

STRATEGY



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Facing the dragon
China policy in a new era

Ross Terrill

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Ross Terrill

Ross Terrill enjoys high respect in China Studies and wide readership for his books and articles. Associate in Research at Harvard's Fairbank Center for Chinese Studies, he is the author of *The New Chinese Empire*, the biographies *Mao* and *Madame Mao*, *China in Our Time*, *The Australians*, and a memoir *Myself and China* published in Chinese in Beijing. Raised in East Gippsland, he graduated in history and political science from the University of Melbourne and served in the Australian Army. His Ph.D. thesis at Harvard on R. H. Tawney was published there entitled *Socialism As Fellowship*. While teaching Chinese politics and international affairs at Harvard, he wrote *800,000,000: The Real China*, *The Future of China: After Mao*, and *Flowers on an Iron Tree: Five Cities of China*. The late Richard Holbrooke noted: 'Terrill has acted as an informal channel between the Chinese and two governments, and also produced some of the most important Western writing on China.' Over the years Terrill has been visiting professor at Monash University and the University of Texas at Austin and contributing editor of *Atlantic Monthly*. His writing awards include the Los Angeles Times Book Prize and the National Magazine Award. Both an Australian and a United States citizen, his independence of mind is suggested by his articles for *New Republic* and *New York Times*, as well as for *Weekly Standard* and *Wall Street Journal*. He was honoured by Sichuan Province in 1984 for writings on China, expelled from China for assisting pro-democracy students in 1992, and currently has a 600,000-copy best-seller (*Mao*) out in Chinese in Beijing.

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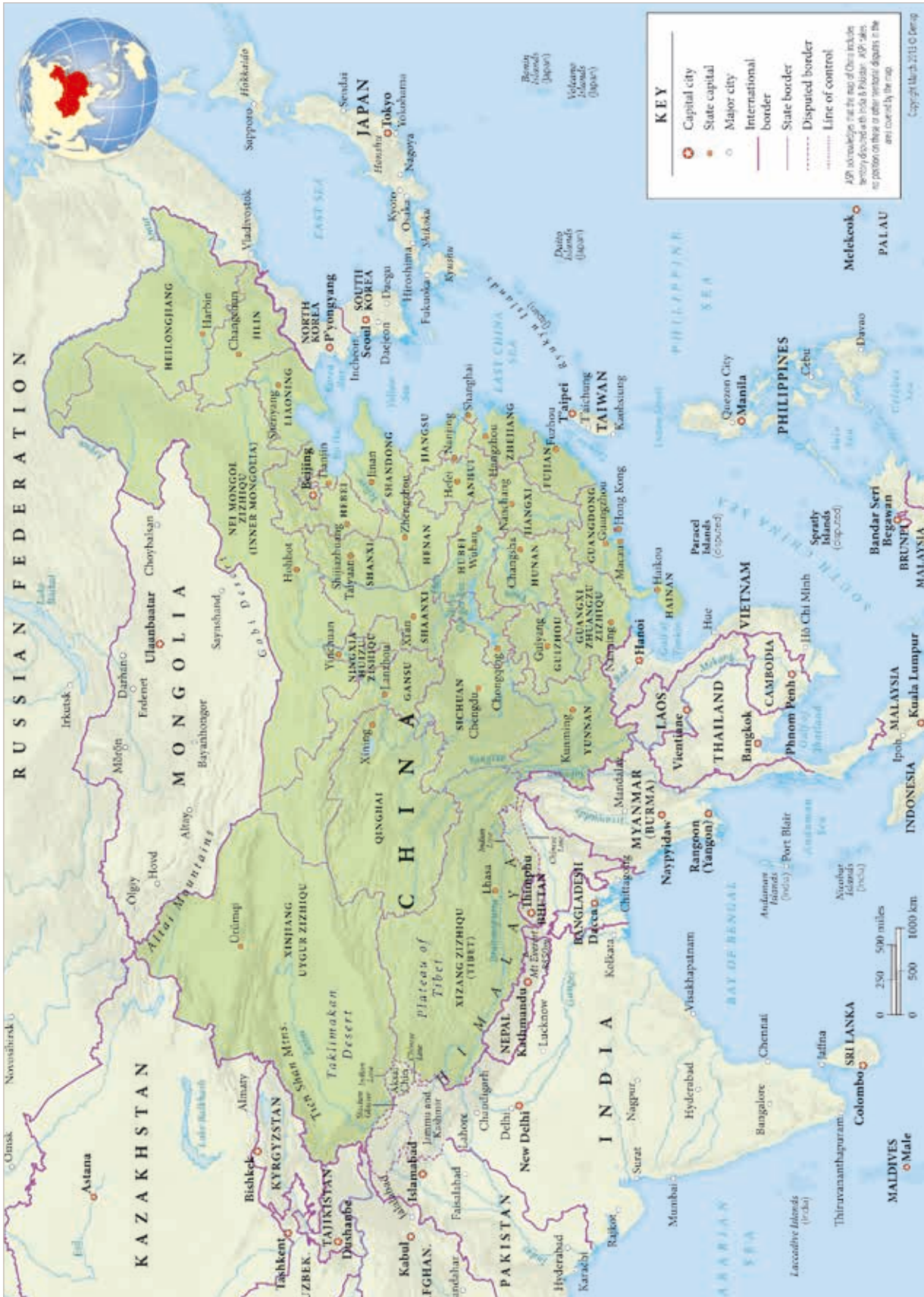
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EXECUTIVE SUMMARY

Within six days in 1971, Zhou Enlai held path-breaking talks with Henry Kissinger and Gough Whitlam. That week transformed the Asia-Pacific. The complexities and pay-offs of dealing with the People's Republic of China (PRC) began in earnest.

In 2013, as Australia awaits an election, Japan, China and both Koreas have new leaders, and President Obama reboots with a fresh national security team, the Asia-Pacific prospers but anxieties exist. Awe at China's astonishing economic muscle is mixed with disquiet at Beijing's assertive style since 2010. Capitals across the region try to assess Beijing's balance between domestic problems and international aspirations.

President Nixon and Prime Minister Whitlam inherited a China policy frozen for two decades over tensions after the Chinese Revolution of 1949, the Korean War and, later, the Vietnam War. But as the 1970s began, a fresh context for China policy arose: perhaps China could be a tacit ally for the democracies and others against the Soviet Union? For Washington, it finally seemed more profitable to deal with China 'as is' than to keep the Bamboo Curtain in place. For Canberra, it was time to accommodate the PRC in a post-Vietnam Asia policy.

Fortune gave the author of this paper a bird's-eye view of the American and Australian openings to Mao's isolated realm. He was in Beijing that summer of 1971, labelled by Zhou Enlai a 'vanguard officer' for Whitlam, whom he knew from Australian Labor Party manoeuvres in Melbourne in the 1960s. Kissinger had taught him at Harvard and consulted with him about China in 1970 after joining the Nixon Administration.

The Asia-Pacific has seen enormous economic and some political change since the 1970s, yet many issues in Canberra's and Washington's current dealings with Beijing echo the deliberations of 1971-72 when Nixon and Whitlam began relations with the PRC: the relative claims of prosperity and security in foreign policy; benefits and risks of alliances; triangular diplomacy; handling of the opposite pressures of globalisation and nationalism; and demands for universal human rights in a region of proud nation-states.

Dealing with China brings into play American idealism and Australian pragmatism, and also differences among strategists within both countries in liberal and realist camps. There are dangers of using China as a symbol, and China policy has to be located within overall Asia policy. 'China experts' may not have a flourishing future in a shrunken world of high-tech, instant communications and ever deeper engagement among the societies of Australia, China and the US.

China is both ambitious in goals and prudent in methods, and more responsive to straight talk than to moral appeals. Between the two extremes of Beijing and Washington seeing each other as a 'threat' and a China-US condominium of world leadership, this author hopes there's a peaceful, unorchestrated China-US competition that offers breathing room for Asia's further progress.

Factors shaping future China policy will include the Chinese political system's efforts to cope with China's new society and economy, whether the US still has the capacity and will to lead in the Asia-Pacific, the degree to which Australia's economy will continue to depend on resources exports, the course of Tokyo-Beijing relations, ambiguities in China's position in Asia due to its dynastic past and huge geographic reach, and Australia's need to juggle the claims of alliance and region.

INTRODUCTION

In 2013, as Australia awaits an election, Japan, China and both Koreas have new leaders, and President Obama reboots with a fresh national security team, the Asia-Pacific prospers but is also anxious. Welcome, surely, is Beijing's stress on a 'Harmonious World' instead of the old rhetoric of 'hegemony' and 'class struggle.' Taiwan and the mainland have notched a half-century of peaceful coexistence. Australia-China relations advanced in several areas with Prime Minister Gillard's and President Xi Jinping's recent summit. Yet worries exist. North Korea hasn't budged from its self-defeating path. Tit-for-tat military spending escalates across Asia. Complications for international relations arise from instant communications, environmental shocks and especially from terrorist networks. Maritime rules in Asia's seas are elusive and peace is shaky.

The non-communist world's dealings with China in revolution and war, from Mao Zedong in a cave at Yanan in the time of President Roosevelt and Prime Minister Curtin on through six decades of the PRC, crossed a threshold in 1971-72. Despite limitations in the agreements made then with Beijing by the US, Japan, Australia and others, new vistas opened, logjams were broken, precedents were set (for good or ill), and a fresh context arose for China policy. Remarkably, in East Asia the early 1970s were a turning point from an age of wars to an age of economics that continues to this day.

As the 1970s began, China was like a mirror: the scene depended on the observer's stance. President Richard Nixon's starting point was his need for peace in Asia. His aide, Henry Kissinger's, was leverage against the Soviet Union. Opposition leader Gough Whitlam's was a lawyer's rationality aiming for an orderly world. Businessmen (not so many, then) saw China as a glittering market. In the US, some conservatives admired the discipline in Mao's authoritarian realm, while others saw extra evidence for being anticommunist. Sinologists such as Harvard's John Fairbank hoped for access to Chinese documents and classrooms.

Context sometimes determines a foreign policy. It can provide validity for China policy (by taking into account more than bilateral considerations). It can offer reasons for either reaching out to China (an enemy of our enemy) or resisting China (when Beijing assists those making trouble for us).

Back in the early 1940s, the context for viewing China had been an antifascist war that united Roosevelt, Churchill and Chiang Kai-shek against the Axis powers. Mao in Yanan presented himself as a pro-democracy nationalist because he helped (now and then) to fight the Japanese on Chinese soil. The late 1940s context had a US, British and Australian ally (Chiang, with serious flaws) and an enigmatic alternative (Mao, pressing to replace Chiang as China's leader). Mao appealed to American diplomats and journalists because Chiang proved corrupt in his wartime capital of Chongqing. Five years later, the context for China policy was Mao and Stalin in cahoots against the West in Korea. The Cold War was cemented in East Asia by the Korean conflagration (1950-53), as in Europe during 1948 by the Berlin Blockade and the Czechoslovakian coup; for Washington and Canberra (but not London, which recognised the PRC in 1950), China policy was frozen. The 1960s intensified US and Australian reluctance to reach out to Beijing, because of China's fanatical Cultural Revolution and its support for Hanoi in Indochina.

But in the pivotal 1970s, a fresh context for China policy came into view. Perhaps China could be a tacit ally for the democracies and others against the Soviet Union, now that Mao and Nikita Khrushchev had clashed. This phase is the starting-point for my paper. After the Nixon and Whitlam openings of 1971–72 were reciprocated and digested, the complexities and pay-offs of China policy truly began. Everything henceforth would be different in dealings with Beijing.

Luck gave me a bird's-eye view of the American and Australian openings to Mao's isolated realm. I was in Beijing at the time, labelled by Zhou Enlai in front of Australian journalists as a 'vanguard officer' for Whitlam. The previous week I was a better-than-nothing sounding board for inexperienced Chinese diplomats scrambling to prepare for the arrival of Kissinger, who taught me at Harvard and consulted with me about China in 1970 after he joined the Nixon administration.

CHAPTER 1

Revisiting a pivot

Whitlam's risky step: 'One grain of wheat'

Nixon and Whitlam inherited a China policy on ice for two decades because of tensions after the Chinese Revolution of 1949, the Korean War and, from the mid-1960s, Vietnam. The overriding issue in US–China policy was war and peace. Few diplomats, journalists or members of Congress focused on commerce or human rights. It began to seem more useful to deal with China 'as is' than not to. The Soviet menace loomed over China's 4,300-mile northern border and threatened US global interests. And the left inclined to accommodate Beijing because of accumulated guilt at the West's isolation of China for 20 years.

Canberra put support for President Lyndon Johnson's expanding Vietnam War squarely in an anticommunist context with China central. 'Suppose the Americans withdrew from South Vietnam,' said Prime Minister Robert Menzies in 1966. 'Does anybody with his five wits doubt that before very long Chinese communism acting through North Vietnamese communism would sweep down through South Vietnam, would put itself in an early position to control Thailand, to render the position of Malaya almost intolerable and in the long run we would find ourselves with aggressive communism almost on our shores?'

