their Muslim descendents traded and converted many Kingdoms and the peoples throughout the Indian Ocean and Pacific Oceans at least as far as the Southern Philippines by the end of the 15<sup>th</sup> century.
- 4) Of course the Han, Tang and Song Dynasties of China were coming the other way, consolidating their power in Southern China to Hainan and then the South China Sea with tribute from the Kingdoms of the region whether present day Vietnam, Malaysia, Indonesia or Philippines. There was also a "Sea Silk-Route" to the Roman and Byzantium Empires. Kublai Khan organised sea military expeditions to Japan and Java in the later part of the 13<sup>th</sup> century. And then there were the famous seven great voyages of Muslim Zheng He in the early 15<sup>th</sup> century to present day Sumatra, Bangladesh, Sri Lanka, India, Iran, Arabia and Eastern Africa, perhaps a far south as Sofala.
- 5) Then came the Spanish and Portuguese expansion of the 16<sup>th</sup> century – Spain via the Caribbean and the West Coast Americas across the Pacific Ocean to the Philippine Islands and on to China and Japan; their rival Portugal down the West African coast to the Cape of Good Hope, up the East African coast and across the Indian Ocean to India and on to Indonesia and China. However the Dutch quickly followed displacing the Portuguese in many regions and setting up trading posts particularly in Dutch South Africa, Sri Lanka, present day Indonesia and Malaysia (East Indies), and for a few short years even in Taiwan (Formosa).
- 6) But it was the English-French rivalry of the 18<sup>th</sup> century which led to the charting of the Islands across the Indian and Pacific Oceans including Australasia and thereby enabled the concept of Indauspac. The great navigators are still household names. Meanwhile the Russians had reached the North East Pacific and in the 19<sup>th</sup> century crossed into North West America as far south as Monterey to meet the Spanish. Alaska was sold to the United States in 1867.
- 7) The United Kingdom and its British Empire upon which the sun never set is the story of the 19<sup>th</sup> century in Asia. The Indian Ocean was the British Lake from South Africa to Egypt along the East Coast of Africa, de facto with France in the Middle East, paramount in South Asia from Afghanistan through Pakistan, India, Bangladesh and Burma to Malaysia, and "owning" the continent of Australia. In the Pacific the British were the "leader of the pack" of colonial powers slicing the Chinese melon, Japan was

“westernised” and signed a naval agreement in 1902, Canada was a Dominion in the Empire and the USA was a “trainee” imperialist nation with its 1820s Monroe Doctrine, 1850s gun-boat opening-up of Japan and then fully emerging with the conquest of the Philippines in the late 1890s. In South America the British writ was strong particularly in Argentina even though like Washington the Red Coats had to burn down Buenos Aires. In the Pacific Islands excluding New Zealand the British shared with the French, Germans and Americans, and from 1895 with the Japanese who conquered Taiwan from China.

- 8) The first half of the 20<sup>th</sup> century brought two world wars, revolutions in China 1911 and Russia 1917, the Japanese concept of Greater Asia Co-Prosperity Sphere in the Pacific, and embryo decolonisation struggles in Africa, India, Indonesia and a host of smaller countries across this Indauspac Region, from which emerged the US-Soviet rivalry.
- 9) The USA recovered from its Vietnam debacle in the 60s and 70s, however the Soviet Union could not from its decade of stupidity in Afghanistan from 1979 which effectively marked that country’s financial collapse. The USA, through its naval/military bases at Guam and Diego Garcia and by geo-political economic alliances, has over the last three decades ruled supreme across Indauspac. But gradually in the 21<sup>st</sup> century new challenges are emerging with the rise of China and to a lesser extent India, and the regional blocs of ASEAN and the EU. Naturally Japan and Russia are disconcerted and most of the Muslim world decidedly resentful.

The new Regional Institutional Architecture (RIA) cannot be exclusive or limited to any single country’s favourites, an allegation that is quite easily made against Australian Prime Minister Kevin Rudd’s “Asia Pacific Community” by Singaporean and Chinese officials.

The idea is also dated. For example during the mid/late 1990s ACCCI participated in three SART Group forums. SART stood for “Southern Alliance Round Table” and organised three annual forums:

- 1) the first on the Indauspac concept with representatives from government, business and academia in South Africa, Zimbabwe, Australia, New Zealand, Chile and Argentina
- 2) the second directed to China’s future role in the region and including Chinese government, business and academic representatives
- 3) the third directed to India and its future aspirations, and similarly organised with the same goals of exploring ways to work together for “shared objectives”.

The Asian Financial Crisis of 1997, problems in Southern Africa and Argentina ended any possibilities at that particular time.

However from Australia’s perspective our traditions pre and post Federation in 1901 are maritime, whether foreign policy, trade, investment or security. All issues of fundamental importance for Australian society “cross the seas” that surround the continent and are inter-

related. In this context the African connection should not continue to be “run” through the Commonwealth as distinct from East Asia/North America through APEC, or the limited South American exchanges through the Cairns Agricultural Group. There needs to be a whole-istic approach to Australia’s global role which geo-strategically includes Antarctica and recognises the significance of the EU throughout the countries of Indauspac.

