

A Reprise of Relations With China

by **Jocelyn Chey**

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Fifty years ago, Australia had a far-reaching vision of relations with China and Asia. Exactly fifty years ago, in July 1971, Opposition Leader Gough Whitlam first went to Beijing, followed closely by Henry Kissinger. Today, when defence and security put the US first, we seem to be sliding into a new Cold War.

China at that time was deep red. It was the last years of the disastrous Cultural Revolution stirred up by Mao Zedong, during which possibly two million people died of violence or starvation. Whitlam did not visit to endorse Mao's human rights abuses. He was there because he believed that China would eventually emerge as a regional power and that Australian foreign policy could not ignore a land of over 800 million.

When I joined the Department of Overseas Trade in early 1972, China had long been hidden behind what was called the "Bamboo Curtain." A large part of the attraction for Australia was the allure of the unknown. We signed the first Trade Agreement in 1974. We tried to sell China the Australian-made Nomad aircraft and Murray Grey beef cattle, through the state-controlled corporations, and helped China promote its exports of household plastics and textiles. It was exciting, but the relationship was not based on trade advantage.

When I moved to Beijing in 1975, in charge of educational, scientific, and cultural exchanges there were very few exchanges of teachers and students. Chinese universities offered few profitable opportunities because they had been so damaged in the Cultural Revolution. There were many cases of cultural misunderstandings, but both sides persisted. When there were breakthroughs they were due to goodwill and to belief that persistence would pay off.

At that time Australia had more innovative and productive relations with China than any other Western country. We were way ahead of the US, which only established formal diplomatic relations with China in 1979. Our South-East Asian neighbours, Malaysia and Indonesia, were still hesitant to expand relations because of their governments' historic problems concerning their local ethnic Chinese communities. China needed Australia. That is no longer the case, and this fact alone goes a long way to explaining the problems in our current relationship.

In the 1980s, China experienced fundamental social and political changes. This was what Chinese call the period of Reform and Opening Up, initiated by the new leader Deng Xiaoping. Seemingly boundless energy and investment capital were released. There was global competition to do business with China, even though their business laws and regulations were only half formed and unevenly implemented.

Over the same period, there was economic deregulation in Australia. The dollar was floated in 1983, integrating domestic and foreign markets. Since Britain had joined the European Community, trade with Europe had been disrupted. Japan was already a major export destination, so the East Asian market came to rival Europe in importance, although it was hit hard in 1979 by an oil crisis. Emerging opportunities in China seemed a godsend for Australia. We had a vision of our raw materials, such as minerals, wheat and wool, being processed in China and finished products re-exported to the world.

Bob Hawke's economic adviser Ross Garnaut, returned from posting as Ambassador in Beijing, was commissioned to write a strategy paper for future relations with China, Korea and Japan. Australia and the North East Asian Ascendancy was launched at Parliament House in Canberra in 1989. The scope of this paper ranged far beyond economic engagement with Asia to include recommendations for restructuring of education, science and culture to engage more closely with Asia. Launching the paper, Hawke said it was a blueprint for the nation's "economic reconstruction and enmeshment with the dynamic Asia Pacific region." Garnaut's vision was an Australia that grasped, in his words, "the prosperity, self-confidence and independence in an interdependent world that earlier Australians in expansive times had hoped for their country."

In China, 1989 is now remembered chiefly for one tragic event, that we call the "Tiananmen Massacre" and Beijing terms the "June Fourth Incident". The student-led demonstrations calling for democracy, free speech and a free press, were bloodily put down by the Chinese army. This abuse of human rights was condemned in Australia, as around the world. It was a stark reminder to us that even though China had changed in many ways, fundamentally its autocratic political structure remained unchanged, but only five months later Hawke launched the North East Ascendancy and committed Australia to closer relations with China.

From then on, however the dynamics of the relationship changed. China became more active internationally while the Communist Party tightened domestic control. Australia had encouraged China to engage in the Asia-Pacific Economic Cooperation (APEC), in the World Trade Organisation (WTO), to be more active in the United Nations and to sign up to its various treaties and obligations. As the

first generations of overseas-educated students returned to take up positions in government and business, China was becoming more confident of its ability to command a presence on the international stage but struggled to deal with domestic problems of growing inequality and corruption. The demise of the Soviet Union in 1992 was a stark lesson to Party leaders that the Party must retain control, and that separatist sentiment must be stamped on promptly, to preserve the unity of the State.

In 1992 Francis Fukuyama argued that following the collapse of the Soviet Communism, Western liberal democracy reigned supreme. There was no room for any alternatives, he thought, but by the mid-90s China was already presenting a successful and different path to development. As living standards rose, the people felt proud of their country's achievements. The end of British rule over Hong Kong and its return to the motherland was touted as a sign of Chinese ascendancy. Competition from China and its different political values was recognised by Samuel Huntingdon in his Clash of Civilizations.

When Huntingdon's clash came, though, it wasn't from China, but from fundamentalist Islamists. September 2001 changed everything. It was a challenge to US hegemony. George Bush and Donald Rumsfeld invaded Iraq and announced a "War on Terror" that led to a 20-year war in Afghanistan. Howard invoked the ANZUS Treaty and declared Australian support for the US. China was also concerned about terrorism. There is a large Muslim population across the country, particularly in the west. Beijing wished to stamp out the influence of Wahabist fundamentalism and end separatist movements in Tibet and Xinjiang. This led to a decision to support the US War on Terror. The quid-pro-quo for support of the American line was reduced American pressure on China, and consequently less friction.

From this point onwards, relations between Australia and China were largely determined by relations between Australia and the United States and between China and the United States. Whitlam's vision had been finding security in Asia, not security from Asia. This was overtaken by Howard's view, that ANZUS came first. The views of defence and security departments and think tanks concerning the management of our relations with China started to prevail in Canberra. Global power dynamics and particularly growing competition between the US and China shaped our foreign policy, as set out in the 2017 White Paper. Trade, science, cultural exchanges were de-emphasised. The South China Sea was declared to be a "fault line" in our relationship. Human rights issues were defined as "friction" in the relationship.

Australia's bilateral engagement with China was continuing through that decade. There were major cultural promotions – the Year of Australian Culture in China

in 2010/11 and the Year of Chinese Culture in Australia in 2011/12. Prime Minister Malcolm Turnbull and President Xi Jinping spoke of a “comprehensive strategic partnership” in 2014. A free trade agreement was signed in 2015. A trade mission of 750 Australian companies visited China in 2016 and announced significant deals. Chinese companies set up offices in Australia and we welcomed tourists, students and migrants. There were defence exchanges, the most recent being a Chinese naval visit to Sydney in 2019.

Over the last five years, however, Whitlam’s vision of our future in the Asia Pacific region has been comprehensively dumped. Donald Trump determined that China was a threat to US hegemony, so it became a threat to Australia. Mike Pompeo reverted to Reagan’s Cold War “Evil Empire” language, saying, “The free world must triumph over this new tyranny... “Securing our freedoms from the Chinese Communist Party is the mission of our time.” Kurt Campbell maintains this line. Australia’s China policy conforms with or even anticipates the US. Scott Morrison’s attack on Beijing’s influence over the World Health Organisation, and his call for an independent inquiry into the origins of Covid-19 (following a phone call with Donald Trump), was clearly designed to please Washington not Beijing.

Where is Gough’s vision today?

This article is based on a talk the author gave for Politics in the Pub, Sydney, 20 July 2021.

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