Whitlam challenged this view. He thought Australia should deal evenly and smoothly with all four powers that dominated Australia's region: the US, Japan, China and the Soviet Union. He wanted a logical, optimistic Australian foreign policy. Robert Stephens, a Briton, commented in 1967 that 'Australia is dependent on America for its defence, on Europe for the mainsprings of its culture, and increasingly on Japan and China for its markets.'¹ Whitlam aspired to integrate these varied strands.

The Australian Labor Party (ALP) under Whitlam saw political and policy opportunity in Beijing's apparent decision in 1970 to discontinue wheat purchases from Australia in favour of Canada. During the 1960s, China took almost 30% of Australia's wheat exports. Australia, like Japan, deviated from US China policy by having a flourishing trade with the PRC. Johnson and his Secretary of State weren't happy with this. Recalls Keith Waller: 'I remember [Dean] Rusk asking me whether our wheat sales to China were really helpful.'² No wheat order came after 1969, and Beijing said the government of William McMahon was in the grip of 'anti-China sentiments'. In Hong Kong in 1969, the Australian Foreign Minister spoke of 'serious questionings of conscience in Australia about how far we're justified in trading with China'.

In October 1970, Canada dropped diplomatic links with Taiwan and recognised Mao's government. In a communiqué after Canada's first trade mission to the PRC, Beijing stated, 'In accordance with Canada's wishes, China will continue to consider Canada first as a source of wheat as import needs arise.'

The Foreign Minister refused a Beijing request to expel the Taiwan team from the country. So, within 36 hours of its arrival in Australia, the Chinese table tennis team departed.

Incidents over Taiwan occurred regularly in Australia, as during a visit by the Chinese table tennis (ping-pong) team in July 1972. On their second day in Australia, the players learned that a Taiwan women's basketball team was also in the country. The two teams' schedules would overlap in Melbourne and Sydney. The PRC team announced, 'The Taiwan visit is a deliberate conspiracy to promote the idea of two Chinas. Taiwan is an inseparable part of China.' Ten minutes before the first match against Australia in Sydney, the Chinese team refused to play. With a crowd of 4,000 already in the pavilion, the Chinese players agreed to do an exhibition match among themselves.

As tensions swirled, the Foreign Minister pointed out to the Beijing team that the Australian Government hadn't arranged either international tour; sports associations had. The PRC team offered to play in Perth and Adelaide, where the Taiwan women weren't appearing. The Australian Table Tennis Association rejected this plan. The Foreign Minister refused a Beijing request to expel the Taiwan team from the country. So, within 36 hours of its arrival in Australia, the Chinese table tennis team departed.

In April 1971, Whitlam, ever self-confident, had announced an appeal to Beijing for an invitation to visit China. Only later did his aide, Richard Hall, phone me at Harvard to try to make the invitation occur. Having visited China in 1964, I was considered a minor China expert (at Harvard as well as in the ALP), although I knew little about China and nothing of the Chinese language. However, I had contacts with Chinese and French diplomats through reporting from Paris on the Vietnam peace talks for *Atlantic Monthly*. I knew Whitlam from 1964 not because of China, but because of his battles as deputy Labor leader with the class-warfare and unity-tickets junta controlling the Victorian ALP. In those manoeuvres, I was a brash junior helper to RW Holt, president of the state ALP, liaising with pro-Whitlam Labor lawyers John Button, Dick McGarvie and others. When I enrolled at Harvard as a graduate student in 1965, Nick Whitlam was an undergraduate there; in late evenings on the phone to Australia we followed his father's struggle to best Jim Cairns and become Labor leader, replacing Arthur Calwell, and to trigger the federal intervention against the junta ruining the Victorian ALP. Whitlam's victories on both fronts paved the way for electoral victory in 1972.

Whitlam seemed to think that China wouldn't buy one more grain of Australian wheat until Australia had an ALP government that recognised the PRC (not true, in the event). Bill Hayden said he thought the Labor Party's China initiative 'was either suicidal or a brilliant stroke.'³ Fortunately, the French ambassador in Beijing, Etienne Manac'h, when I told him about Australian Labor's policies on Vietnam and China, involved Premier Zhou Enlai in Whitlam's request.⁴ I soon received a cable from Whitlam that read simply, 'Eureka. We won.' He'd been invited to Beijing for 'talks.'

'How long will I stay?' I asked the Chinese official who phoned from Beijing's embassy in Ottawa to say a visa awaited me (I hadn't even applied for one). 'As long as you wish.' Stephen FitzGerald, later the first Australian ambassador to the PRC, believed that had the entreaties through Manac'h not succeeded and brought a cable of invitation from Beijing, political disaster would have overtaken Whitlam, including the loss of the 1972 election.⁵

The invitation was extended against the advice of Ted Hill, head of the 'Communist Party of Australia (Marxist-Leninist),' a rival to the pro-Moscow Communist Party of Australia. The London *Sunday Times* detailed Hill's recommendation to Beijing that Whitlam not be invited and that I not be given a China visa. But, fortunately, it seemed the Chinese Government didn't wish the self-proclaimed Australian Marxist-Leninists to have a veto power on interactions between China and Australia.

In Beijing, Whitlam's group, including journalists and me, were told one evening not to leave the hotel. A film was to be shown that would be 'very interesting.' We should 'wear suits and ties for the film show' on a sweltering evening. Soon after 9 pm, a phone call came: the movie was off; a meeting with Zhou Enlai was on. The McMahon government was going to be shocked.

Nixon's bombshell

Nixon's breakthrough had a different context. Edwin Reischauer, a colleague at Harvard's East Asian Center, told me of Nixon's change of views on China. Early in 1969, Nixon invited Reischauer (a former ambassador to Japan), Sinologist George Taylor (a 'hawk' on China and Vietnam) and three other Sinologists (who, like Reischauer, were Democrats and 'doves') for consultations on China. In the Oval Office, all four doves criticised the existing policy of non-recognition of Beijing and keeping China out of world forums. Then Taylor spoke in favour of the existing policy, saying that Washington should extend a hand only when China became less anti-American. President Nixon broke his silence. 'You know, Mr. Taylor, I used to think that way once, too.' A new breeze was blowing in Washington.

Contact with both Senator Ted Kennedy and Kissinger over China policy revealed a basic difference in approach between Democrats and Republicans. Kennedy and other Democratic senators seeking to visit Beijing in the late 1960s and early 1970s were concerned with legal and diplomatic issues. Kissinger and some other Republicans were concerned with the US's role in the global power balance and what Nixon called an 'overall structure of peace' to follow Vietnam. The talks between a few of us on the Harvard faculty and Kennedy dealt with the vexed issue of the China seat in the UN, blocked assets of China within the US, and formulas for dealing with the sovereignty of Taiwan. Kissinger was more interested in how to cope with the power of the Soviet Union.

The opening to Beijing was prepared for two years through visits to Europe and channels in Warsaw, Bucharest and Rawalpindi. During his time in the political wilderness after eight years as Vice President, Nixon had consulted Charles de Gaulle, a man who shared his realism and interest in history. As President, one of Nixon's first steps in foreign policy was a visit to Paris. 'I felt that President de Gaulle's cooperation would be vital to ending the Vietnam War and to my plans for beginning a new relationship with China,' Nixon explained. De Gaulle told Nixon that 'the Soviets themselves had become preoccupied with China ... And they know they can't fight the West at the same time.' He presciently advised the US President (half a century ago!), 'It would be better for you to recognise China before you are obliged to do so by the growth of China.'⁶

White House Chief of Staff Bob Haldeman testified from close observation of his boss: 'When Nixon took office, one of his first priorities was reopening of relations with China ... Kissinger was a rather reluctant passenger those first six months.' When Haldeman told Kissinger that Nixon was determined to visit China, Kissinger retorted, 'Fat chance.' But Haldeman observed a transformation: 'Then came the Soviet-Chinese border clashes [of 1969] ... Kissinger and Nixon huddled.'⁷ Thenceforth, the president and his national security adviser were on the same page concerning China.

Visiting Pakistan in May 1969, Secretary of State Bill Rogers was told by President Yahya Khan that Beijing had said to him, 'China now considers the USSR and not the US as her enemy number one.' As early as 1967, Nixon told Romanian dictator Nicolae Ceausescu, with whom he felt he had a friendship: 'The US can do little to establish effective communications with China until the Vietnam War is ended. After that, however, we could take steps to normalize relations with Beijing.'⁸ Pakistan and Romania conveyed Nixon's thinking—a surprise for both of them—to Beijing.

In 1969, Kissinger told the American ambassador in Poland to intercept the Chinese envoy at a social function and tell him Washington wanted to resume the desultory Warsaw talks between the US and China. At that time, American and Chinese diplomats rarely acknowledged each other at diplomatic gatherings.

Later in Beijing, Zhou Enlai would say to Kissinger,
'If you want our diplomats to have heart attacks,
approach them at parties and propose serious talks.'

A few days later at a Yugoslav fashion reception, the American ambassador suddenly addressed the Chinese chargé d'affaires, Lei Yang. The Chinese diplomat, startled, turned aside and walked out the door. The ambassador ran down the stairs after Lei Yang to say a few crucial words. Later in Beijing, Zhou Enlai would say to Kissinger, 'If you want our diplomats to have heart attacks, approach them at parties and propose serious talks.'

Consider the dangers Nixon faced. His attempt to engage China bucked majority opinion in his own Republican Party. War was still raging in Vietnam, with Beijing backing Hanoi. Beijing's label for Nixon at this time was 'God of Plague and War.' Had the secrecy of Kissinger's pre-trip moves broken down, anti-American reaction was likely in Japan, South Korea and Taiwan, as well as apoplexy in Congress. The number two nuclear power, the Soviet Union, would be stressed out. In the face of all this, Nixon went ahead. Memory of such leadership makes certain leaders today in Europe and elsewhere seem paralysed.

Unwitting intersection

Before Whitlam's arrival in Beijing, Peng Hua, head of foreign ministry information, asked me over cakes and beer in the former Legation Quarter, 'Just how much power does Kissinger have in Nixon's White House?' Knowing Kissinger to some degree at Harvard, I was pressed on his views of America and the world. 'Is he still Germanic and anti-Russian? Is it true that he is nonchalant about the use of nuclear weapons? What does he think of Japan?' Another day, diplomats Zhou Nan and Ma Yuzhen asked not only about Australia (which journalists among those asking Beijing for a visa were left? which right?) but also about Washington, and Kissinger in particular. I was puzzled and impatient to ask *them* questions about China's foreign policy.

Zhou Nan, later Beijing's chief representative in Hong Kong, was riveted by the Pentagon Papers case then unfolding by the day. 'Who will benefit, the Republicans or the Democrats?' Seeped in Marxism, he couldn't believe that Daniel Ellsberg may have acted alone in the illegal release of documents relating to Vietnam. 'Is it the Morgans who are behind him?' he probed. 'Or the Rockefellers?'

Ten days later, after Whitlam had come and gone, I was in Wuxi to enjoy Tai Lake with its blaze of mulberry trees when a stunning announcement came over the car radio. Kissinger, as the envoy of President Nixon, had just concluded a visit to China and Nixon himself would visit China within months. Next day the *People's Daily* carried the announcement in seven lines without commentary.

That evening over dinner, Zhou Nan, who was escorting me around China, expressed his pleasure at the news. 'Nixon has asked to come to China,' he said, 'We will see what message he brings and we will respond accordingly.' Such caution reflected the low-key presentation to the Chinese people of the American initiative and Beijing's response. While Americans exploded with excitement (and some criticism), the Chinese public was

necessarily restrained. Zhou Nan grinned as he pointed out that the announcement spoke of Nixon's 'expressed desire' to visit Beijing and of China having 'granted his request'.

Early in July, Nixon gave a little-noticed speech in Kansas City that praised the Chinese people and predicted a world of 'five great economic superpowers' (the US, the USSR, Japan, Western Europe and China). In Beijing, I was asked about the Kansas City speech by Peng Hua, Ma Yuzhen and Zhou Nan. Kissinger wrote in his memoirs: 'Zhou [Enlai] spent some time in our first meeting [in July 1971] ... expressing his general agreement with the concepts outlined by Nixon in a speech in Kansas City on July 6. This put me at a disadvantage since I was unaware of either the fact or the content of the speech.' Kissinger wrote of Zhou Enlai: 'His command of facts, in particular his knowledge of American events and, for that matter, of my own background, was stunning.'⁹ Stunning to me as an Australian living in the US was that the Chinese premier had met Whitlam and Kissinger within the space of six days.

Zhou Enlai on Australia

Zhou Enlai welcomed Whitlam to the East Chamber of the Great Hall of the People, with its leaping murals and crimson carpets. Present also were Chinese Foreign Minister Ji Pengfei and Trade Minister Bai Xiangguo. Zhou, a slight, handsome man with a theatrical manner, was all in grey except for a red 'Serve the People' badge, black socks inside his sandals, and black hair flecking the grey.

Whitlam gave Zhou a good account of Australia's foreign policy, but showed little understanding of the impact of the split between Beijing and Moscow on Chinese and American thinking. The premier spent minutes criticising former US secretary of state John Foster Dulles for his policies of 'encircling China'. He reached for his tea mug, sipped, and went on, 'Today, Dulles has a successor in our northern neighbour.' Whitlam said 'You mean Japan?' Zhou was curt in response: 'Japan is to the east of us—I said to the north.'