The “unifying vision” for a “Indauspac Maritime Community” is of a loose global economic relations cooperating body rather than a tight security alliance and one that bases its policies on poverty reduction, economic development, free domestic and international markets, and democratic forms of governance, all which Australia is ideally suited to facilitating for its national advantage.

A looser all-embracing Maritime Community is far more in Australia’s future interest than an old-style continental security-exclusive orientated organisation that is viewed by some as threatening, and therefore would also overcome the current objections to an Asia/Pacific Community. With a maritime community there is a “mental-map” where peripheral states with an economic interest in the region can be included, whether Brazil or Argentina in South America or the European Community of nations.

Firstly it would be viewed favourably by the Lesser Developing Countries (LDC) which are suspicious that the Developed Counties (DC) such as the USA and Australia are trying to co-opt the More Quickly Developing Counties (MQDC) like China and India. There is need for a Forum in which all regional leaders can a) participate in the full range of regional and global issues; b) speed up as well as deal effectively with the consequences of economic integration, not only in its trade and investment aspects but also its financial and macro-economic dimensions; and c) finally address issues of political change and security. Most importantly, d) the public educative role of such a Maritime Community would start to generate more confidence across the presently accelerating wealth-divide.

Secondly, in some respects it would be easier to build a broader region-wide cooperation scheme in Maritime Indauspac than in the Asia/Pacific, since it may be difficult to decide which countries should be included in the “Asia/Pacific” category. Why exclude Africa and West Asia and no doubt countries in South America? With an exclusive body the questions are always asked -if you include Australia, why not all the Pacific Island states; if you include Brazil why not all the Latin American states; if you include India then why not include such countries as Iran, Iraq and Saudi Arabia, all of which are also Asian countries

Finally the question of leadership will arise. An Asia/Pacific Community is already perceived as a challenge, indeed an undermining, of ASEAN’s recently crafted role as the focus for the region. As one academic proclaimed: “Who should sit in the driver’s seat”? Within a couple of weeks on 1<sup>st</sup> January 2010 ASEAN economic and free trade agreements with China, India and Australasia will commence. In what way does an Asia/Pacific Community add to this “design” unless it is specifically for the purpose of “locking-in” the USA or North America? What about Japan and Russia? An Asia/Pacific Community as originally conceived by Australian Prime Minister Kevin Rudd is unworkable and may even be counter-productive for Australia’s long term security interest – it almost smacks of a “fetish” to micro-manage everyone rather than to shepherd a gradual evolution in thinking.

## Global Issues and Copenhagen

In a recent article in the Sydney Morning Herald,<sup>1</sup> entitled “Acidic Oceans Threaten Marine Life”, Marian Wilkinson warned that ocean acidity could increase by 150 per cent as a result of increasing carbon dioxide in the atmosphere. “By 2100, some 70 per cent of cold-water corals, a major feeding ground for commercial fish stocks, will be exposed to corrosive waters. Of the warm-water corals, the Great Barrier Reef is identified in the report as under particular threat.”

It is my contention that Australia, as an Island Continent with a massive maritime responsibility reaching from the Islands of Cocos to McDonald in the Indian Ocean and from Norfolk to Macquarie in the Pacific, plus the additional assistance commitments for many island neighbours seriously threatened with climate change extinction, must by necessity have an Oceans perspective for strategies on global issues.

The resolution of global challenges such as Climate Change, Financial Stability, Resources Competition/Security, Terrorism and Torture, Cyber-Security, and so forth are all benchmarks in the passing of the Nation State. Global Governance is arriving quickly through old and new international institutions.

However grand visions will not overcome the immediate roadblocks namely:

- 1) the problems of communications and logistics, often linked to security concerns;
- 2) the lack of efficiencies and transparencies in economic policies in different economies.

This era’s embryo forms of global governance are about encouraging gradually better policy making by both government and non-government organizations at all levels - and “including policies for many areas which are well inside the borders of our economies”.

My interest in Climate Change in this Observations 3 is not the rights and wrongs, nor the public relations failure of Copenhagen, but rather the seeds sown for global governance.

A big leap forward was that whilst the only head of government who attended the final Kyoto climate talks in 1997 was the Japanese host, in recent days the Copenhagen gathering turned into “the largest meeting of world leaders ever seen outside the United Nations headquarters in New York” – over 190 countries.

On the other hand it now appears that the ultimate goal of a worthwhile and legally binding treaty being signed in 2010 is still out of reach. UN Secretary General Ban Ki-moon was even talking about a minimum goal for nations being to agree on halving global greenhouse gas emissions by 2050.

---

<sup>1</sup> Available at: <http://www.smh.com.au/environment/climate-change/acidic-oceans-threaten-marine-life-20091214-ksdn.html>.



However in my view there will be a global “deal” within the next decade, perhaps in stages, and through it “the world will take on a new shape”. But whether the rectification of environmental damage can be linked to the lessening of economic inequalities in some sort of backdoor social engineering is debatable given the nature of our capitalist profit-motive consumerist society. For example China’s objective to raise out of poverty it’s the remaining 150 to 500 million citizens is not the same as Tuvalu’s peoples desire to remain above the ocean floodwaters.

