

Hugh White on how a conflict with China 'would very likely become a nuclear war'

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It is now a year since Australia's relations with China began their plunge from distinctly chilly to overtly hostile. Beijing punishes Australia for what it sees as numerous affronts by blocking a wide range of major Australian exports. Canberra responds by looking for new opportunities to affront Beijing, with Chinese management of the Darwin port next in the firing line. And now our government has begun, with disconcerting nonchalance, to talk of war.

And yet our government seems to have no idea how serious, and dangerous, our situation has become, and has no viable plan to fix it. This must count as one of the biggest failures of statecraft in Australia's history.

Not that it is all Canberra's fault. China has changed as its power has grown and it no longer accepts American primacy – either globally or in its own backyard.

It wants a new global order in which it has the most important voice. And in east Asia it wants to create a Chinese sphere of influence, pushing out the United States.

Fears that Beijing wants to subvert our system of government are exaggerated, but it certainly does want to shape Australia's policies wherever it feels they impinge on its interests, and it will be ruthless in doing so. This is not something Australia could or should welcome.

Our interests have been well served by the US-led order, which has kept our region stable and peaceful for so long. We will find a Chinese-led order much less to our liking, especially as China itself becomes more authoritarian and more repressive.

The question is: What are we going to do about it?

The Morrison government has a plan. It wants to make the whole problem go away by forcing China to abandon its ambitions and go back to accepting the old US-led international order. To do this it looks to a global grand coalition of like-

minded countries, united in their support for democracy, free trade and US leadership under the banner of the “rules-based order”.

Canberra believes this coalition is already forming. It sees the “Quad” of America, India, Japan and Australia as one of the foundation stones of this coalition. It sees the old “Five Eyes” intelligence club, which links Australia with the US, Britain, Canada and New Zealand, as another.

Scott Morrison set out something of this vision in a speech to a major conference in India last month, and this week Foreign Minister Marise Payne set off for meetings in Britain, Europe and the US with the same message.

We should call their policy by its correct name. It is a policy of containment. The government’s faith in this approach has been boosted by the new Biden administration in the US, which has set out a very similar vision for defeating China’s challenge and is eager to lead this global coalition. President Joe Biden hosted the first summit of the four Quad countries in March, and he plans a much bigger “summit of democracies” later in the year.

Canberra has also been encouraged by similar ideas in Britain, which now places resistance to China’s ambitions near the top of its foreign policy priorities. Our leaders are plainly delighted to be lining up yet again with Washington and London to oppose a common foe. In such company, how could we possibly fail?

Quite easily, actually.

As they have done before, Washington, London and Canberra are all underestimating the task they have set themselves. First, they overestimate their chances of building an effective coalition to contain China. What will hold it together? They talk a lot about the power of shared values, such as democracy, human rights and free trade. But how committed is Modi’s India to our ideas of democracy, for example?

Come to that, how committed is Biden’s increasingly protectionist US to our ideas on free trade? And more fundamentally, how far do shared values go when national interests are at stake? History suggests, not very far.

Of course, many countries want to shield themselves from Chinese influence. But that interest is balanced by other interests equally strong – such as gaining access to Chinese markets and avoiding friction with such a powerful country. And that brings us to the second way in which Morrison and his colleagues underestimate the task of containing China. They underestimate its power. On one measure, China today already has the world’s biggest economy. The

Australian government's own estimate, in its 2017 foreign policy white paper, is that by 2030 China's will be close to double the size of America's.

This is the simple, stark, brutal fact that overshadows everything else, because wealth is power in the international system. Great wealth means great power, and great power means great influence.

China will never have a monopoly on wealth and power globally, but it will be the strongest single country and by far the strongest in east Asia. That means it can, among other things, impose great costs on those who oppose it.

Countries concerned for their own interests will not lightly suffer those costs in the name of some ill-defined "rules-based order". They certainly will not do so to support an Anglo-American vision of the world as it used to be when they were its richest states.

And we can see this in east Asia today. Japan aside, no country in east Asia is willing to join Scott Morrison's global coalition to contain China. Their views have been eloquently set out by Singapore's prime minister, Lee Hsien Loong, who in a major speech and article has very plainly repudiated the idea of trying to contain China, and has argued instead for accommodating its ambitions by creating a new regional order to reflect the new realities of regional power.

This is the Association of South-East Asian Nations' view, and South Korea's as well. Even Japan, which as a member of the Quad seems eager to support a containment strategy, is, in reality, much more ambivalent.