No doubt it was hard for a leader on the Australian left to accept that Mao's Chinese Communist Party (CCP) might think of the Soviet Union as an enemy. In the exchanges about Dulles, the encircling of China and the Vietnam War, Whitlam unwisely volunteered that 'The American people will never allow an American president to again send troops to another country.' Of course, they've done so numerous times since 1971, often without Chinese opposition.

If Zhou was tough on the Soviet Union, he was almost as tough on Japan. He feared that the Nixon Doctrine, asking for self-reliance on the part of US allies in Asia, would turn Japan into America's 'vanguard in East Asia'. He called it 'the spirit of using Asians to fight Asians' or, coining a new term, 'using Austral-Asians to fight Asians'. One of his strongest criticisms of Moscow, indeed, was its failure to oppose 'Japanese militarism'. He feared that Japan would develop nuclear weapons.

'Look at our so-called ally,' Zhou said to Whitlam of the Soviet Union. 'They are in warm relations with the Sato government of Japan and also engaged in warm discussions on so-called 'nuclear disarmament' with the Nixon government, while China, their ally, is threatened by both of these.'

'Is your own ally so very reliable?' the Chinese premier challenged Whitlam. 'They have succeeded in dragging you onto the Vietnam battlefield. How is that defensive? That is aggression.' To his credit, Whitlam defended ANZUS.

Later, Whitlam told me that he was surprised Zhou hadn't attacked the American intelligence facilities in Australia. In fact, the omission was a sign that Mao was no longer as worried about the US as about the Soviet Union. However, the Chinese Foreign Minister did raise with Whitlam China's unease that Australia had troops stationed in Singapore and Malaysia.

When the Labor leader expressed acceptance of the 'One China' principle that Beijing asked of foreign partners, the premier said crisply, 'So far this is only words. When you return to Australia and become prime minister you will be able to carry out actions.' Throughout the evening, Zhou never mentioned trade or uttered the word 'wheat'.

In general, the points made by Trade Minister Bai Xiangguo to Whitlam in a previous session were borne out by events. He said China would 'deal with the McMahon government' but 'only if we have to'. But of course China's desire for foreign wheat depended on factors other than politics. Bai also said that after Canberra recognised the PRC, Australia would get 'the same consideration on wheat that Canada was getting'. The Canadian Embassy in Beijing said that Canada's exports of wheat to China had increased 10% in the first year after diplomatic relations were established.

The play of Australian politics

But already in September 1972, with McMahon still the Australian Prime Minister, Beijing resumed buying wheat from Australia, with orders totalling over 1 million tons. China called this a 'purely commercial transaction' with no political significance. (But non-wheat trade between Australia and China also leapt from \$6 million in 1969–70 to \$37 million in 1971–72.)

McMahon's Foreign Minister, rebuking Whitlam for his China policy, saw no reason for Australia to go 'rushing to Beijing like a little puppy dog dragging its tail'. Yet Beijing may have become neutral in the coming Australian election. True, Zhou Enlai twice said he hoped Whitlam would win, but much had changed by December 1972. Mao told Nixon in February 1972 that he liked rightists in certain circumstances. Chinese officials told me they appreciated any foreign leader who understood Moscow's dangerous ambitions; Whitlam did not fit that bill (as Malcolm Fraser would do). Whitlam was much better for Beijing than McMahon on the bilateral relationship, but McMahon may have been preferable on the broad international situation.

Australian opinion was divided over Whitlam's China visit, but the press was fairly favourable. 'Dropping Taiwan, as Whitlam is prepared to do,' said an editorial in *The Australian* on 8 July, 'could be electorally unpopular; not dropping it, as the Government wants, means falling behind events that will decide our place in the region.'

In December 1972, Prime Minister Whitlam, taking streamlined steps generally impossible in Washington, within a month of taking office reached agreement with Beijing on diplomatic relations, cut relations with Taiwan, and appointed the first Australian ambassador to the PRC.

In December 1972, Prime Minister Whitlam, taking streamlined steps generally impossible in Washington, within a month of taking office reached agreement with Beijing on diplomatic relations, cut relations with Taiwan, and appointed the first Australian ambassador to the PRC. There were critics of the haste. Hugh Dunn (later the only Australian diplomat to be ambassador in both Taiwan and Beijing) was told by Chinese ambassador Huang Zhen, who negotiated with Australian ambassador Alan Renouf in Paris, that 'Australia's was the easiest' of all

negotiations over recognition he had handled. Observed Dunn, 'The Chinese knew we wished to reach agreement quickly ... one should never negotiate against a unilaterally self-imposed deadline.'¹⁰ Still, most Australians felt the step was overdue.

The God of Plague and War comes to dinner

Looking towards Nixon's trip, the *Washington Post* in a 13 February 1972 editorial, 'Prospects in Beijing', gave a shrewd summation of the task from the US side: 'The problem is to ease off a generation's devotion to the "containment" of China without making the American friends on the rim pay the costs of that change.'

When Nixon arrived at Beijing Airport on a wintry February morning, Premier Zhou Enlai was there to greet him, but there was no crowd. Nixon's party of 800 outnumbered all other humans at the airport. It was the first time a US president was to negotiate on the soil of a country lacking diplomatic relations with the US. Nixon's eight-day trip was the longest foreign stay a US president had ever made.

Mao, ill with congestive heart failure, had his first haircut in five months and rose early on the day Nixon arrived. Dressed in a new suit and shoes, he sat restless on a sofa, pestering Zhou with phone calls on Nixon's movements. 'Our common old friend, Chiang Kai-shek, doesn't approve of this,' the 78-year-old dictator said to Nixon, gripping his hand for a full minute. 'I like rightists,' he remarked.

In the 1971 preliminary negotiations, China had sought to stick to the topic of Taiwan, while the US broached an 'overall structure of peace' in East Asia. But Mao said to Nixon, 'Taiwan is not an important issue; the international situation is an important issue.' With that sentence he compromised on Taiwan because of alarm at the Soviet Union. Broader issues were on the table. (One lesson was that the Chinese communists were as susceptible to compromise as most.)

Conversations on history, dancing children, ping-pong, politics as theatre, banquets with shark's fin soup and crab legs all caught America's and the world's imagination and made the Chinese seem quite unlike their fist-clenching image of the 1960s. In American style, drama surrounded the events. Kissinger, after giving Zhou his prepared summary of why the US Government wanted relations with China, declared that at last Americans had arrived in the land of 'mystery'. Zhou asked why 'mystery' was the appropriate term. Why was China the land of mystery and what was the meaning of mystery? Indeed, it was a saccharine remark, out of character for Kissinger.

Looking into the telescope from the Chinese end, we see that Beijing found concrete overlapping interests for both openings. From Australia, Zhou Enlai wanted a diplomatic switch from Taiwan to the PRC, a vote for Beijing on the China seat at the UN, and relations that encouraged a wedge between Australia and the US. From the US, the great prize was pressure on Moscow. With preliminary steps away from the Cultural Revolution underway, some in the leadership also hoped for economic modernisation from the American link.

Tripartite deal

The Nixon–Mao compromise had three ingredients. First, the two sides began a strategic dialogue, with the Soviet threat as focus. Second, a *modus vivendi* was reached on Taiwan, in which China got the form ('One China') and the US got the substance (ongoing ties with an undamaged Taiwan). Third, there was tacit agreement to pay minimal attention to ideological differences.

Both sides made sudden concessions rare in peacetime international relations. China agreed to move towards 'normalising' relations with the US even while Washington retained full diplomatic ties with Taipei. Nixon gave China guarantees against the use of force, interference, or any bid for hegemony in Asia. He didn't push China on (what's now called) human rights.

In the famous Shanghai Communiqué, the US acknowledged that ‘all Chinese on both sides of the Taiwan Strait’ upheld One China. The first draft said ‘all people’ on either side of the Taiwan Strait. Assistant Secretary of State Marshall Green successfully pushed his boss, Bill Rogers, to get this changed to ‘all Chinese’—removing any claim that Taiwan-born people favoured reunification. Green scornfully notes that Kissinger, in his memoirs, ‘treats my intervention as being lots of silly, minor nitpicks, very typical of the State Department ... I do think that the greatest things that we do sometimes in diplomacy are the things that don’t happen.’¹¹ The incident showed how China policy—in this case with major future implications—was sometimes buffeted by interagency turf battles, and also sometimes rescued by a deft, selfless intervention.

Kissinger shrewdly chose words making Washington’s military support for Taiwan contingent on whether or not Beijing threatened force in the Taiwan Strait. That enabled America to go on supplying crucial weapons to Taipei. One later echo of the principle was President Clinton’s movement of US vessels into Taiwan’s vicinity during the firing of Chinese missiles over Taiwan in 1996. It signalled to China that any step away from purely peaceful dealings with Taiwan would be countered by Washington. Australian Foreign Minister Alexander Downer supported Clinton’s step. ‘The Chinese objected to American ships sailing through the Taiwan Strait. We said they had a perfect right to do this.’¹² Downer said he never accepted Chinese pressure to distance Australia from the US on the matter.

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Despite some initial sentimentality, Nixon was hard-nosed towards the Chinese on Taiwan and quickly achieved the establishment of liaison offices in Beijing and Washington to foreshadow full diplomatic relations. He wrote advice to future presidents: ‘There is one cardinal rule for the conduct of international relations. Don’t give anything to your adversaries unless you get something in return.’¹³ A major achievement was that Nixon, while establishing a live-and-let-live relationship with Beijing, did little lasting damage to Taiwan.

Nixon said his trip was ‘a week that changed the world’. It was partly true. China was seen to emerge with a flourish from the Cultural Revolution, the Russians were agitated like ants on a stove, triangular diplomacy was born, and most of the domestic critics of both Zhou Enlai and Nixon over the opening were (for the moment) silenced. Even for those too young to recall Nixon, his trip of 1972 lived on in China and elsewhere as a symbol of political audacity, a manoeuvre pulled off by the wrong person opening the right door.

Nixon wanted a soft landing from Vietnam and leverage against the Soviet Union. He got both. America stood to achieve a generation of peace in Asia from the new relationship. Before 1971–72, the 1950s had brought the Korean War and the 1960s the Vietnam War. After the Mao–Nixon summit, the US fought no new battle in Asia. On the contrary, the Beijing–Washington link helped hold the line for peace in Korea, the Taiwan Strait and elsewhere in Asia.

The role of Japan, as Tokyo quickly followed Nixon and recognised Beijing, was indispensable to this generation of peace. An indirect consequence of the Nixon–Mao move was a tripartite balance, Japan–US–China, an umbrella under which the Asia–Pacific prospered and Australia’s security environment stabilised. Surely McMahon was too grudging when he said, a few days after Nixon’s trip to China, ‘This first high level contact has not resulted in any fundamental reversals of foreign policies by either side.’¹⁴

A feel for the balance of power made Nixon and Kissinger a refreshing force. They saw Chinese and American mutual interest in facing Soviet power. Kissinger correctly scoffed at the widespread view that problems of the bilateral relationship—blocked financial assets, Washington’s opposition to Beijing’s seating in the United Nations, the competing diplomatic and property claims of ‘two Chinas’—had to be tackled first and directly. He felt the breakthrough with the Chinese would come within a broader context; it did.

Canberra–Washington differences

Both the American and Australian openings in 1971–72 were bold steps by leaders who took risks. Both proved a durable foundation for a China policy that was continued in its fundamentals by four decades of governments, both left and right. We see a basically cumulative approach by each succeeding new government to the China policy of the preceding one. No US or Australian government either re-recognised Taiwan or shrank trade and cultural dealings with Taiwan. Strategic reality offered support from the wings for this stability. Washington was loath to contemplate any new military entanglement in East Asia following Korea and Vietnam. Beijing, under Deng Xiaoping’s guiding rubric, ‘Bide our time,’ accepted that the US was unmatched by any other power. Here was the geopolitical setting for the evolution of the bilateral ties begun by Nixon and Whitlam.

Nixon faced political pressures from left and right greater than Whitlam did. Nixon transgressed his party’s China policy, while Whitlam did only what Labor had promised to the Australian public. Not being in government, Whitlam didn’t have to worry about the reaction of allies, as Nixon did. Nixon’s opening had global impact, while Whitlam’s was essentially bilateral with some impact on the region.

A low-key Australian approach sometimes contrasted with an excited American approach. New Yorkers were more inclined than Melburnians to super-enthusiasm about China, or to denouncing China over a late train or dirty hotel room. Australians were less ethnocentric in approaching China than Americans. US visitors hearing about wage scales at a commune might immediately start comparing them with those at the Chrysler Corporation; Australian visitors just took note of Chinese wage scales as useful information.

Often evident was a resilient American optimism on China. In 1972, it seemed the years of fear and hostility between the two had never existed. Normally calm *New York Times* columnist James Reston declared, ‘China obviously has a manner, a purpose and an ideal which touches something deep in the American spirit.’ I heard none of the Australian journalists travelling with Whitlam trumpet similar sentiments about China and the Australian spirit.