Former Soviet Union President, Mikhail Gorbachev, was very perceptive in his comments as reported in the Sydney Morning Herald.<sup>2</sup> One paragraph is particularly informative:

To move forward, the Copenhagen meeting must break the political deadlock between industrialised and developing states. Climate injustice must be redressed, as developing countries bear the brunt of the impact. Rich countries need to put serious money on the table. Claims that they lack the needed resources ring hollow, as trillions of dollars were found in the financial crisis.

Gorbachev went on to state that poor countries are aware of their power to block progress but the major developing countries “must also commit to nationally appropriate mitigation action.”

#### A) Targets

The Copenhagen Accord<sup>3</sup> proclaims:

**GLOBAL WARMING** “should be (kept) below two degrees Celsius”. However it does not identify a year by which carbon emissions should peak, consistent with the position of China and India. Nevertheless countries are asked to spell out by February 1 2010 their pledges for curbing carbon emissions by 2020 with no penalties for failing to do so.

**MID-CENTURY TARGETS:** Again China and India were successful in denying the endorsement of a goal to halve the global output of carbon pollution by mid-century, an objective of most western environmental groups.

Increasingly the Chinese argument is winning the debate, namely that the essence of any solution to climate change is to ask the question: How does the world “equitably allocate the right to emit green house gasses (GHG)”? The answer is formulated as: “Equity requires that no country has the right to do harm (through emissions) to others without compensation” with the following proposition:

---

<sup>2</sup> Mikhail Gorbachev, “Deadlock Must Be Broken in Copenhagen”, *Sydney Morning Herald* 7 December 2009. Available at: <http://www.smh.com.au/opinion/politics/deadlock-must-be-broken-in-copenhagen-20091206-kcsb.html>.

<sup>3</sup> The United Nations Framework Convention on Climate Change is available at: <http://unfccc.int/resource/docs/2009/cop15/eng/l07.pdf>.

*“A country does not impose extra external emission harm to any others, if and only if each country’s per capita emissions are equal.*

Accordingly, equal per capita emissions determine a country’s emission entitlements. If a country’s actual emissions is greater than its entitlements, it should compensate the others for its extra emissions, and vice versa.

China’s proposal is based on the fair, simple and consistent principle of equal per capita emissions. It encompasses all countries and eliminates the need to classify countries into developed and developing categories. It would also be effective, since the global reduction target is built into the proposal”.

Welcome to World Government and “One Vote one Value” – and Democracy with Chinese and Indian characteristics.

At Copenhagen the Lesser Developing Countries (LDC) led by the African nations with their Sudanese spokesman accused the Developed Countries of “trying to sideline the UN’s 1997 Kyoto Protocol” which Treaty obligated about 40 nations “to cut greenhouse gas emissions by at least 5.2 per cent below 1990 levels by 2008-12”. All Developing Countries wanted to extend Kyoto to which they were not bound and then work out a separate new deal for themselves.

On the other hand the Developed Countries wanted to merge the Kyoto Protocol into a new single Accord with equal obligations on all nations to fight global warming. The reasoning was valid in my view since both the USA and PRC, the world’s two largest greenhouse gas emitters, are outside Kyoto.

Finally there was a sub-group of mainly Island States in the Developing Countries of 77 which called for an agreement that limited “carbon dioxide in the atmosphere from rising above 350 parts per million, to stop the temperature from rising more than 1.5 degrees, not the 2 degrees acceptable to the big players”. Tuvalu in the South Pacific was their spokesman.

The principle of “common but differentiated” responsibilities essentially recognises the different capabilities of developed countries, more quickly developing countries and less quickly developing countries with regard to tackling climate change.

However Ben Cubby, the SMH’s Environment Reporter, in an article dated December 18<sup>th</sup> 2009 wrote the following:

A document leaked from the UN secretariat says the world will warm by about three degrees this century if the greenhouse gas cuts being proposed at Copenhagen are followed through, exposing the huge gap between the rhetoric of world leaders at the conference and climate science.<sup>4</sup>

---

<sup>4</sup> The article is entitled “Leaked Document Says World Will Warm Three Degrees”. Available at: <http://www.smh.com.au/environment/climate-change/leaked-document-says-world-will-warm-three-degrees-20091218-l1as.html>.

This three degree rise is expected to have severe consequences on human development for centuries, and may well trigger “tipping points” that cause uncontrollable climate change.

Chamber awaits the “pledges” on targets by the Australian Prime Minister and other world leaders by February 1<sup>st</sup> 2010 as per the Copenhagen Accord.

## B) Classifications/Commitments

Reducing Australia’s heavy reliance on coal is fundamental to its immense international and domestic challenge, requiring the installation of more renewable power and overcoming financial and technological challenges involved with adopting new technologies, like carbon capture and sequestration.

For example Australian Greens Senator Christine Milne has backed the government’s alleged lobbying push to disentangle forestry and farming emissions, or emissions reductions, from those caused by natural events.

Some commentators claim Australia has been forced to leave land-use emissions out of its greenhouse gas accounting under Kyoto because including farming and forestry emissions would mean including the spikes in emissions caused by natural events such as big bushfires. They assert that the government’s position has been that the two should be separated.

But Australia has argued that it is not breaking the rules, or “Cooking the books” with regard to Kyoto. As reported by Lenore Taylor<sup>5</sup> the Government claims that it has “reported emissions based on Kyoto Rules and is on track to meet 2012 Kyoto targets of keeping emissions to 108 per cent of what they were in 1990”.

