**THE US AND CHINA IN ASIA: HOW SHOULD AUSTRALIA RESPOND?**

Address by Professor the Hon Gareth Evans AC QC to National Press Club Canberra Writers Week Forum with Hugh White, Canberra, 23August 2016

Full transcript of discussion [here](Transcript%20-%20EVANS%2C%20PROF%20GARETH%20%26%20WHITE%2C%20PROF%20HUGH%20WED%2024%20AUGUST%202016.pdf)

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Maybe it comes with the territory for those whose background is in foreign affairs rather than defence, but my view of the world in general – and, more specifically, of China’s and the United States’ relative place in Asia, and the prospects of that relationship ending in deadly conflict – is a little less apocalyptic than Hugh White’s. Perhaps there is a fine line between optimism and naïveté in this respect, but my general credo is that both optimism and pessimism tend to be self-fulfilling, and it is better to live as an optimist and be wrong, than live as a pessimist and be right.

There is much that I do agree with in Hugh’s analysis:

One, the tectonic plates have been shifting, and China is manifestly no longer willing to continue to accept a situation where the US is unchallenged rule maker and enforcer, both economically and militarily

Two, although US policymakers like Kurt Campbell argue plausibly that the “pivot” is about broader engagement with Asia, and cooperatively shaping a 21st century order in the region for everyone’s benefit, it is the case that much American public discourse sounds much more provocative and confronting to Chinese ears. We still hear too often what I call the “DLP” words: maintaining the *d*ominance, or *l*eadership or *p*rimacy of the US in East Asia.  Whatever many policymakers say privately – and I’ll come back to that – the public discourse is overwhelmingly about US *leadership*, implying when not stating directly that America 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 Council on Foreign Relations paper last year by Robert Blackwill and Ashley Tellis[[1]](#footnote-1), who 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. But it’s not just think-tank fringe dwellers who use this kind of language: President Obama said in his 2016 State of the Union Address ‘With TPP, China does not set the rules in that region: we do.”

Three, that if the US-China relationship is not to end in very serious tears, it will be necessary for the US to some extent accommodate the reality of Chinese power and influence, to give it a little more strategic space in its own immediate region, and be much more careful about asserting institutional and rule-making dominance of the kind that was so evident in at least the initial US approach to the Trans Pacific Partnership and the Asian Infrastructure Investment Bank.

All that said, there are a number of respects in which I am by no means on completely the same page with Hugh, in terms of what he has not only said here today but in his other writing:

One, I worry that some of his proposed cures for rebalancing the East Asian order in order to guarantee a more stable future may be worse than the disease: in particular I remain alarmed about the insouciance with which he is prepared to contemplate a nuclear-armed Japan as part of a more evenly militarily-balanced new “concert of powers” in East Asia.

Two, while understanding China’s desire for more strategic space in its own region, a desire to avoid escalating strategic rivalry does not mean there should be any kind of international acceptance of sovereignty, or sovereignty-related, claims that are manifestly ill-founded in international law. And that means, in particular, any attempt to enforce 12nm or greater exclusion zones around reefs or rocks in the South China Sea that by their nature cannot give rise to claims, or to intrude – in the name of vaguely defined ‘historic waters’ rights on fishing grounds clearly within other states’ EEZs.

While there is a strong case for the US, Australia and others not now upping the ante so long as China’s objections to the Permanent Court of Arbitration decision remain purely rhetorical, as they have been so far, should there be such adventures as further militarization of the reef installations, new reclamation work started on the Scarborough Shoal, or an ADIZ declared over any of these features, I think pushback – in the form for example of so-called FONOPS operations past features like Mischief Reef – cannot be avoided. True, any such naval or airborne operation runs real risks of incidents occurring, which can escalate out of control – but my own belief is that China, while certainly wanting to push the hegemonic envelope as far it can, and willing to take advantage of any perceived weakness, is not remotely interested in embarking upon or promoting violent military confrontation, and that any such escalation is extremely unlikely.

Three, as unhappy as I, like Hugh, remain with much US public discourse, it is important to acknowledge – as I know from direct experience – that for the most part private discourse by US policymakers is much more nuanced, sophisticated and balanced, and I am prepared to believe that this also characterises the many channels and forums for direct engagement that US officials have with their Chinese counterparts, including the high-level Strategic and Economic Dialogue. Add to that the reality of China and the US being joined at the wallet in so many ways, and the more than 300,000 Chinese students studying in the US and 25,000 Americans studying in China at any one time, as well as huge flows of tourists and business people, and it is difficult to believe that on all these vexed strategic competition issues, cooler heads will not prevail.

So what, if any, role can Australia play in all of this to help ensure that cooler heads do in fact prevail, and that we can avoid the feared zero-sum game developing in our relations with China and the United States? While it is fanciful to suggest us – or anyone else for that matter – playing any kind of negotiating “intermediary” role, we should not underestimate the extent to which our voice is heard. We’re a top dozen economic power, not a paper kitten militarily, seen in both countries one of the strongest US-alliance voices (it being no coincidence that President Obama’s two most important Asia speeches were both made in Australia, in Darwin and at the Brisbane G20), and have a long – if periodically interrupted – record of being an active, creative, effective, and diplomatic coalition-building middle power.

We should use that voice with both sides in a way that calls the issues as we see them, without being over-apologetic or timorous. We don’t help the US make the right calls by telling Washington we can live happily with whatever public language it uses to choose, and will follow it reflexively on whatever military adventures it chooses to embark. We should be saying to our friends in Washington that – as I once heard Bill Clinton put it privately, though never so clearly publicly (and one of these days I might persuade Hugh to acknowledge the source of this quote!) – “the real choice for America 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.”

We don’t help China make the right calls by failing to make clear just how much of its international reputation it is risking by manifestly over-reaching on issues like the South China Sea. And we don’t help ourselves by appearing to jumpily overreact to security concerns associated with Chinese infrastructure investment in Australia, when we have ample powers to react defensively should – God help us – it ever come to a wartime situation, and when one would have to be living on another planet to believe you can avoid cyber-attack or espionage by having only angels on your share register.

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 our own former Australian Prime Minister Kevin Rudd – who, whatever the scars he might still wear at home, is someone regarded internationally, and rightly, as one of the most thoughtful and best informed thinkers around – with the Harvard Kennedy School paper on *The Future of U.S.-China Relations Under Xi Jinping* he published last year.

Rudd’s label for the desired relationship is a little clunky –“constructive realism” – but his analysis and policy prescriptions are compelling. The “realist” dimension of his 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 US 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 US 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, he argues that 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 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 dominance, and more focus on policies that reflect the reality that it only through cooperation and collaboration that we can ensure that the 21st century will not, like the last, become a vale of tears. Australia has a big stake in that outcome, and we have a voice that can and should be heard in achieving it.

1. *Revising US Grand Strategy Toward China,* March 2015  [↑](#footnote-ref-1)