As the American left grew cooler on China from the 1970s, the American foreign policy establishment grew warmer. While radicals felt betrayed by both Mao and Nixon, sympathetic China commentators sprouted like bamboo shoots after rain. Kissinger from the White House and media princess Barbara Walters from a TV studio became China boosters. ‘No other world leaders have the sweep and imagination of Mao and Zhou,’ wrote Kissinger in *White House Years* after his Beijing experiences in the early 1970s. ‘Mao radiates authority and deep wisdom.’ Australian analysts and commentators played no such Chinese musical chairs across the political spectrum.

... the US–China relationship moved, after fits and starts, beyond an anti-Soviet stance to set a framework for peace and economic progress in East Asia.

Although there might always be an American tendency to swing between romance and hostility, in the early 1970s Washington and Beijing did achieve a basis for a new order in East Asia, benefiting many nations. True, initially it was based on a ‘negative’: the greater threat of Moscow to both sides compared with any threat posed by Washington or Beijing to each other. But the US–China relationship moved, after fits and starts, beyond an anti-Soviet stance to set a framework for peace and economic progress in East Asia.

History moves on

Three subsequent events began to undermine the Nixon–Mao compromise. Together, they ended a major chapter of the 1971–72 achievement in US–China relations.

The collapse of the Soviet Union removed the *raison d’être* of the US–China strategic dialogue. After 1991 the relationship had to stand on its own feet. Increased trade and cultural exchanges were needed to catch up with diplomatic forms.

Second, the coming of democracy in Taiwan in the 1990s gave the island a sense of itself as *de facto* independent. Elections crystallise sovereignty. Green’s 1972 verbal improvement (‘all Chinese’) to the Shanghai Communiqué couldn’t hide the fact that a premise in the communiqué later became questionable. Almost half the Taiwan population—who may define themselves as Han Chinese, whether mainland-born or not—rejected Beijing’s definition of One China by the late 1990s. Still today, this 10 million-odd want neither reunification with the communist regime in Beijing nor explicit independence. Washington and Canberra couldn’t go on chanting ‘One China’ as if nothing had changed. Acting multilaterally with friendly powers, they were challenged to subtly ensure Taiwan’s unfettered existence, leaving its future to the will of the island’s people.

Canberra’s post-1972 experience on Taiwan was far less fractious than Washington’s. But many Australian China specialists, inside government and outside, failed to foresee Taiwan’s will and potential to flourish even without diplomatic recognition. Whitlam had a very limited concern for the effect of his China policy on Taiwan. Between his 1971 trip to China and the election of December 1972, I arranged a meeting for him with Ambassador Chen Chu at the Roosevelt Hotel in New York. The Chinese ambassador was just settling in at the UN after the recent vote ejecting Taipei and installing Beijing in the China seat. Whitlam remarked as we left the hotel, where he had explained his China policy to Chen Chu, ‘What I don’t want is to make myself vulnerable should there be a future massacre in Taiwan.’

Hugh Dunn, who served as ambassador in Taipei and had affection for Nationalist officials, seemed fatalistic in the 1970s: ‘The Chinese Nationalists could appeal to American sentiment about old allies but they could achieve little, whether by private protests or public complaint, to check the overall march of developments.’ Of Chiang Kai-shek’s son, who would later set Taiwan on the road to democracy, Dunn said, ‘I found Chiang Ching-kuo likeable and strangely lonely. When he went to government or diplomatic receptions few people went up to talk to him, and he may have appreciated my doing so.’¹⁵ This underestimation of Taiwan’s resilience alerts us not to foreclose Taiwan’s future in any direction chosen by foreigners. But in 2004 Alexander Downer foreclosed one

option in urging the maintenance of the status quo in the Taiwan Strait: 'In particular, I want to make it clear that Australia opposes any actions or statements that could be seen as moves by Taiwan towards independence.'¹⁶

The third event that put an end to the Nixon–Mao compromise was the Tiananmen Square tragedy of 1989. The pro-democracy surge and its suppression ended any denial of ideological differences between China and the US. In 1972, Nixon had unhooked China in international relations from China as an authoritarian state. He wasn't visiting Beijing because he was pro-Mao and anti-Chiang—his reasons were geopolitical. Tiananmen 're-hooked' the issue of human rights to China policy, with great consequences, especially in the US.

'It is not a small thing,' I said to conservative William Buckley on his *Firing line* TV show soon after Nixon's 1972 trip, 'that Mr Nixon has agreed on a live and let live policy with China.' Buckley swept this aside: 'I desire the liberation of the Chinese people from their current slave masters.' In 1972, our two statements were apple and orange. To Buckley, I was an appeaser. To me, he was a moral absolutist. Later, and especially after 1989, the two concerns of peace and freedom drew closer. Nixon told Mao, 'What is important is not a nation's internal political philosophy.' Yet for both US and Australian relations with China, domestic values became very important.

In 1972, success largely meant ending war danger resulting from Washington–Beijing and Canberra–Beijing mutual hostility and ignorance. Later the tasks became less simple. Today, in hindsight, Mao's wife Jiang Qing and her left-wing group were correct to warn Zhou Enlai and Deng that the opening to America was a threat to Chinese socialism (Deng, at least, didn't mind). Every day in the life of 1.4 billion Chinese is better because of China's relations, triggered in 1971–72, with some aspect of America or the rest of the West, bringing unknown ultimate consequences for Chinese society.

Both American and Australian openings in 1971–72 were bold steps by leaders who took risks. Today, Europe's paralysis, Japan's string of overnight prime ministers, Obama's domestic policy preoccupation and the ALP's tailspin (while in government!) suggest we lack the resolute political leadership of those earlier years. In the democracies, an imperial media and the huge demands society makes on the state reduce the capacity of leaders to be bold. In China, one detects an approaching political stasis reminiscent of the Brezhnev era in Moscow.

CHAPTER 2

Ramifications

American idealism

Americans have an indestructible hope in China and feel a special rapport with the Chinese. The origins of this trait lie in Christian missionaries being the first Americans to live in China. It was reinforced in the period of the 'Open Door notes' of US Secretary of State John Hay in 1899, when Americans had superior motives, they believed, in upholding Chinese sovereignty in the face of European colonialism. Keith Waller saw the syndrome in Chongqing during World War II: 'There was a romantic side to Roosevelt's attitude to the Chinese stemming, I suppose, from the renunciation of the Boxer indemnity.' Waller's sceptical Australian eye watched the missionaries in Chongqing: 'They used to send [to mission headquarters in New York] regular and pretty glowing reports suggesting that with a little more effort the great nation of China would become Christian ... this was undoubtedly a major factor in the American tenderness towards China.'¹⁷

Australians generally resist this American psychology. On leaving Washington in February 1972, Nixon compared his visit to China with his countrymen's voyage into space. At a refuelling stop in Guam, he said to the crowd: 'Join me in this prayer, that with this trip to China a new day may begin for the whole world.' No such religious or cosmic imagery on China policy has come from Whitlam or any Australian leader since (unless briefly from Hawke). Nor, for multiple reasons, is Australia likely to demonise China as the US has occasionally done.

The persistent American hope is indeed remarkable. The 1898–1901 Boxer Rebellion shot down US dreams of a cosmopolitan China; a realisation dawned that China, after all, was different from the US. Tiananmen in 1989 was almost as bad as the Boxers; this time the villain was not Chinese culture, but Leninist dictatorship. Yet neither those upheavals nor others in between cancelled America's hope about the Chinese.

Fuelling the hope is the unconscious alignment of American values with universal values, allowing Americans to believe that China needs what the US offers. China needed the gospel preached by American Protestant missionaries from the early 19th century. It needed American educational expertise and facilities from the late 19th century to advance its lagging society. Certainly, Chiang and Mao needed US help to beat back Japan's invasion in the early 1940s. Chiang needed a reluctant US to help against Mao's assault in the late 1940s. Tibet, an unwilling part of the PRC, felt it needed the US to help protect its religion and culture from Beijing. Endangered by the Soviet Union in the 1970s, China needed the US as a balance. Departing from Maoism during the 1980s, the Chinese needed American capital, know-how and markets.

Throughout this span of history, the American side was the masterful player, the presumed source for China's requirements. The US was mostly willing and able to help. Have the need and capacity abated? Considerably, but it continues to exist atavistically in a diffuse form. Today, American technology, sports and popular culture are lapped up by Chinese. Steve Jobs, LeBron James and Lady Gaga are 'needed' by young urban Chinese. If the

'special rapport' is substantially in the American imagination, an indirect 'rapport' does come from the unwitting American impact on Chinese individuals. Seldom, however, does all this affect Beijing's policy towards the US.

In truth, American feelings about China aren't only a matter of 'soft power' but also a function of geopolitics. A great naval and air power, the US also possesses a huge landmass and looks with fascination at distant China, the continental centrepiece of Asia. For Americans, the Pacific Ocean affords China an aura and sometimes an illusion. Neither is shared by Japanese, Russians and others much closer, who act and react towards China but seldom dream about it. Australia seems a middle case: in the neighbourhood, but not next door; capable of enthusiasm, but not starry-eyed. Downer, as foreign minister for 11 years, found 'suspiciousness' of China among Americans. 'They've always been more suspicious of China than we are. They'd say, "it's alright for Australia [no doubt], less of a strategic player than we are, you can take a softer position."'18

... the large gap in gross domestic product and population between the US and Australia also induces a certain caution in Aussie navigation of American idealism.

The variant diplomatic styles stem from history. The settlers who founded Australia struggled with harsh nature; the Pilgrims in New England wrestled with heaven and hell. The result is a practical Australian spirit and a questing American spirit. Of course, the large gap in gross domestic product and population between the US and Australia also induces a certain caution in Aussie navigation of American idealism.

Allies, power and interests

What makes a good ally and under what conditions? Waller referred to the budding alliance with Chiang Kai-shek when Australia was setting up its first post in China: 'The origins of the opening of the Legation in Chongqing were partly to balance the fact that we had just opened one in Tokyo, and partly to show some support for the Chinese Government.' Modest support, since Australia's clout was limited and Minister Frederic Eggleston and Waller reported to Canberra that Chiang wasn't fighting Japan vigorously. 'Lip service was paid to the grand alliance but as far as Australia was concerned we were not deeply involved.'¹⁹ At that time Australia lacked both capacity and will to help its ally.

After Japan's defeat in 1945, the civil war between Mao and Chiang made Washington and Canberra ask two questions about Chiang: Does he deserve to win against Mao? (mullered over by Chongqing diplomats and journalists all during the war); Can he win? (asked by Truman, Chifley and others in 1947-48). Today, similar questions are asked about Karzai's struggle against the Taliban.

Australian Foreign Minister Richard Casey wrote in his diary in the 1950s, 'Should we not occasionally air our differences with the Americans in public, so that we are not regarded as completely subservient?'²⁰ Two decades later Whitlam was less tentative, which the mood in Australia over Vietnam perhaps called for. In December 1972, I walked into Kissinger's office to talk about China and faced a tirade: 'It's unforgivable for this new Australian government to put Hanoi and Washington on the same footing. Australia is supposed to be our ally!' Nixon's security adviser was furious at a cable from Canberra, which he waved aloft, that sharply criticised the 'Christmas bombing' of Hanoi. I submitted that ANZUS was 'unshakeable' despite this disagreement over Vietnam. 'You can't apply the alliance on some issues and not on others,' Kissinger snapped. He added—knowing that I'd relay this

remark to Whitlam—‘No government, perhaps other than the British, has been given the intelligence information that Australia has received under McMahon and his predecessors. Whether that can continue under Whitlam remains to be seen.’ Three decades later, Prime Minister Howard seemed to echo Kissinger’s view. ‘You can’t cherry pick a close relationship,’ he said in Washington when invoking ANZUS over 9/11.²¹

Sometimes an alliance ‘golden age’ comes because a pair of leaders bond. Waller recalls an apparent Holt–Johnson rapport: ‘They were quite similar and they hit it off instantaneously ... Both liked to be in the open air, Johnson on his ranch and Holt with his spear fishing.’²² The Bush–Howard relationship was actually more solid. Of longer duration and very political, this bond was extremely consequential in war and trade decisions.

When does one government pay a price for another one’s China policy? Nixon made Asian allies pay with a short-term shock. Whitlam, of course, made Taiwan pay a steep price. Fraser made the Soviet Union pay by making it experience Australian hostility.

Critics alleged that Nixon was ‘choosing between partners’ when (in Tokyo’s view) he chose to please China and insult Japan by changing his China policy with no advance consultations. Mao later told Kissinger that China wouldn’t push Japan to choose between the US and China. One wonders if that’s Beijing’s position on Australia in 2013, as Canberra handles the eagle to the east and the dragon to the north. Beijing indeed sometimes urges Australia to keep its distance from Washington, but with few results so far.