The big increase in emissions that has been reported is what would have happened if we had decided to include all our land use change and forestry emissions -- and the figures make it obvious why we chose not to do so. It is true the emissions from bushfires and drought-ravaged soils still end up in the atmosphere, but the argument Australia has been putting in Copenhagen is that these should not be counted against a nation’s target. Otherwise every time lightning strikes cause fires in a national park, we’d be writing a blank cheque to the UN.

This is part of the reason for the diabolical Climate Change politics in Australia-Domestic. Despite Federal Opposition Leader Tony Abbott’s “direct action” policy on climate change, the Coalition says it accepts the same greenhouse reduction targets, under the same conditions, as the government.

## C) Verifications

The Copenhagen Accord proclaims a two-track strategy:

---

<sup>5</sup>The article is entitled “PM and Abbott are in the Same Boat” from *The Australian*, 15 December 2009, and is available at: <http://www.theaustralian.com.au/politics/pm-and-abbott-are-in-the-same-boat/story-e6fgrczf-1225810403852>.

The February 2010 pledges of Developed Countries will come under “rigorous, robust and transparent” scrutiny under the UN Framework Convention on Climate Change (UNFCCC).

Alternatively Developing Countries will submit national reports on their emissions pledges under a method “that will ensure that national sovereignty is respected.” Pledges on mitigation measures that require international support will be recorded in a registry.

Right from the beginning of the Copenhagen negotiations the More Quickly Developing Countries, such as Indian Environment Minister Jairan Ramesh, when meeting Australian Senator Wong, indicated India would not be budging on one of the key sticking points: submitting to international checking of emission reductions.<sup>6</sup>

However in the longer term this position will prove untenable. Already the Less Quickly Developing Countries and the Island States are suspicious of the motives of China and India and some of their African “aid” recipients.

#### D) Aid packages

On the question of Financing, the Copenhagen Accord saw the Developed Countries pledge \$US10 billion each year for 2010/11/12 for the Developing Countries, hopefully the Less Quickly Developing Countries. It was reported that “they also set the goal of “mobilising jointly” \$US100 billion (\$A112.7 billion) a year by 2020, drawn from “a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance”.<sup>7</sup>

Unfortunately Governments in Developing Countries for electoral reasons can not be honest with their people. The ultimate Aid Packages will need to be \$US trillions. As one commentator said: “Rich countries need to put serious money on the table. Claims that they lack the needed resources ring hollow, as trillions of dollars were found in the financial crisis”.<sup>8</sup>

On this point China’s position was put by Vice Foreign Minister He Yafei when he announced that the PRC “was not looking for climate financing from rich countries for itself -- something the US has opposed -- but was rather arguing that money should flow to other developing nations.”<sup>9</sup>

He said financing was a “legal obligation” of the developed world, but “that does not mean China will take a share -- probably not”.

---

<sup>6</sup> Lenore Taylor, “Poorer Countries Quit the Summit”, *The Australian*, 15 December, 2009/ Available at: <http://www.theaustralian.com.au/news/poorer-countries-quit-the-summit/story-e6frg6n6-1225810400652>.

<sup>7</sup> Sydney Morning Herald, “Main Points in Draft Deal on Table at Copenhagen”, 19 December 2009. Available at: <http://www.smh.com.au/environment/main-points-in-draft-deal-on-table-at-copenhagen-20091219-l6a1.html>.

<sup>8</sup> It was stated by Mikhail Gorbachev. Refer to footnote 2 above.

<sup>9</sup> Fiona Harvey, “Beijing Set to Drop Funding Demand”, *Financial Times*, 14 December 2009. Available at: <http://www.ft.com/cms/s/0/2cef26e0-e850-11de-8a02-00144feab49a.html>.

“We do not expect money will flow from the US, UK (and others) to China,” he told The Financial Times

However there is another argument.

That is that a significant portion of China’s emissions are generated in the production of exports, to the developed world in particular. Should the Developed Countries be shouldering some of the responsibility for reducing these emissions through financial or other means?

“A key question in this responsibility debate is whether emissions should be allocated to the firms that generate them in production or to those who ultimately consume the goods in which the emissions are embodied”.<sup>10</sup>

One reporter claimed “recent research has found that around one third of Chinese CO<sub>2</sub> emissions can be traced to exports, compared with 12 per cent in 1987 and 21 per cent in 2002.<sup>11</sup> And while China clearly imports goods that generate emissions elsewhere as well, according to one estimate, the emissions embodied in exports exceed those avoided by imports by over 1 billion tonnes – a figure close to three times Australia’s total emissions.

China’s National Development and Reform Commission argues that China should not be solely responsible for reducing these emissions, particularly if doing so would come at the expense of economic development”.

Thus by returning to an earlier Chinese viewpoint, namely judgment “per capita”, and considering that China’s per capita emissions rank around 70th in the world, compared with Australia’s first place ranking, and that the average Chinese person’s per capita income is just one-tenth of the average Australian’s, and that the comparison would be similar concerning the US and EU, there may be some surprises in 2010 Climate Change Conference negotiations.

