

## NAVIGATING AUSTRALIA'S RELATIONS WITH CHINA AND THE UNITED STATES

Keynote Dinner Address by Professor the Hon Gareth Evans AC QC FASSA FAIIA, Chancellor of The Australian National University and former Australian Foreign Minister, a to *China Matters* 2<sup>nd</sup> National Meeting, Melbourne, 19 November 2015

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Most clichés get to be that way because they neatly encapsulate obvious truths. It's now commonplace to say that Australia's biggest foreign policy challenge in the decades ahead will be avoiding a zero-sum game developing in our relations with China and the United States. Because that statement has become almost a cliché doesn't make it any less self-evidently true. But the hard part is to move from the general nostrum to policy specifics. How *should* Australian policymakers now be managing our relationship with, respectively, our most important economic partner and overwhelmingly our most important strategic partner – in an environment where the tectonic plates are shifting, the global power balance is changing, and a good deal of head-butting is already going on – to ensure that we never have to make a harrowing either-or choice between them

My own prescriptions, for what they are worth, can be relatively simply stated, at least in bald outline. In dealing with both Washington and Beijing, we should work hard at building and reinforcing the positives in each of these relationships, but stay clear-headed about the potential negatives and never become either side's patsy. And we should always recognize the larger context within which we need to be positioning ourselves, with a clear-sighted understanding of Australia's interests, and our real strengths as well as our weaknesses.

Starting with the last point first. Like every country we need to focus on what *are* our real national interests, our capacity to advance and protect them, and the priorities for action that follow from that, recognizing that the logical starting point is interests, not relationships, and how particular relationships are managed – with the US or China or anyone else – should be a function of hard-headed assessment by us of our own national interests. That's the way our great and powerful military and economic friends themselves think, and we should in this respect be no different.

Australia – whether we like the description “middle power” or not – is manifestly not a great, or major power, with economic or military might to match. To ensure our core national interests – our security and our prosperity – we are highly dependent on a rules-based, not might-based, international order. Like every other state we are mightily affected by a whole range of particular transnational problems – like climate change, terrorism, health pandemics, unregulated population flows, people and drug trafficking, and the spread of weapons of mass destruction – which are beyond the capacity of any of us to solve individually, and can only be successfully addressed by a cooperative rather than unilateral or coercive approach to international problem solving.

In that context it is very much a matter of national interest for Australia to be and be seen to be a good international citizen, a cooperative player on the regional and global stage – not

just for moral boy-scout reasons, but because there are hard-headed reputational and reciprocity returns in doing so. This is true for every country, but the sting for present purposes is this: giving primacy to cooperative and collaborative strategies – including, in a peace and security context, primarily trying to find our security with others rather than against them – may mean from time to time taking positions with which our greatest friends are not wholly pleased.

In doing so, we are by no means without strengths of our own. We are by most measures the twelfth largest economy in the world; by any measure we are the sixth largest by landmass and with the third largest maritime zone; we are one of the most multicultural countries in the globe; we have a strong, albeit again historically recent, commitment to our Indigenous people, as the whole world applauded with our apology to the stolen generation; we bring to the table a unique geopolitical perspective, bridging our European history and our Asia-Pacific geography; Australians working in international organizations, both official and non-governmental, and Australian peacekeepers, have won almost universally outstanding reputations; and we have a long – if periodically interrupted – record of being a creative middle power, engaged in active and effective diplomacy on global and regional as well as bilateral issues.

So in dealing with even the biggest dogs on the block, we should not be too apologetic or timorous.

What does that mean in the case of China, which is manifestly becoming much more assertive? Under Xi Jinping, with political authoritarianism resurgent domestically, Deng Xiaoping's injunction for it to "hide its strength, bide its time and never take the lead" internationally has been abandoned. Economically there has been a clear determination to no longer accept China's second-rank status in international financial institutions, with the creation against intense US opposition of the Asian Infrastructure and Investment Bank exhibit one in this respect. Geopolitically, manifestly expansionist territorial claims have been pursued, most notably in the South China Sea, and there has been a very significant modernization and expansion of military capability, not excluding in the nuclear area where until now China's position has been moderate and minimalist. There has been a clear determination to resist the indefinite continuation of U.S. dominance in the region, with the U.S. constantly being described as intent on isolating, containing and undermining it.

Much of this is no more than can and should be expected of a rapidly economically rising, hugely trade-dependent regional superpower, wanting to flap its wings and reassert some of its historical greatness after two centuries or more of wounded pride. Australia was right to support the AIIB, should be supportive of the *renminbi* joining the IMF's reserve currency basket, and should be actively working to embrace China in the Trans-Pacific Partnership trade pact, rather than exclude it as the US has been intent on doing. We have been right – a having made our own judgements about the minimal security risk involved – not to succumb to US pressure to block the leasing of the Port of Darwin to a Chinese firm. And we are right to remain studiously neutral on most of the territorial sovereignty claims that China has been making.

But, equally, when China takes a position which is manifestly unacceptable there should be no hint of obsequiousness in Australia's response. I think that is particularly important in the context of the South China Sea, where China's "nine-dashed line", identifying as its "historic waters" some 80 per cent of the whole area, is a manifestly unacceptable foundation for any kind of sovereignty claim under international law, and its recent attempts to assert a 12 nautical mile exclusion zone around the reefs and islets on which it has been building airstrips and other infrastructure is completely at odds with the rules-based international order it professes to accept, not least as a signatory of the International Convention on the Law of the Sea. This is a case where international pushback has been completely justified. The US has been absolutely correct to assert freedom of navigation rights within those waters, and overflight rights above them, and Australia is one of the many countries which should have no hesitation in following suit.