Peter Jennings notes that the US Marines commitment in Darwin has brought only words from Beijing: ‘China has done nothing ... to change the pattern or reduce the intensity of its own relations with Australia. Chinese official statements still describe the bilateral relationship in positive terms, including regarding defense.’ Jennings says Burma’s political reforms and attempts to balance its relationship with China by opening to the US and other countries ‘would certainly be regarded in Beijing as more damaging to Chinese interests than any developments in Australian–US cooperation.’²³

Did Chiang choose Washington over Moscow in the 1940s? ‘Choosing’ is an over-dramatisation of that policy and of what often occurs in diplomacy. The profession of diplomats is to provide perspective for decisions. Curtin did that in 1941 by making clear that his choosing of the US was hardly a rejection of the UK (‘Men and women of Australia. We are at war with Japan ... We shall hold this country and keep it as a citadel for the British-speaking race and as a place where civilization will persist’). Menzies ‘chose’ the China policy of the US over that of the UK (and the Commonwealth) by not recognising Beijing in the 1950s; Alan Renouf remarked that ‘The traditional depth of relations between Canberra and London could easily weather a difference on such a matter.’²⁴ Howard recalled of his differences with Bush over China policy: ‘The special depth of our Washington links meant that differentiating the product in dealing with China had not raised any hackles.’²⁵

In talking of Australia having to choose between the US and China, Hugh White’s concept of ‘choice’ is unhelpfully abstract. I know of no crisis since the Whitlam era in which Canberra has had to make a damaging choice between the US and China. Beijing wanted Whitlam to choose sides with China over its dispute with the Soviet Union, but Whitlam declined. White underestimates Australia’s ability to say ‘Yes’ or ‘No’ to a particular request without the sky falling down.

Diplomats’ real-life experience of the leaders of US allies in Asia often contradicts the notion that small allies are helpless in the face of Uncle Sam. Dunn, who served in various Asian capitals as well as in Washington, said of his years in Seoul: ‘Those who thought, or still think, that US minor allies such as Korea are “puppets” never knew [Syngman] Rhee or other tough nationalist leaders in many countries. Rhee could sometimes be stopped from acting [by Washington] but seldom be forced to act.’²⁶

Over 11 years, Howard found the US alliance ‘no impediment’ to Australia’s relations with Beijing. ‘Many Chinese saw it as an asset,’ he recalled. ‘Others respected the fidelity displayed by Australia to our American friends. It was evidence that we were a dependable, reliable people with whom to have an association.’²⁷

In 2005 President Bush remarked, as Howard stood beside him, that differences existed between American and Australian approaches to China. Howard agreed, but observed that ‘One of the bases of our links with China [is] a fundamental understanding by the Chinese of just how important the American alliance [is] to Australia.’²⁸

Naturally, there’ll be particular issues on which Canberra agrees with Beijing and disagrees with Washington. There are also issues where a tough Beijing approach to Australia (or to Japan, South Korea or others) is moderated by Beijing’s taking account of the decades-long friendship of Australia (or the others) with the US.

The bottom line is that varying US and Australian China policies generally dovetail to mutual benefit. Whitlam benefited from Nixon’s opening to China, as he admitted. Canberra gains extra attention from Beijing today by being one spoke on the US-propelled wheel of security in the Asia-Pacific.

Security and money

Both the logic and the limitations of leaving economic issues aside in favour of broader goals were stark in Nixon’s and Whitlam’s opening. The separation occurred virtually by necessity. US economic ties with China couldn’t exist until the legal barbed wire existing for years was dismantled. Key actors in 1971–72, including Kissinger and Whitlam, lacked knowledge and keen interest in economics and finance. Peter Rodman looked back on his boss: ‘Kissinger had contempt for the business community; how they would never talk to the US government except the last stage of some crisis when they had screwed everything up and would come and expect [the] US to bail them out.’²⁹ Moreover, despite Australia’s success with wheat, the Chinese economy was still semi-autarkic in 1972, unready for complex trade or investment.

When differences over detente with the Soviet Union clouded US–China relations in the mid-1970s, the relationship couldn’t fall back on a substantial economic agenda. Nor did Australia–China economic ties develop quickly. The Australian foreign ministry noted in November 1975:

As yet our relations with China do not match our relations with the United States, Japan and Europe, in complexity and extent. Nor in many respects do they match the relations we have with some countries in Southeast Asia who are our closest neighbours. The one substantial limitation to relations is the extent to which China remains a closed country, preoccupied by domestic affairs. That is, and is likely to remain, a factor that will prevent our relations developing across the board.

Hayden called Whitlam’s achievement ‘From zero to something,’ but the something didn’t include much for Australian business.³⁰

Dunn pointed to an opposite situation with Japan:

Minister for Trade John McEwen had the foresight to lead Australian public opinion, in which wartime memories were still strong, into accepting a major commercial relationship which long benefited Australia. There may well have been no other possible result, but the very strength of that trading relationship tended to put it out of balance; political and cultural relations did not keep pace with our commercial interests.’

Interestingly, Dunn said of his subsequent years as ambassador in Beijing: ‘Much later, while never downplaying the importance of trade, I worked to avoid a similar imbalance in our relationship with China.’³¹

But the Hawke and Howard years saw a leap in the economic component of China policy. Ambassador Ric Smith was summoned to meet Howard at the Lodge shortly before Howard’s first visit to Beijing as prime minister. ‘I presented the economic take-off of China to him, told him 40% of their growth is coming externally.’ Howard asked for comparable figures for Japan and the US, which were both roughly half the Chinese percentage. It was ‘a light bulb moment for Howard,’ said Smith. ‘He seized the significance of the interdependency involved’ and this coloured his successful visit to China. In Shanghai, viewing the scene from a skyscraper, he asked, ‘How long’s this been going on?’ Replied Smith, ‘Ten years, Prime Minister.’ Howard was staggered, as many others soon were.

During the 1997 Asian financial crisis, Chinese Premier Zhu Rongji sent Howard a message through Smith:

We greatly appreciate Australia's providing stand-by credit for Thailand, South Korea, and Indonesia. This will assist the region. In the present crisis China and Australia have to be the solid book ends. [Don't worry] Chinese banks won't go down. I own them, I print their money. And don't go along with Japan's notion of an Asian IMF, it'll just be a re-run of the Greater East Asian Prosperity Sphere.

Zhu declared his faith in the bilateral connection: 'Reform in China will help Australia, and us [the Chinese] getting into the WTO will bring that.'³²

Welcoming Chinese trade and investment and speaking up for Australian values need not clash.

Under Howard, trade with China grew 626% in a decade, but the same Howard told an audience at the Communist Party School in Beijing that hectored him about meeting the Dalai Lama: 'If it was good enough for Australians to tolerate the continuation of the Communist Party as a legal entity, it ought to be good enough for Chinese to tolerate the leader of a friendly country [Australia] allowing the Dalai Lama to visit and [me as prime minister] seeing him.'³³ Welcoming Chinese trade and investment and speaking up for Australian values need not clash.

Today, Australia's key partners, the US and Japan, have massive economic relations with China, which nevertheless do not obviate their security concerns about China's rise. As this ASPI paper appears, one of the world's key economic relationships is strained because Beijing and Tokyo, at odds in the Diaoyu (Senkaku) Islands, both seem to rank national security above the pocketbook. Still, over many years for Washington and Tokyo, trade and investment have provided ballast to keep the relationship with Beijing steady.

In 2013, some see Australia's relationship with China as essentially economic. Where trade is highly unbalanced (not true, in this case) or the relative power of two countries is unbalanced (true, in this case), national security can be endangered by economic pressure. Australia has rich exchanges and discussions with China on culture, security, regional tensions and other topics. Alan Thomas, as ambassador in Beijing from 2003 recalled:

[I] had 50 Australian based staff [and] other government agencies and Immigration [also] had a sizeable staff there given the huge number of Chinese students and visitors to Australia ... The Defence Department had three Australian based military people and so forth. And then there were 200 local staff, Chinese staff and ... 40-odd young Australian staff who spoke Chinese that we recruited off the street.³⁴

The challenge is to prevent dialogue in multiple realms being prejudiced by Beijing's potential ability to dislocate the Australian economy. So far, there are hints of such transference but little hard evidence.

Recent ambassador to China Geoff Raby says Australia should be careful to hold up its side of the economic partnership:

The Chinese are worried about their vulnerability; that they might be taken advantage of. We have to try and give them more resource security. We should guarantee there'll be no more export embargos ... making them more confident in dealing with markets.'³⁵

Should China's weight and its future be assessed primarily in economic terms or primarily in geopolitical terms? China's economic prospects are more predicated on politics than are the democracies' economic prospects. A further problem with separating the two realms is that Beijing seldom does so, even in theory. On occasion,



(Left) Mao Zedong grips President Nixon's hand for a full minute in February 1972. 'Our common old friend Chiang Kai-shek wouldn't approve of this', Mao said of the historic encounter. 'I like rightists' he added.

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(Right) Henry Kissinger, then national security adviser to Nixon, visits Mao in November 1973. Premier Zhou Enlai knew who was boss in Mao's presence. © Associated Press



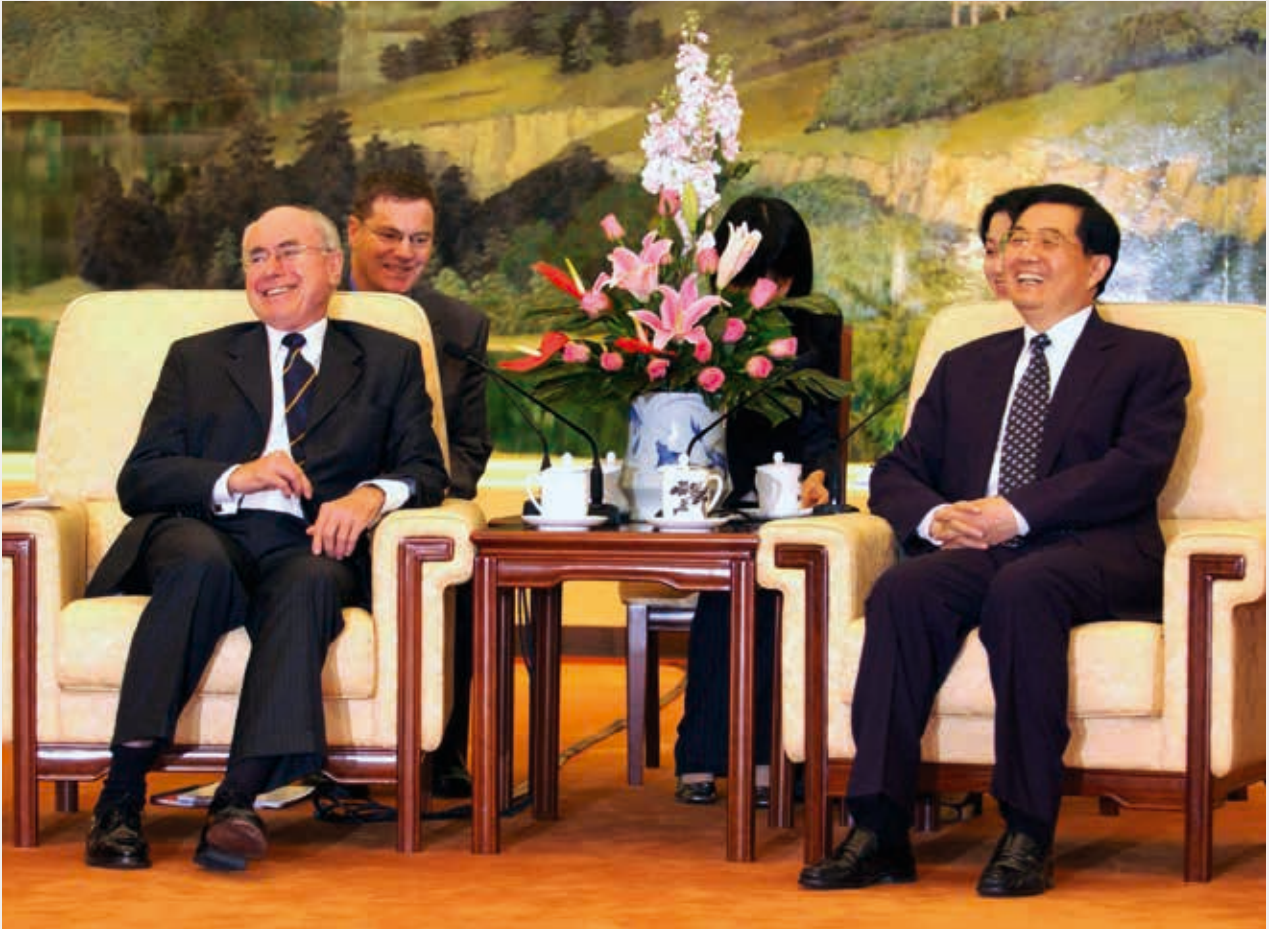
Zhou Enlai accompanies Prime Minister Whitlam at a colourful reception during his 1973 visit. This was their second encounter, following Whitlam's 1971 trip as opposition leader. (Photo courtesy of National Archives of Australia)



Whitlam and the author aged 32 at a people's commune in July 1971. Zhou Enlai disclosed to the media that Ross Terrill was a 'vanguard officer' for Whitlam's China visit (Photo from the author's private collection)



Bob Hawke shows Mr Hu Yaobang (General Secretary of the Communist Party of China), an ore sample during Mr Hu's visit to Australia in 1985. (Photo courtesy Bob Hawke Prime Ministerial Library)



Prime Minister Howard with President Hu Jintao in 2005. Few visitors evoked such a smile from Hu, predecessor of Xi in China's top position. © AUSPIC



Prime Minister Rudd shows his skills as a hoped-for friend of China in a speech in Chinese to students and teachers at Peking University in 2008. © Fairfax media



Prime Minister Gillard at her summit with China's newly appointed president Xi Jinping, April 2013, which took China–Australia relations a step forward. © AUSPIC



Skyline of Shanghai's Pudong district shot from the Bund across the Whangpu River. Pudong was a village in Nixon's and Whitlam's time. ©Getty

this leaves American and Australian businesspeople at a disadvantage. ‘We see resources trade as business,’ Raby said of his experience in Beijing. ‘The Chinese see it as a core national security matter.’ The danger of economic overdependence on China is less than the danger of endemic corruption within the Chinese party-state seeping into Australia’s institutions as China’s footprint grows.