Finally an interesting interview occurred with the IMF MD on whether or not there should be a direct carbon price/tax? Or perhaps various countries might level future carbon tariffs on imports? In answering the question “What sort of financial aid packages” for hundreds of billions, he said “out-of-box” thinking was required – perhaps IMF SDRs as governments alone can not fund the cost of combating climate change in the context of the GFC? Which in turn raises the question about the roles of the World Bank and the WTO?

#### E) Legalities/Binding Agreements

This is the area of greatest failure in the Copenhagen Accord and therefore enormous disappointment for most of those groups attending - Government and NGO. There is no legally binding agreement and highly unlikely for one to eventuate during 2010. No

---

<sup>10</sup> Jane Golley, “Climate Change: Wealthy Nations Must Pay Their Way”, East Asia Forum, 10 December 2009. Available at: <http://www.eastasiaforum.org/2009/12/10/climate-change-wealthy-nations-must-pay-their-way/>.

<sup>11</sup> Duncan Clark, “West Blamed for Rapid Increase in China’s CO<sub>2</sub>”, The Guardian, 23 February 2009. Available at: <http://www.guardian.co.uk/environment/2009/feb/23/china-co2-emissions-climate>.

benchmarks were set for “firming-up” understandings into definite objectives. There is no single track, agreed obligations, or firm roadmap to fight global warming over the next three years to the ending in 2012 of the Kyoto Protocol.

China’s Premier Wen reiterated his country’s pledge to reduce the emissions intensity of China’s economy by 40% to 45% by 2020. But citing the estimated 150 million Chinese living below the poverty line, and his country’s reliance on coal, he said his country would refuse to commit to a legally binding accord.<sup>12</sup>

"We are confronted by special difficulties in emissions reductions," Mr. Wen said.

In my view Australia and China are joined at the hip – it is called coal.

#### F) Global Impacts – regional/domestic

US President Obama called the Copenhagen Accord “a meaningful and unprecedented breakthrough”, saying it was the first time in history that all the big greenhouse gas polluters in both rich and poor nations had come together to take action against climate change.<sup>13</sup>

“Taken together these actions will help us begin to meet our responsibilities to leave our children and our grandchildren a cleaner and safer planet,” he said. “This progress did not come easily, and we know that this progress alone is not enough”.

However the Developing Countries merely “noted” its existence.

Again according to Ben Cubby, SMH Environment Reporter, (refer to footnote 4 above) the trajectories of the Intergovernmental Panel on Climate Change indicate that the level of cuts proposed at Copenhagen puts the world on track for a temperature rise of about 3.5 degrees, the multiple effects are unknowable.

“Warming at this level is expected to lead to chronic food and water shortages, especially in Asia and Africa, and hugely increased animal and plant extinction rates”.

“It would also mean there was little chance of dodging climate “tipping points”

“At 3 degrees there is a reasonable chance the Greenland ice sheet would begin to break up. This would add to predictions of sea level rise. A study published in the journal *Nature* this week estimated the oceans could rise by six metres.”

---

<sup>12</sup> Reported by CCTV “Wen: China Faces Special Difficulty in Emissions Reduction, 18 December 2009. Available at: <http://english.cctv.com/20091218/104913.shtml>.

<sup>13</sup> Refer to The White House Blog, “A Meaningful and Unprecedented Breakthrough Here in Copenhagen”, dated 18 December 2009. Available at: <http://www.whitehouse.gov/blog/2009/12/18/a-meaningful-and-unprecedented-breakthrough-here-copenhagen>.

“At the moment in Australia, people are looking at the costs of mitigation, when the costs of adaptation are in many cases going to be much higher” said Andrew Ash, the director of the CSIRO’s climate adaptation section.”

The CSIRO is working on three strands of climate change adaptation for Australia. The first is concentrating on cities, looking at planning laws, building materials and strategies of “managed retreat” for coastal settlements.

The second is looking at how to preserve ecosystems, including the possibility of transplanting some species to other locations when their habitat disappears. The third deals with agriculture. “We’ve dealt with climate variability for a long time, and now we’re trying to turn that expertise to managing climate change”, Dr Ash is reported to have said (refer to Ben Cubby’s articles).

Australian Prime Minister Kevin maintained his position that developing countries such as China and India had to be part of any future “binding agreement”.

“If the developed world became carbon neutral and the developing world continued to grow on current trends, then the truth is that the emerging economies alone would be responsible for more than half of total global emissions by 2050, and this would create a temperature rise of between 3.2 degrees and 4 degrees Celsius,” he said.

“History is calling on us all to frame a grand bargain on climate change.”

Meanwhile on the “home-front” Deputy Prime Minister Julia Gillard rejected “any view that public attitudes on greenhouse gas emissions are going into reverse”. She said, “I don’t think the views of the country on climate change have changed. It is that climate change is real. People have accepted the science. When I talk to people about the Carbon Pollution Reduction Scheme I am optimistic about the nation’s ability to absorb the information and meet the challenge.”<sup>14</sup>

Gillard is a member of Australia’s two most important cabinet committees – “In terms of cabinet, the Strategic Priorities and Budget Committee and the National Security Committee, I play a role in each of them,” and “So in terms of my role as Deputy Prime Minister I have a line of sight through all those processes.”

She is also an active participant in the Australian American Leadership Dialogue and the Australia Israel Leadership Forum.