China is not generally an irresponsible or impossibly difficult or obstructionist player internationally, as I have found over many years of dealing with its ministers and officials, and has taken some constructive steps recently – e.g., in contributions to international peacekeeping – which have not been sufficiently recognized. I don't believe that in the South China Sea, or East China Sea or anywhere else, it is remotely interested in embarking upon or provoking violent military confrontation. But in its present mood it will willingly take advantage of any perceived weakness, and Australia should not be in the business of showing this in any context where our own interests are at stake.

Our own interests very much include maintaining a strong security alliance the United States, and I do not agree at all with the late Malcolm Fraser that we should walk away from it. We don't need in this context to be too deferential to Beijing. China is hard-headedly realistic about the alliance: while in no doubt at all on which side we would be on if the nightmare scenario of a military confrontation were to arise, it is not inclined to let defence issues inhibit the other dimensions of its relationship with us.

But all that said, I also think Australia would be well advised to show a little reciprocal understanding and restraint of our own, and do our best to persuade the US and our other friends in the region to do likewise. We would do ourselves a substantial service by being a little cooler about the 'pivot', and re-establishing the visible degree of independence from Washington that I think characterized a number of our positions during the Hawke-Keating years. The Darwin port response seems a good start for the Turnbull Government in this respect.

Certainly, we should never again offer reflex support for indefensible military adventures of the kind mounted in Iraq in 2003, always making sure that we have good independent grounds for embarking on any such operation. The humanitarian responsibility to protect innocent civilians at risk of mass atrocity crimes may be such grounds for the present Australian support operation in Iraq and Syria. I, for one, am much less persuaded about any rationale expressed in terms of militarily obliterating terrorist groups: when the enterprise moves beyond containment to destruction, with all the collateral civilian damage that is bound to be involved, this always runs the risk of recruiting more to extremist cause than it kills.

Another useful contribution we can make, recognizing just how grating and confronting these words sound now to Chinese ears, is to constantly urge our friends in Washington to avoid using what I call the ‘DLP’ words – maintaining the *dominance*, or *leadership* or *primacy* of the US in East Asia. Whatever many policymakers say privately, the public discourse is that it should remain No 1 in perpetuity, both globally and specifically in Asia. The most confrontational recent articulation of this position is to be found in a recent (March 2015) Council on Foreign Relations paper by Robert Blackwill and Ashley Tellis, *Revising US Grand Strategy Toward China*. They argue that the central objective should be “preserving U.S. primacy in the global system”, and advocate a series of economic, political and military measures which, although described as ‘balancing’ China, unashamedly amount to containing it.

We should be saying, and believing, that the real choice for America – as I once heard Bill Clinton put it privately, and I wish he would say it publicly – is “not to try to stay top dog on the global block in perpetuity, but to use our enormous economic and military might to create a world in which we will be comfortable living when we are no longer top dog.”

The best recent articulation I have seen as to how the US-China relationship might most sensibly be managed in a way that reflects the reality of the forces and mindsets at work in each country, but which would not, over time, push legitimate competition to the point of dangerous confrontation, comes from – whatever scars he might still wear at home, someone who is regarded internationally as one of the most thoughtful and best informed thinkers on this subject – our own former Australian Prime Minister Kevin Rudd, with his recently published (April 2015) Harvard Kennedy School paper on *The Future of U.S.-China Relations Under Xi Jinping*.

His label for the desired relationship is clunky –“constructive realism” – but his analysis and policy prescriptions are compelling. The “realist” dimension of Rudd’s argument recognizes that certain areas of disagreement are going to be intractable for the foreseeable future, with no easy solutions but requiring careful management: among them Taiwan, the South and East China Seas, the role of U.S. alliances in Asia, Chinese military modernization and the legitimacy of its political system.

The “constructive” part of his thesis argues for serious collaborative tackling of a series of other difficult issues, in a way that would see the U.S. accepting China as a much more equal player. Bilaterally, that might involve an investment treaty, a joint intelligence task force on terrorism, a cyber protocol, agreed measures for managing unplanned military incidents, and an agreed process for ratification of the comprehensive nuclear test ban treaty.

Regionally, collaboration could involve a joint strategy for denuclearization and ultimate reunification of the Korean Peninsula, tackling the lingering sore of Japanese war history, harmonizing regional trade agreements, and working to further develop the East Asian Summit process.

Globally, the focus could be on collaboration on climate change, re-energizing the G20, accepting the growing internationalization of the *renminbi*, giving China a greater role in the

Bretton Woods institutions, and working together on the reform of other key international institutions within the UN system.

No US presidential candidate is going to be heard accepting that the US should ever become the world's No 2. But it is possible to hope over the years ahead that we will hear less talk of primacy and dominance, and more focus on policies that reflect the reality that it only through cooperation and collaboration that we can ensure that the 21<sup>st</sup> century will not, like the last, become a vale of tears. Australia has a big stake in that outcome, and a voice that can and should be heard in achieving it.

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