Liberal and realist

A liberal internationalist approach to China (Whitlam’s) is sometimes in tension with a realpolitik approach (Nixon’s). McGovern, Kennedy and other Democratic senators were on a different wavelength from Nixon and Kissinger, due to the Democrats’ idealism and legalism and Nixon’s sense of history reinforced by Kissinger’s Metternichian quest for leverage against Moscow. In the US these two schools are often distinct and, until recently, followed party lines.

Whitlam stood close to the American senators. Hayden wrote: ‘The Labor government [in 1972] set out to recognise and establish relations with China as one among three governments in the region which plainly existed but had not been recognised in the past because of ideological objection.’³⁶ The three—China, North Korea and North Vietnam—were outcasts that liberal internationalists wished to bring in from the cold. Hayden expressed the two Australian parties’ differences when saying in 1984 of the Fraser years, ‘Our predecessors have been seen [in Asia] as tending to be preoccupied by the United States and global strategy.’ Of course, conservatives would happily accept praise for stressing global strategy and the US alliance.

Yet, Nixon and Whitlam complemented each other to a degree. Whitlam confessed in 1973: ‘If it had not been for President Nixon’s initiative, my own [1971] Beijing visit would, given the Australian climate of the time, have been no political advantage to me, even as late as last December.’³⁷ FitzGerald pointed out that Whitlam could easily have missed the happy timing with Kissinger’s 1971 visit that served him handsomely:

When Whitlam replied to the Beijing invitation he explained he’d have to wait until after the Labor Party federal conference before flying to Beijing, meaning the end of June. Had the conference been even three weeks later, Whitlam’s trip to China would have turned out *after* Kissinger’s. Gough’s would have looked like a lame catch-up.³⁸

The main reason Whitlam’s China policy endured wasn’t that it corrected an ideological objection or expressed sympathy for outcasts, but that it served Australian interests. Whitlam displayed a realpolitik streak of his own concerning East Timor, which was thrown to the wolves because of Suharto’s muscle-power and Whitlam’s, well, realism.

Bill Clinton was a liberal internationalist in his economics-is-destiny view of China. Ronald Reagan practised realpolitik in his military build-up against the Soviet Union and balancing of Japan and China, as did the second Bush in his readiness to twice go to war against threats to US interests. Yet Reagan and Bush both had a strong liberal-moral internationalist side as well. Reagan spoke of the Soviet Union as an ‘evil empire’ and Bush conjured up an ‘axis of evil’ that included North Korea.

The full-blown idealism often evident at the White House isn’t paralleled in Australian politics. Howard was comfortable with Bush’s decisiveness but less so with the change-the-world rhetoric in his second inaugural speech.

Howard once told Jiang Zemin, ‘I don’t believe in lecturing others any more than we [Australians] like receiving lectures ourselves.’³⁹ Post-Whitlam, idealism wouldn’t have fitted or served the ALP particularly well. Hawke was briefly sentimental about China in the late 1980s, but generally focused on Australian interests and viewed post-Vietnam regional issues, as well as China, as important.

Kevin Rudd, a liberal internationalist, was the first leader of an important power who knew China well, spoke Chinese and had lived in Beijing. This exposed him to the danger of what I call ‘bite your friend’ syndrome.

Someone with a foot in the Chinese cultural camp can be easy prey, expected to deliver for the camp, risking emotional kickback if he doesn't. Taking office in 2007, Rudd was hailed at home as a guaranteed wizard in handling China. But when he spoke Chinese with President Hu Jintao many Australians were irritated. The initial Chinese embrace of Rudd soon led—surprising many—to Chinese demands on Australia. The two nations' cultural and economic relations hit their worst patch since Tiananmen in 1989.

Beijing assailed Canberra for allowing Rebiya Kadeer, exiled Muslim leader of China's Uygurs, into Australia, sabotaged the Melbourne Film Festival for showing a film about her, and tried to stop the National Press Club from having her speak. Photos of dead kangaroos mysteriously appeared on the film festival's website. Beijing reacted angrily when Chinalco was unable to buy a large chunk of Rio Tinto; soon Stern Hu was in a Chinese prison, where he remains. As other problems arose, China demanded that Rudd's Australia 'immediately correct its wrong-doings'.⁴⁰

Soon Canberra published a hawkish Defence White Paper that irked Beijing, and Rudd, lunching with Hillary Clinton, called himself a 'brutal realist' on China and argued for a 'multilateral engagement with bilateral vigour' in China policy. According to the WikiLeaks about the lunch, reported in *The Australian* on 5 December 2010, the Prime Minister said this would integrate China 'effectively into the international community and [allow] it to demonstrate greater responsibility.' But he also spoke of 'preparing to deploy force if everything goes wrong.' Hayden as a former foreign minister didn't approve of Rudd's swing to hawkishness: 'The US does not need inciters but cautionary restraining influences among its friends [and] allies in this part of the world.'⁴¹

Rudd's acts in China policy were quite balanced, but Beijing perhaps expected better from a friend. Moments of instability in Rudd's China policy may have resulted from a liberal internationalist being squeezed between a Chinese embrace and Australian scepticism about a tall poppy whispering in Chinese to Beijing's leaders.

Obama's relations with China were cool by the end of his first term, and they remain so in 2013. With China, stating where you stand seems more productive than trying to please.

Obama may be in danger of experiencing bite-your-friend. Genial on his visit to China in his first year, Obama met no dissidents, didn't insist on taking questions at the Obama-Hu press conference, allowed the joint US-China statement to pontificate about India and South Asia, and didn't attend church. Asking little from Hu Jintao, he apparently got close to nothing. The next month in Copenhagen, Premier Wen Jiabao, a man normally as polite as Obama, was tough with him, some say rude to him. Obama's relations with China were cool by the end of his first term, and they remain so in 2013. With China, stating where you stand seems more productive than trying to please.

Waller, travelling with Whitlam in 1973, thought the Prime Minister overly bedazzled by China:

I'd known Chou En-lai [Zhou Enlai] reasonably well in Chungking ... and I thought [in 1973] he had become very set in his ways ... But Whitlam and Chou got on. He was fascinated by Chou ... The interviews rolled on, with Chou doing most of the talking and Whitlam asking the occasional query ... Whitlam told me he had decided that Mao was the towering figure of the 20th century. When I queried this, he was prepared to admit that Roosevelt and perhaps Churchill were important figures but he still thought Mao had done more than any of them.⁴²

There's no evidence that Beijing's policy is swayed by foreign enthusiasm, although in the years of socialist solidarity, praise of Mao may have sweetened loan terms for Albania or Vietnam.

Fraser was semi-realpolitik, rebuking Whitlam's 'neglect of power realities'.⁴³ Yet Fraser's critics doubted whether Australian interests really required opposition to the Soviet Union, except on Afghanistan. Nixon's positions on China and the Soviet Union were not only ideological (otherwise he couldn't draw close to communist China) but also dictated by Moscow's opposition to American interests on various continents. Congress, Carter and Nixon ended up protecting Taiwan with a mixture of realpolitik (Mao's deal with Nixon over Taiwan and the Soviet Union threat) and liberal internationalism (Congress's buttress for small friend Taiwan in the Taiwan Relations Act of 1979).

China's an especially tough nut for liberal internationalists to crack because outside persuasion is less effective than it is with smaller and less complex powers, and because China's own realpolitik is seldom grasped by foreigners.

We must concede that in 1971–72 getting over the fear of China involved condescension towards a relatively weak China. The task was to coax a smile from an exotic dragon, but the dragon had little capacity to veto Western plans in Asia. Today, China's power and behaviour are a stiffer challenge. China's an especially tough nut for liberal internationalists to crack because outside persuasion is less effective than it is with smaller and less complex powers, and because China's own realpolitik is seldom grasped by foreigners. Moreover, Beijing is philosophically distant from the Westphalian system of sovereign nation-states, having been burned by a concert of Western powers during the Qing Dynasty.

Howard illustrated 'bite your friend' by negative example. He was wary of China when elected in 1996, and his strong criticism of Chinese naval threats in the Taiwan Strait brought on a 'deep freeze' between Canberra and Beijing.⁴⁴ Soon, however, Howard and Downer began a decade of smooth cooperation with Beijing, bringing good economic and cultural results, despite Howard's closeness to Washington and his meetings with the Dalai Lama. In 1996, Beijing expected little of Howard, but the two sides spoke candidly and discovered that business could be done. Liberal internationalist Rudd faced a challenge with China arguably greater than did realist Howard.

Secrecy

John Holdridge, an aide to Kissinger in the 1970s, explained that zero publicity occurred before Kissinger's initial China trip:

... because Henry said if word of it came out, 'we'd be negotiating our China policy, not with the Chinese but with the *Washington Post* and the *New York Times*.' He felt this would be absolutely unacceptable. It wasn't that we were worried about how people would view [the project] but that [with] advance publicity ... Congress or the press would have been hanging caveats all over, to the point where we couldn't move.⁴⁵

For his part, when meeting Zhou Enlai in Beijing in 1971, Whitlam was plunged into transparency against his expectation and wishes. That every word of the Whitlam–Zhou dialogue was public made the Labor leader a juicy target for McMahon, although it increased the impact of his visit among ordinary Australians.

Alan Renouf wrote, ‘Kissinger’s visit to Beijing was the best-kept secret of modern times.’⁴⁶ But secrecy is usually a mixed blessing. Nixon offended the State Department in July 1971, but its opinion of him was already low so little was lost in slighting Secretary of State Rogers. The President was convinced that any hint of his manoeuvre reaching Taipei would have shot it down in Beijing. He paid a price with McMahon, and a higher price with Chiang Kai-shek and Eisaku Sato, but relationships with all three governments recovered with varying speed. Sato won a Nobel Peace Prize three years later, though it might better have gone to Nixon or Zhou Enlai.

Later, Whitlam himself practised secrecy over the Pine Gap and Nurrungar facilities, in the process undermining his trumpeting of a Zone of Peace in the Indian Ocean.⁴⁷ He also kept the Australian embassy in Washington in the dark in 1973 in asking me to arrange a meeting with Kissinger for Peter Wilenski to win assurance that Nixon would see Whitlam when he visited North America. Whitlam feared that a Nixon refusal would be embarrassing if it reached the media. In both those cases, secrecy was arguably justified.

But Nixon was the last US president to practise major foreign policy deception. In Washington today, secrecy is almost impossible, since the media pounce and technology strengthens the grassroots and weakens elites. Recent incidents suggest that ‘transparency’ has gone too far for the nation’s national interests, as when the *New York Times* published al-Qaeda-related material in 2005 despite a face-to-face plea to the editors from President Bush, as a result prejudicing continuance of the Patriot Act (which Obama now supports).⁴⁸

In relations with China today, the shoe’s on the other foot: secrecy has shrunk in the democracies, but transparency is missing in the Chinese military and in Chinese law (which was clear in the Stern Hu – Rio Tinto case in 2010). Australia’s military chief missed the asymmetry between Canberra and Beijing in an interview with *The Australian* published on 27 December 2012, when he spoke of hoping to pick up the phone and say to his Chinese counterpart, ‘This is what we’re thinking’, or ‘This is the advice we’re thinking of taking to government. What are you doing?’ Such is not the style of the People’s Liberation Army.

Sun Tzu’s *Art of war* exemplifies cultural predilections that have long inclined the Chinese towards secrecy, and the CCP still finds it conducive to both policy and domestic control. Secrecy in a major foreign policy move (as in 1971–72) may sometimes be justified in a democracy, but it’s routine in authoritarian China. Ironically from today’s standpoint, Nixon told Zhou Enlai in 1972 that he preferred to use a Chinese interpreter in their talks because the State Department interpreter couldn’t be trusted to keep secrets. Nevertheless, Chinese society loosens by the year and social media within the PRC will certainly nibble away at Beijing’s walls of secrecy.

Symbol as trap

‘As Labor came to office in 1972 “China” had become a symbol of a broad judgment of the need for change in many areas,’ said Hayden.⁴⁹ ‘I felt part of a movement for social change,’ recalled FitzGerald of the atmosphere when Whitlam chose him for Beijing.⁵⁰ China is often erected as a symbol of a progressive golden age and occasionally, by Americans, a symbol of adverse forces. Japanese helped pioneer China as a symbol in the 18th century, portraying it as giving non-Western meaning to Japan’s own existence. Russia’s thinkers in the same century took China as a symbol of virtue on the ground that the Western Enlightenment esteemed Confucian China and therefore Russia should, too.