However with the Copenhagen Conference ending in either failure or phony agreement, Rudd and Gillard will face an entirely new political test on climate change during the 2010 election year.

---

<sup>14</sup> Paul Kelly, “Power Behind the Throne”, *The Australian*, 19 December 2009. Available at: <http://www.theaustralian.com.au/news/opinion/power-behind-the-throne/story-e6frg6zo-1225811890010>.

Nevertheless there have been so many very important long term trends in the area of international public-space or Peoples Diplomacy.

#### a) The Churches

Even though the Christian Churches are split, there is a remarkable overlap in personnel between the Climate Change Deniers and the “Fundamentalists/Creationists”, the “progressive” churches have united behind “what is rapidly becoming one of the largest civil campaigns since World War II”. It is reminiscent of the US Civil Rights Movement in the late 1950’s and 1960s and the South African/Global Anti-Apartheid Movement over 4 decades into the early 1990s.

Daniel Varmeer, a Christian youth activist from the Netherlands, summed it up when he said he had come to march in the political demonstrations but he was glad he had also come to worship in the cathedral. “It’s a moral problem we have right now, not just politics,” he said. “And I think the church has something to say about this.”<sup>15</sup>

#### b) Trade Unions

Giulia Baggio, the ACTU climate change co-ordinator, wrote a column for the SMH dated December 15th 2009.<sup>16</sup> The intention of the delegation is to lock in “decent labour standards and good quality jobs as climate action kick in”. Perhaps more importantly, there is recognition of the need to seize the opportunities that present themselves. He states:

It’s the best chance we may ever have for a new Industrial Revolution to overcome the inequalities and environmental damage created by the last Industrial Revolution. We’re much smarter now, we have lessons to learn from. I hope we don’t blow it.

#### c) Cities

Clover Moore, MP, Lord Mayor of Sydney in Australia writing in the SMH on December 18<sup>th</sup> 2009 stated that she is in Copenhagen with 80 mayors from cities around the world who affirmed that the “battle against climate change will be won or lost in cities” and promised that cities “will deliver if supported.”<sup>17</sup>

---

<sup>15</sup> Marian Wilkinson, “When the Moral Argument Went Mainstream”, *The Age*, 15 December 2009. Available at: <http://www.theage.com.au/environment/climate-change/when-the-moral-argument-went-mainstream-20091214-ksdm.html>.

<sup>16</sup> The article is entitled: “History in the Making, Slowly”. Available at: <http://www.smh.com.au/environment/climate-change/history-in-the-making-slowly-20091214-ksdp.html>.

<sup>17</sup> *Sydney Morning Herald*, “Dancing in the Streets as Cities Fight Global Warming”. Available at: <http://www.smh.com.au/environment/climate-change/dancing-in-the-streets-as-cities-fight-global-warming-20091217-l01m.html>.



This is the experience of Chinese Municipalities, with or without State approval. Similarly, climate action momentum is developing in India and local community pressures on governments will become a driving force throughout the Indauspac Maritime Community.

Within the decade there will be some sort of “Climate Change International New Order Secretariat” (CCINOS) type organization – Global Governance for Climate Change.

How this body engages the G20 and its work on financial flows will be most interesting as well as the obvious over-laps with other global organizations such as the World Bank, IMF and WTO?

Even the “notorious” Australian Federal Opposition Leader Tony Abbott will change tune. The Opposition climate action spokesman, Greg Hunt, was at Copenhagen. He has two months to develop a policy for cutting Australia’s greenhouse gas emissions that does not involve a market-based mechanism such as an emissions trading scheme or a carbon tax.

Abbott wants to go to the Federal Election in about November 2010 claiming he can cut emissions by the same amount as Labor but without resorting to “a great big tax” and is proposing a policy of “direct action” involving land management, building energy efficiency and reforestation. Already his National Coalition partners are “off-side”.

### **The Sub-regions and nations of Indauspac - Department of Foreign affairs and Trade - Country Analysis**

A fascinating geo-political development during 2009 has been the rise of South Africa. Now a member of the G20, with Australia, Indonesia, India and Saudi Arabia in the Indian Ocean, most impressive was the headline and opening paragraph in *The Australian* dated December 19<sup>th</sup>: “World Leaders Reach “Meaningful Agreement” at Climate Change Talks”.<sup>18</sup>

The White House said today that US President Barack Obama, Chinese Premier Wen Jiabao, Indian Prime Minister Manmohan Singh and South African President Jacob Zuma reached a “meaningful agreement” for combating climate change. The deal was described by an administration official as “not sufficient to combat the threat of climate change but it’s an important first step”.

Just as it was a travesty that India was not admitted as a member country of APEC, similarly the body can no longer ignore South Africa or Saudi Arabia as they are both members of the G20. Indauspac is the ACCCI solution.

The 9 sub-regions of Indauspac come with 30 years political thinking, experience and experiment. It is based on developing an International Framework for what the PRC is likely to do over the next 20 years. In the longer term I think the Rome/Greece analogy is of

---

<sup>18</sup> Alessandro Torello and Stephen Power, “World Leaders Reach “Meaningful Agreement” at Climate Change Talks”. The authors have previous articles in *The Wall Street Journal*, but this one appeared only in *The Australian*. Available at: <http://www.theaustralian.com.au/news/world-leaders-reach-meaningful-agreement-at-climate-change-talks/story-e6frg6xf-1225811948>.

assistance in viewing the China/USA accelerating economic relations rivalry in the context of their respective cultural traditions.