Last month, Prime Minister Yoshihide Suga hurried to Washington to meet Biden, but later in the year he hopes to host Xi Jinping in Tokyo. In Japan they understand that not getting on with China is simply not an option, because they understand the uncomfortable realities of power.

Those realities mean that the Morrison government's plan to push China back into its box is doomed to fail. The costs and risks of trying to contain China and preserve the US-led regional order are too high for most countries, and perhaps for any country – including the US.

The Biden team may talk tough about China, but as Biden made clear last week in a major speech to congress, his priorities are overwhelmingly domestic. Savvy American analysis sees his rhetoric on China as being aimed primarily at achieving domestic reforms, because linking them to the contest with China might just win them some Republican support. But when push comes to shove with Beijing – as it must – Biden will have to choose between containing China and rebuilding America.

He will choose America.

So why does our government stick with a failing strategy on such an important issue? One reason is politics. Morrison is following John Howard's example in exploiting the visceral politics of national security to bolster the standing of a lacklustre administration. Channelling Winston Churchill by refusing to compromise with a would-be hegemon makes great copy.

But the analogy does great injustice to the sophistication of Churchill's strategic perceptions and the care with which he assessed the momentous and tragic choices he faced. He well understood the costs that his decisions imposed, and only accepted them when it was plain that the alternatives were even worse.

Our leaders seem to have no idea of the costs and risks of their policy towards China. The economic costs alone are very significant. Morrison and his colleagues have been able to downplay them, helped by record iron ore prices, which have offset earnings lost from the commodities that China has blocked, and the diversion of some of these to new markets. But that misses the real long-term impact of the collapse in relations with China. What really matters here is not current trade but future prospects.

China is by far the largest source of future opportunities for Australian exporters and as things stand those opportunities are lost to us. On Thursday, Beijing cut diplomatic contact under the China-Australia Strategic Economic Dialogue, a key trade forum.

Over the years ahead there will be substantial and growing consequences for our economic prospects, as new markets that would have driven our growth do not materialise. We will be a much poorer country as a result.

But this economic loss is trivial compared with the strategic costs and risks that we run by advocating a policy of containment against China.

As the government now so casually acknowledges, this policy raises a real risk of war between China and America. They evidently take it for granted that if the US goes to war with China, Australia will, too. The Australian Defence Force is reportedly planning what forces we might send.

Our leaders do not seem very worried about this, and they certainly do not see it as a reason to change their approach. Of course, they say they want peace, and no doubt they do. But the question, as always, is what are they willing to sacrifice to get it?

Scott Morrison and Defence Minister Peter Dutton appear to be quite prepared to go to war with China rather than abandon their desire to perpetuate American primacy in Asia. That raises one of the gravest policy questions Australia has faced.

Plainly we want to live under American rather than Chinese regional leadership, but do we want that enough to go to war? The danger of war is very real, so this is no longer a hypothetical question.

The answer depends a lot on what kind of war it would be. There is no sign Morrison or Dutton have given this much thought, so let's be clear. It would probably be the biggest war the world has seen since 1945.

It would be a war the US and its allies would have no clear chance of winning. Indeed, it is not even clear what winning a war with a country such as China means. And it would very likely become a nuclear war.

The consequences for Australia, the region and the world would be devastating and it would fail to achieve the objective of preserving US leadership in Asia.

On the contrary, it would destroy America's position in Asia.

Are Morrison and Dutton willing to lead us into that kind of war? If they are, they need to explain to us what it would cost, why it is necessary, and how it could be won.

If not, they need to stop talking about going to war and start rethinking our approach to China from the ground up. They may see themselves as Churchill in 1940, standing resolute before a foe of implacable evil. But they are more like the hapless statesmen of 1914, stumbling into an abyss with no idea of why they were fighting, but with a growing certainty that whatever the reason, it could not possibly have been worth the cost. And there were no nuclear weapons in 1914.

So what would a new approach to China look like, which would avoid the costs and risks of containment? It would start by recognising some things we might not like but cannot avoid. China's rise – and the rise of other Asian powers, such as India and Indonesia – makes a new order in Asia inevitable. In that new order, America's influence will lessen and China's will grow.

This means Australia must conceive a new relationship with China, one that takes account of this reality and works to balance and protect the full range of our interests and values as best we can. And it would seek to really co-operate with our neighbours, rather than simply assume that they will follow our example.

All this would require hard work, deep thought and subtle execution. It would mean a revolution in our foreign policy, but what else would we expect, when the region around us has changed utterly?

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