Throughout the 1960s and 1970s and since, the left in the West pushed China as a symbol for Western guilt over imperialism (a stance useful to Beijing). In Japan, the left’s struggle against the US alliance in 1960 elevated China as the ‘anti-US,’ and thus as brother to a Japan smothered by the American embrace. Today, China is popular among American intellectuals as a symbol of the West’s decline. Such declinists embrace Martin Jacques’ notion in *When China rules the world* that ‘China’s past is a symbol of the world’s future.’⁵¹

Some erect China as a symbol of a dawning Asian Century, overlooking that Beijing has many tensions, territorial disputes and contradictions with other countries in Asia (more than it has with Europe or the US). Beijing would have a tough time presiding over Asia. The history of China in Asia should give pause to folk welcoming China as a replacement for the US in the Asia–Pacific. China was intermittently an imperial power in East Asia, not least in the climactic Qing Dynasty.

During the Marshall Mission to China in the 1940s, General George Marshall's chief aide wrote home to his wife from Nanjing: 'It seems that for time beyond man's recollection, China has been the desire and design of people outside China. What that has to do with China, as China is today, is another question, but the fact remains that many nations have their eye on this place out here.'⁵² In truth, China isn't a symbol of anything; it's just multifaceted China. It's hazardous to essentialise China into a symbol of guilt, hope or fear.

If we're to choose a context for China's rise, the least distorting may be 'modernising China as a major ingredient in globalisation'. The coincidence of enlightened post-Mao Chinese development policies and growing international economic interdependence is of great historical importance. This actual China is distant from the 'China's past' that Jacques calls the world's future. Refreshingly, China's current renaissance draws on ideas and resources from around the globe and across the political spectrum. China's new civilisation will be one ingredient in globalised evolution, but not its heart.

Hayden, while Foreign Minister, looked back on the limits of the 1972–75 period: 'The realities of China—its problems, its humanity and heart—were elusive commodities. It is now a matter of record, and perhaps a salutary point to note for the future, that some judgment about China in that period was relatively naive and ill-informed.'⁵³ Far from being a symbol of musical chairs among comparable great powers, in scenarios of 'primacy,' 'decline' and 'choosing,' China is an especially complex nation-state often unlike other empires and nations. It must be dealt with as it is, not as we wish it to be.

Tight or loose

The value of the tight ship of China policy under Nixon was proved when strength and unity faltered in the mid-1970s. The Ford administration of 1974–76 achieved nothing on China. Recalled Rodman, 'You had a President come in who didn't have the personal authority or the political authority [of Nixon].' Matters worsened for Ford when Reagan entered Republican primaries for the 1976 election:

It was very difficult for the President or the executive branch to defuse this right-wing unease [over detente] ... It was a complete surprise. If you looked at Nixon's first term, Henry [Kissinger] had been the right-winger. In all the great contests, battles, whether it was Vietnam, Chile or anything, the Cambodian bombing, Henry was the great bloodthirsty type.⁵⁴

Escorting congressional leaders to China as Washington's discipline loosened, Richard Solomon, once Kissinger's aide and later an assistant secretary of state, lamented that 'They were out of control on policy. I remember vividly a dinner at which Zhou En-lai received [one] delegation. Senator Magnuson said to Zhou that he didn't understand why Taiwan shouldn't be independent.' Solomon sighed. 'Al Jenkins [of the US Liaison Office] kicked Magnuson under the table, trying to get him to shut up because it was such a disastrous opinion to articulate.'⁵⁵

Emboldened no doubt by Watergate, Senator Fulbright led a Senate delegation to China and attacked Nixon's Vietnam policy to the Chinese. Said Solomon, 'Fulbright expressed apologies to Premier Zhou for American involvement in the Vietnam War, and when his remarks were cabled back to the White House, Kissinger and others were outraged.' The problem for China policy was severe. 'Zhou En-lai and other senior Chinese officials ... couldn't understand, I think, what Watergate was all about.' Kissinger didn't have to kick leading senators under the dinner table to win restraint, and not many subsequent administrations could in such fashion stop a legislator dissenting on Taiwan while in Beijing.

Rodman concluded:

So a lot of the debate over detente and China policy should be analyzed not on just the intellectual level but as a function of a political climate and institutional breakdown and the weakness of the Presidency ... It was a bizarre, wild environment in which Henry was the target of the right-wing, who decided all of a sudden he was Neville Chamberlain, which would have been a surprise to a lot of people who had been around him for 5 years.

Kissinger soon lost his position as national security adviser; George Bush, hitherto liaison office chief in Beijing, was recalled to Washington to head the CIA; and James Schlesinger, Secretary of Defense, was dismissed. Solomon said the Chinese saw all this as:

... a major coup, or purge, within the Ford Administration. They suddenly panicked, fearing that all their supporters in Washington and those who were taking a hard line against the Soviet Union—Schlesinger in particular—were now on the political outs. In that context, almost overnight, they took the pressure off Kissinger.

But no longer could Beijing expect Ford to cut the formal tie with Taiwan. In the event, full diplomatic relations would not occur in Mao's lifetime or during Ford's administration. Reagan regained the unity in China policymaking that Nixon had achieved and Ford and Carter had lost, but only after replacing Haig with Shultz as Secretary of State.

Australia's main problem for diplomats at China posts for years was getting Canberra's attention to their cables. Waller said of serving in Australia's first-ever post in China:

Canberra showed no sign of interest in Chongqing. Eggleston complained bitterly that, although he sent reports and suggestions and queries, he never received any reply. Indeed he sent one message which said corresponding with Canberra was like dealing with an 'unechoing void' ... One had the impression that Canberra read one's reports with interest and sometimes with a bit of awe, but never felt any great obligation to do anything about them ... China was really only a symbolic element in our policies at that stage.⁵⁶

Canberra became immensely more attentive to China messages by the time of Hawke, Howard and Rudd. Cabinet squabbles over China were fairly rare.

Dunn as ambassador in Taiwan during the early 1970s took an initiative as Whitlam breathed down McMahon's neck: 'I suggested we might reduce our representation in Taiwan, step by step and at a timing of our own *and nobody else's choosing* [italics added], until we had only a trade office of some sort at work in the Province of Taiwan ... Canberra did not reply in writing to these suggestions.'⁵⁷ Happily, Canberra became immensely more attentive to China messages by the time of Hawke, Howard and Rudd. Cabinet squabbles over China were fairly rare.

Australia's first ambassador to the PRC ran a tight ship of a singular nature. 'The foreign ministry was opposed to my appointment ... with Waller leading the way,' FitzGerald said. Once in Beijing, the young ambassador faced constant sniping and wasn't permitted a number two 'senior to myself' for the embassy. Lacking much access to Chinese officials, he conducted the embassy as a 'research seminar', using his young Chinese-speaking staff 'for an intellectual challenge'. When Whitlam fell and FitzGerald left Beijing, he expected to become the first head of the China Council. But he complained that Coalition figures preferred 'one of us' for that post and Geoffrey Blainey was named. 'One of us', of course, was just what had made FitzGerald Whitlam's choice of ambassador in 1972. 'We were not a conventional embassy,' FitzGerald correctly summed up of his tenure.⁵⁸

Universal values?

Nixon did not try to align US values and Chinese values, although before taking office he had said:

The world cannot be safe until China changes. Thus our aim should be to induce change; to persuade China that it cannot satisfy its imperial ambitions and that its own national interest requires a turning away from foreign adventures and a turning inward toward the solution of its own domestic problems.⁵⁹

Later, Nixon dropped this moralism for geopolitical reasons. 'You believe deeply in your system and we believe just as deeply in our system,' a new Nixon told Zhou Enlai in a dinner toast in 1972. 'It is not our common beliefs that have brought us here, but our common interests.'

Subsequent presidents often showed less respect for Chinese values than did Nixon. Bush's second inaugural speech in 2004 got close to saying that the US is the source-spring of universal values:

It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture ... America will not pretend that jailed dissidents prefer their chains, or that women welcome humiliation and servitude or that any human being aspires to live at the mercy of bullies.

Washington has sometimes found it difficult to pin down how, when and where such 'support' can be given successfully.

Nixon didn't 'give in' to China in 1972, as critics in his party said. He found overlapping common interests with China. He was 'playing the piano', as Mao put it. 'When you play the piano, use all ten fingers,' Mao said, in telling colleagues to be eclectic in decision-making. 'It will not do to move some fingers only and not others ... To produce good music, the ten fingers should move rhythmically and in coordination.' Nixon did this in China policy by warming to a communist regime without cancelling his own anticommunism. He had to use various fingers in order to please most Republicans and most Democrats, as he did.

Today, public opinion and media demand that human rights be included in Australian and American foreign policy interests. Nixon was wrong (in the long run) in his toast to Zhou to imply that beliefs lie outside interests. Hillary Clinton less excusably made the same mistake when visiting China as Secretary of State in 2009: 'Issues such as Tibet, Taiwan and human rights ... can't interfere with the global economic crisis, the global climate change crisis, and the security crisis.' The issue of freedom is not an 'interference' with the West's agenda of interests. Human rights pertains to the political system of China, and it's that system that permits or denies foreign access to the Chinese market, permits or obstructs media and cultural exchanges with China on an equal basis, and allows or refuses consular access to an Australian alleged to be a spy.

Smith found Howard and Downer cautious on China and human rights. 'They would say, "You know of course about our concerns on this matter. We hope we'll see progress in that area," then leave it at that.' Washington and Canberra sometimes disagreed. Downer felt UN resolutions on human rights had achieved no results over many years and told Washington that Australia wouldn't co-sponsor the next resolution. 'Madeleine Albright phoned Downer, furious,' Smith recalls. 'We would pass over to the Chinese lists of human rights cases we were concerned about, which they refused to accept.' However, Smith noticed that Beijing officials retained a copy.⁶⁰

Aaron Friedberg cautions in a letter:

In the end, realism is 'un-American,' in the sense that it doesn't accord with the widely prevailing view that it is possible to judge a regime (and, to a certain extent predict its behavior) by its internal organizing principles. Kissinger and Nixon were exceptions and, to their great frustration, they didn't make much progress in winning the American people over to their view.

Australians tend toward realism. Still, they can't complain that recent US China policy has been overbearing towards Beijing.

China's place in Asia policy

Did the 1971–72 openings set a pattern in Asia policy as a whole for Canberra and Washington? China was the centrepiece for Whitlam's foreign policy, but he was globally minded, interested in the Baltic and Africa as well as China, as was Fraser. Whitlam's regional focus was heavily through a Vietnam lens, and Labor's anti-Vietnam War stance did not capture the whole story of that suffering land. Waller recalled the period of Diem's assassination (1963) as he weighed Australian interests in Asia: 'If North Vietnam had taken over the South, then Indonesia's Confrontation with Malaysia would have created a very different situation ... very much for the worse as far as we were concerned.'⁶¹

Still, Whitlam and other Labor figures *believed* that the China policy of 1972 would bring a new Asia policy. 'Our interest in the region [after 1972],' wrote Hayden, 'was now seen as a genuine interest in neighbours of equal standing rather than as a reflection of concern about a strategic concept of regional stability.'⁶² This seemed a veiled rejection of balance of power and even stability. Fraser strongly continued Whitlam's stress on China, yet China policy under him still lacked integration with Asia policy as a whole. If Whitlam was in awe of China, Fraser was obsessed with the Soviet Union. One power probably shouldn't dominate the architecture of Asia policy.

Comparisons with the US evoke 1982–83, when Reagan replaced Al Haig with George Shultz as Secretary of State. Shultz had a less expansive view of China's capacity to balance Moscow than Haig (or Kissinger). He felt China needed the US more than the US needed China. He spoke of China's important 'regional role' but reserved the term 'strategic' for Washington's relationship with Japan.

There was definitely an atmosphere in the US government as long as Kissinger was running the show that basically in dealing with China you looked at the big picture and the strategic relationship, don't bother with details.

Diplomat Donald Anderson, who was Country Director for China at the State Department in the Reagan period, explained that 'There was definitely an atmosphere in the US government as long as Kissinger was running the show that basically in dealing with China you looked at the big picture and the strategic relationship, don't bother with details.' This attitude, said Anderson, 'led a lot of people to feeling we were giving away things that we didn't need to give to China. If the Chinese said, "We want this," in terms of a negotiation, the inclination was to say, "Okay," rather than have a show-down.'⁶³

Anderson said of the situation after Shultz arrived: 'We had a tougher bunch than we did in [earlier] days and there was less empathy with the Chinese. [Assistant Secretary of State] Paul Wolfowitz was more interested in other issues, and he didn't see why we were pandering to the Chinese.'