#### A) Indauspac Strategy – Concepts for the sub-regions

##### 1) Africa – East Coast and Muslim “Belt”.

There is obviously no unity even domestically let alone regionally for Africa.

Regional organizations include a very weak yet strengthening OAU based on South Africa and Nigeria, and a somewhat stronger economic grouping of SADCC that includes most of the African East Coast except Kenya.

a) For my purposes I include Kenya in SADCC because of the British “cultural” connection – Kenya to Tanzania to South Africa. The other two principal countries on the East Coast are of course Mozambique, a former Portuguese colony, and the often forgotten Island of Madagascar which was previously a French colony. The latter interests me a lot and down the track I think the Chinese.

I believe the Great Game of Global Economic Relations and Governance applies to these countries both collectively as a sub-region and as individual countries, or indeed their various ethnic provinces. Apart from South Africa which would be a regional HQ for any China policy initiatives or reciprocal Australian response, all these countries have similar economic development problems. Australia’s indigenous policy failure over 40 years since the 1967 Referendum does not herald our competitive credentials.

b) Muslim Africa from Somalia through Sudan to Egypt is a geo-political and economic mess only to be matched by West Asia. There is chaos and poverty everywhere – warlords, terrorists, pirates, boat people. China will fish in troubled waters and the Indians will compete and perhaps the new Japanese government as it renegotiates its historic postwar relationship with the USA. Economic “imperialism” will remain alive and well with the US and EU.

Ethiopia is the only non-Moslem country but has its problems with Eritrea and Tigre and about 40% of its population in the Oromo region to the south and east.

Somalia like Egypt is almost 100% Moslem but more fundamentalist, whilst Sudan is well over 50% Moslem with a large Christian minority and no escape from continued bloodshed. All sorts of analyses are possible and at least ought to be articulated in terms of Policy alternatives or options without consideration of media hysteria. There is a prize for determining where to begin.

##### 2) India - West Asia

Historically the European countries have labeled the region the Near East or Middle East, and South Asia. However from Australia’s perspective it is West Asia, and strategically whether military or economic India is the dominant nation – even through the British Raj was split into four countries (Pakistan, India, Bangladesh and Sri Lanka)..As I have written elsewhere my

money is on an eventual Iraq/Iran Shiite economic alliance (CER) as the best potential rock for stability west of India. However the Israeli/US/EU connection/interest may not let it happen.

The Sunni with about 85% of world Moslems are nevertheless in some difficulty with respect to unity, for example the Saudi Arabia and Indonesia cultural differences let alone what is happening elsewhere. However both countries are now members of the G20 so there are significant economic possibilities if a mutual cooperation with India can be forged. That means stronger ASEAN Relations.

### 3) China – East Asia

Again a complicated region with the great land mass and population of China, surging economically at possibly 8/10 per cent per annum and yet threatening to Taiwan, South Korea and Japan in its political institutions. Pacific Russia with its large territory and very small population and for totally different reasons North Korea are also challenging situations. Australia's attempts to diversify away from an overwhelming economic dependence on East Asia will be fascinating to watch over future decades.

### 4) ASEAN

Obviously there are quiet profound internal differences within the 10 countries, not just Burma but religious and ideological – Moslem Malaysia and Catholic Philippines, “democratic” and “communist”. Their cultural heritages should not be forgotten also.

However ASEAN has not only maneuvered itself diplomatically to the center of Asia, note the economic and trade agreements with India, China, and Australia and New Zealand, which commence simultaneously on January 1<sup>st</sup> 2010, but perhaps to be the focus-hub for any future Indauspac Maritime Community – certainly if Australia does not cut the “mental” apron-strings with the US and to a lesser extent with the EU.

### 5) North America (including Mexico)

There was much debate in ACCCI over where Mexico should be placed – in North America because of NAFTA or as part of Latin America for cultural and linguistic reasons. The decision was for its economic future as an integrated part of the dominant USA Economy.

Nevertheless like Canada, and perhaps New Zealand in Australasia, Mexico will strongly maintain its own political institutions and independent foreign policy throughout the Indauspac Maritime Community.

Ironically the USA remains the big question mark in present world history. After the GFC, which seems to have impacted various States very severely, where will its Economy be placed in relation to China and the EU? And what role in global relations is likely to eventuate. Some have even argued that should the Obama ‘social policies’ fail for whatever reasons then the US could face considerable domestic tensions and disruptions.

## 6) Latin America (excluding Mexico)

Brazil and Argentina are member countries of the G20 and therefore are part of the “club” responsible for global financial recovery and future stability. MERCOSUR has been a relatively huge success for both countries and the region. Chile has just been accepted as a member country of the OECD.

However the nations of Central and North West or Pacific South America are different stories. Venezuela and Bolivia still maintain the Anti-Yankee rage. Colombia, probably unjustly, continues to produce horrendous drug cartel media sensationalism. However Peru may have turned the corner of economic and political stability, especially with its membership with Chile of APEC.

## 7) Australasia-Pacific Community

The Australia-New Zealand CER has been the economic bedrock for the region for more than 30 years. New Zealand has played a very positive role not only in Australasia but throughout the Asia Pacific and has even beat Australia to signing a China FTA.

Australia however, whilst under both Prime Ministers Howard and Rudd accomplishing some unique achievements namely East Timor and the GFC, has often appeared “goofy-footed” in relations with South Pacific nations whether Fiji, Papua New Guinea, or Tuvalu recently.

## 8) Antarctica

The economic rivalries for resources that have emerged in the Southern Ocean sub-region of the Indauspac Maritime Community have mostly gone under the radar. Nevertheless they will eventually receive media attention, again unfortunately when some “incident” attracts the popular interest and politicians wish to appear decisive.

## 10) EU

The legacy of the European Community through the post colonial interests of mainly Britain and France which countries still retain significant Island responsibilities in the Indian and Pacific Oceans, Netherlands and to a lesser extent Germany, Belgium, Spain, Portugal and Italy, can not be overlooked especially when Developing Countries make presentations at International Conferences like Copenhagen.

More importantly the annual EU/Asia Economic Summits, particularly with China, ASEAN and India, have far reaching impacts which need to be factored into the thinking of the Australian Government.

Further the recent all-embracing Australia-European Union Partnership Framework document is fascinating for its “old world” perspectives trying to be modernized in the Asia-Pacific. It may well have to be updated.

I do not envisage Indauspac as in competition with the EU since I talk of an “Indauspac Maritime Community” which is an oceanic perspective that is non-exclusive of all countries with an economic interest in the region. That would also include Brazil and Argentina as well as the EU countries directly for trade/investment reasons and indirectly for financial flows.

We are talking about the shifting of the economic power-center of the world from the old North Atlantic Community - even NATO is now non-European in its geographic interventions (Afghanistan and beyond). As I said previously in my view the idea of an “Asia Pacific Community” is already dated. The rationale of working to keep the USA in the Asia Club is senseless – America can no more go back to isolationism as I can fly to the moon. On the other hand China could in terms of concentration on Continental China or the great cities of Western China – the analogy is with the USA after its 1860s Civil War and its concentration on “Going West”. The latent ideas of “boxing-in” China are misguided in the extreme and could lead to all sorts of unforeseen consequences. We need to encourage China into Indauspac and balance her weight by encouraging every other country to participate as well.

## B) Indauspac Watch - DFAT Country Analysis

### 1) Africa:

#### A) Southern/Eastern Africa

- a) South Africa - import sources from Germany and China equal 1st
- b) Tanzania - export destinations to South Africa 9.5% and China 7.3%
- c) Madagascar - export to China small but import from China 1st by large amount

#### B) North Eastern Africa

- a) Ethiopia - exports very small but imports from China 1st
- b) Egypt - exports small but imports from China 2nd just behind USA 1st

### 2) India - West Asia

- a) India - exports to China 3rd - imports from China 1st
- b) Saudi Arabia - import from China 2nd
- c) Yemen - export to China 1st, import from China 3rd

### 3) China - East Asia

- a) Japan - exports to China 2nd just behind USA 1st, imports from China 1st by far
- b) Russia - export to China small but import from China 1st just ahead of German 2nd (significant because Russia is basically Europe)

### 4) ASEAN

- a) Burma – export to China 3rd, import from China 1st by large margin
- b) Other 9 - no predominant country re PRC, Japan, India, USA, EU all strong which is to Australia’s advantage..

### 5) USA-North America

- a) Mexico - statistics not available but of interest re China

6) Latin America

- a) Peru - export/import - USA 1st by far, but China 2nd and sizable
- b) Argentina - export/import - China 2nd ahead of USA 3rd but way behind  
Brazil 1st
- c) Brazil - export China 3rd - import China 2nd but USA 1st for both

7) Australia - Pacific Community

- a) China -
- b) Japan -

8) Antarctica

Not listed as non-country but rivalries are growing for its resources.

9) EU

Indauspac/EU Economic Relations research required

Brief Summary:

It is interesting as a quick overview to understand the economic relations rivalries re:

- a) China/Japan in ASEAN
- b) China/USA in Latin America
- c) China/India in West Asia/Africa and
- d) China/EU/USA most everywhere

The politics and governance of global economic issues are not uniform as in the Cold War period between the USA and USSR. The G20 fiscal and monetary decisions and the Copenhagen Accord requirement for February 1st 2010 “declarations” on climate change actions should provide more detailed economic data on the countries of Indauspac.

**What is to be done?**

The Chamber’s line-of-march post September 2001 was to establish a Key China Cities Index and via meetings with delegations in both Australia and China develop a Key China-Australasia Cities Strategy. This will now be assisted by the new Monitoring of the Autonomous Regions and of the economic, political and social status of Chinese minorities generally.

Similarly by maintaining an “Indauspac Watch” section ACCCI will gradually formulate an “Indauspac Strategy” for each of the sub-regions encompassing USA/PRC G2 policies as they actually operate throughout this Maritime Community. Again the Monitoring of China’s Foreign Policy, Political System and Legal System will facilitate this objective.

In the medium term Chamber should be able to propose alternatives and options for Australian Government Policy at Municipal, State and Federal levels.

Michael C. H. Jones  
21st December 2009