During the 1980s the US gave more weight to Japan and greatly improved relations with Taiwan, getting Taiwan seated in the Asian Development Bank alongside Beijing, which was already a member. But Reagan also achieved successful relations with Beijing. James Lilley, later ambassador in Beijing, said of the period after Haig left, 'I would later look at the period from 1983 to 1988 as 'Golden Years' in terms of China policy.'⁶⁴

Nixon and Kissinger had felt in urgent need of China's support to cope with the Soviet Union. Reagan and Shultz saw no such imperative. They believed that in China, as in the Soviet Union, communism was ultimately a passing phase, while the US under a free system would go from strength to strength. This wasn't only a departure from Nixon's Machiavellianism, but a rejection of the doubts about Western capitalism's future held by earlier generations of China specialists. Shultz, who was Labor Secretary and Treasury Secretary before running the State Department, said of dealings with China, 'I am convinced that in international relations, as in labor relations, the road to a bad relationship is to place too much emphasis on the relationship for its own sake.'⁶⁵

The Reagan architecture held up only intermittently in later years. Clinton caught its spirit in his attention to APEC, but strayed from it on his 1998 trip to China, slighting Japan and treating China with kid gloves. Bush II intended to push for a new regional grouping in the Asia-Pacific centred on the democracies, but was derailed by 9/11. Instead, China was made a symbol of alleged cooperation in the struggle against terrorism. Obama's 'pivot' seems awkward on some grounds, but it could lead to an Asia-wide policy that puts Japan, India and Australia heavily into the picture, with China central but not necessarily the *raison d'être*.

The Howard-Downer years proved that a robust alliance with Washington was compatible with the closest ties, taken together, that Canberra ever had with Beijing, Tokyo, Delhi and Jakarta. Asia policy had come a good distance since Whitlam and Fraser. It would seem wise for Australian policy to keep these four Asian capitals in joint focus and to accept that three of them are at least as important to Washington as to Canberra.

Downer claims:

Under Keating it was as if we were going desperately begging to China—in our own neighbourhood—as if we had to re-position ourselves first [before dealing with Asia]. With the Howard government it was *all about Australia* ... [A] great foreign policy achievement was to maintain the US alliance and also build a strong relationship with China.⁶⁶

Southeast Asia is Australia's real home and Indonesia must be central to Canberra's Asia policy in a way not true for Washington.

Australia offers no parallel to the Haig-Shultz dichotomy, and 'China versus Japan' as a priority is less acute for Canberra than for Washington. Southeast Asia is Australia's real home and Indonesia must be central to Canberra's Asia policy in a way not true for Washington. Asia policy should aim for a balance of power favourable to growth and freedom, and Canberra's dealings with all five major powers should reflect that goal.

Do we need experts?

China expertise is helpful to China policy, but not always necessary. Some China specialists played a role in Whitlam's move, as much because they were part of his left of centre camp as because they were Sinologists. A 'Committee for a New China Policy' urged Canberra to switch relations from Taiwan to Beijing with an appeal drafted by FitzGerald and me. 'The China question is at the centre of recent changes in world politics,' we wrote cautiously, 'described by President Nixon as essentially a change from confrontation to negotiation.' Without moral flourishes we argued that 'If we recognise Beijing, whatever may be the hopes or fears of the Australian government or of individual Australians regarding future Chinese policies, we will be in contact with the main streams

influencing the Chinese people and in a position to make wiser and more informed judgments.’ These passages suggest how modest the case for recognition was in Australia compared with the convoluted debates in the US.

In the US, Sinologists, nearly all doves, didn’t share Nixon’s political views and had no input in his opening (but they happily embroidered Nixon’s trip for American public opinion). Sinology doves, although generally praising Nixon after the event, had failed to discern the geopolitical opportunity of the late 1960s. Kissinger and Nixon saw points of leverage with Beijing, missed by the Kennedy and Johnson administrations, *because* these Republicans didn’t rely on China experts. Nixon consulted de Gaulle, Adenauer and Ceausescu; Kissinger disdained area specialty, preferring the ‘big strategic picture’. It galled the intellectuals that Nixon won power as a result of a Democratic administration’s failure in Vietnam.

Nixon continued to avoid using China specialists by allowing Kissinger to dominate policy and later choosing as the first two heads of the liaison office in Beijing a Republican politician (the future President Bush) and a senior Europeanist diplomat (and Democrat), David Bruce.

Kissinger would ask friendly Sinologues, ‘What should we talk to the Chinese about?’ As a starting point, it was superior to the China specialists’ agenda of blocked assets, UN seats, cultural exchanges and so on. Dunn observed that in a crisis a statesman needs to be ‘realistic and skilful enough to know that some way out had be left for his opponents.’⁶⁷ In dealing with the Chinese, Kissinger understood this.

Kissinger told me that two kinds of folk opposed what Nixon was doing on China in 1971–72: ‘People who feel we should be loyal to Chiang Kai-shek, and people who say we shouldn’t upset the Russians.’ Kissinger himself was enthusiastic for the China opening exactly because he had no background of commitment to Chiang and he *wanted* to ‘upset’ the Russians. The intellectuals who were worried about Nixon’s opening were specialists focused on Chiang’s regime and Soviet specialists—all area studies types.

Later points of leverage in China policy—the ‘Third Wave’ march of democracy, World Trade Organization (WTO) membership and obligations, the rise of India, environment issues—seldom came from China specialists because fresh points of leverage almost by definition arise from outside China realities. Recalled Dunn:

The Sinologues indulged in a sort of archaeological approach to political interpretation: firm facts were often hard to establish in China, and they would take one or two scraps of information and, on the basis of their background knowledge, devise an ingenious theory about current events—as archaeologists might envisage a statue after finding a nose or an elbow.⁶⁸

To a non-Sinologue eye, strategic opportunity was obscured in the process.

In the small world of the 1970s, FitzGerald’s unconventional ways were probably unavoidable, and some of his successors did acknowledge that he built a strong foundation for Australia in Beijing.⁶⁹ Later, handling the embassy in Beijing necessarily became routinised as the relationship grew thicker. A cult of the ambassador as ‘Mr China’ for Australians was no longer required or permissible. A recent ambassador, Geoff Raby, boldly said in 2011: ‘Many examples can be found of people who speak Mandarin to a high level but who do not understand how China works ... They may have learnt their Chinese shut up in their study reading the *Analects*.’⁷⁰ This could have referred to the Australian Foreign Minister at the time of the remark, to a previous ambassador, or to others.

In the Howard years, envoys generally weren’t China specialists and this suited the government’s style. ‘Howard was not preachy with the Chinese, he was practical,’ recalled Smith:

Howard and Downer wanted a business-like relationship, not pretending China and Australia are alike. That plus trust became the themes. They would talk nuts and bolts, not just the big picture. They wanted runs on the board. The Chinese would have preferred the Australian side not keep saying, ‘We have different values, different history’ and just get to the bottom line, ‘We can do business’, but they accepted it.

Money is abundant on the China side, as it once seemed on the US side, and resulting corruption among Western academics and journalists is not unknown.

Today, the challenges for China specialists have changed greatly. Money is abundant on the China side, as it once seemed on the US side, and resulting corruption among Western academics and journalists is not unknown. Beijing has joined the fray with culture as well as money. Confucian Institutes follow a path blazed by the British Council and Alliance Française. At the Third World Conference on Sinology in Beijing in 2012, a passionate exchange on Confucian Institutes occurred. An Australian Sinologist (not me) expressed the opinion that the institutes weren't scholarly and were essentially a form of propaganda. A Chinese Government spokesman reacted with raised voice: 'You foreign scholars don't have to come here and accept our money if you think we are just propagandists!'

China experts have been in secular decline, as businessmen and journalists resident in Beijing, Shanghai and other cities catch up with academics and surpass them in experience in China. Technology has also rendered aspects of embassy Sinological work obsolete. With young Westerners in tens of thousands flocking to China in a spirit of adventure, NGOs, businesses, embassies, law firms and media companies employ a new generation of China experts 'off the street'. These folk may be less malleable from Beijing's point of view than old-school Sinologists.

China expertise will always be valuable, not in China policy directly, but to illuminate issues within China that affect our relations with Beijing: the mentality of China's several hundred million teenagers; how economic development affects, or doesn't affect, Muslim religious commitment and Tibet's sense of identity; the unique achievement of the Chinese party-state in coopting business and intellectuals; the startling demographics of China's ageing. Such issues do require knowledge of Chinese language, history and culture.

CHAPTER 3

Outlook

China's political system

China's economic advance is staggering and many benefit from it. Annual China–US trade and China–Australia trade together will soon approach a trillion dollars (even the American deficit with China is above \$300 billion a year). The political system has much improved since Mao's death, especially in the institutionalisation of appointments and retirements and the depoliticisation of punishments for public office-holders. And yet a question mark hangs over Chinese politics: are economic freedom (substantial) and political freedom (negligible) separable for endless decades in a rapidly developing society?

Deng Xiaoping rejected Marxism from the late 1970s but clung to Leninism, expressed in his Four Principles stating that Communist Party rule and socialist doctrine are unchallengeable in China (this was ignored by *Time* magazine, which twice put Deng on the cover as a cuddly capitalist). Subsequent Chinese leaders have talked less of the Leninist Four Principles and made tentative steps towards an implicitly post-Leninist Chinese state. But they don't say how to reach a 'Harmonious Society' (Hu Jintao's baby) or the 'Three Represents' (Jiang Zemin's idea of an updated non-class Communist Party) from today's political system. In the aftermath of major economic and social reform, is the CCP approaching a tipping point where Leninism is smoothly dissolved by modernity's institutionalism, the CCP yields its monopoly, and China enters a golden age of political pluralism, social stability and prosperity? Alternatively, will the tipping point away from the Four Principles bring a ding-dong battle between politics and socioeconomics?

It's often assumed that if the CCP keeps going with 'reform' a mysterious process will be completed ('transition' is the loaded term), political authoritarianism will be gone and democracy may wait at the door. Some post-Mao leaders view reform as open-ended and decline to describe a destination, but most believe that reform's aim is to streamline the existing system. Of course, fixing a political system willy-nilly can unintentionally undermine that system, as the Qing Dynasty found out in the 1890s and Gorbachev did in the 1980s. 'If reform of the concentration of state power can succeed,' said Chen Yizi, a former Beijing think tank researcher now in exile, 'then a centrally planned economy can also be successful, and consequently, it will not be necessary to reform.' We face unknowns and can only observe that no Leninist party-state has so far sustained itself in power after abandoning its domination of the economy, and no dynasty or subsequent regime in China's long history ever gave up power without violence.

One day in the future, an equal relation between a democratic China and the US could well be a highly valuable economic, political and security relationship for all affected. Getting there from today, however, presents many uncertainties, especially on the Chinese side, and can't be envisaged at present. Many desirable things in the West's relationships with China, in economic, cultural and international cooperation areas, are widely judged to await political liberalisation in Beijing. Nixon, Whitlam and Kissinger didn't have to weigh this consideration as they laid the foundation for relations with China.

There are three possibilities for China's hybrid system. One is that the Chinese political system is *not* in 'transition'. What we see is what we'll continue to see: a Beijing model of no-nonsense authoritarianism and economic development that mixes Leninism and consumerism and wins lasting tacit public support. A certain plateau has been reached, and a bright new chapter will be added to the rocky history of world communism. Many experienced analysts expect this scenario. For the US and Australia it would mean the magnification of China's contribution to our prosperity, but continuing asymmetry in cultural, legal and military relations with an authoritarian PRC.

A fractured China would be a considerable change from today's feared, admired and influential China, and possibly a danger to regional stability.

A second scenario sees the contradictions of today lead to fracture: huge China proves unable to move away from Leninism while remaining in one piece. This, of course, is what rapidly occurred in different ways when Leninism ended in the Soviet Union, Yugoslavia and Czechoslovakia. Such an eventuality isn't foreseeable at present; nor would it determine the future governance of the 'pieces'. For China policy, this twist would bring new challenges no easier than we face today. China's unity and viability as a state are in the interests of the US and Australia. Oceans separate us, which isn't true for Russia and Japan, both of which have meddled in China when it was in trouble. A fractured China would be a considerable change from today's feared, admired and influential China, and possibly a danger to regional stability.

In a third scenario—the most likely of the three over the next 20 years—the momentum of the new urban economy and society frighten the party-state into accepting political pluralism for the sake of China's unity and prosperity. Such an evolution could conceivably be peaceful and lead to a form of democracy, as in South Korea, Taiwan or Singapore. But it can't be denied that such a step away from today's viable system is bound to be risky and turbulent. For the US and Australia, this outcome might interrupt effective dealings with a domestically focused China. But Australia has experience of handling ups and downs in the case of Indonesia, from the Suharto era to a democratic Indonesia that we're growing closer to. With China in the longer term, regardless of political storms in the foreground, the remarkable economic and social development of the post-Mao decades will endure to favour strong relations between China and the West.

China's nature as a power in Asia

Asia isn't a political community like Europe and even its future shape as a 'region' is uncertain. Abstract and ideological facets of 'Asia' are evident in India's self-image and Japan's handling of 'Asian studies'. An Indian scholar said that only when the British came did Indians learn they were Asians.⁷¹ For Japan, Asia was defined as the place where European powers were ruling the roost, or later where anticolonial movements stirred. Japan's first use of the word 'China' likewise reflected ideology. China was seen as providing a non-Western self-understanding for Japan. If the Europeans defined Asia as where their colonies were, dynastic China, Sun Yat-sen's republic and militarist Japan successively mooted a pan-Asianism led from Beijing or Tokyo. Maybe these distortions of Asia are over and maybe not.

The current situation of Taiwan echoes a long tradition of China tolerating and benefiting from intrusive foreign arrangements. To go back only two centuries, Europe-led treaty ports in the 19th century became engines of China's initial modernisation, and Britain led Hong Kong to prosperity before Beijing took it back. Taiwan, temporarily outside the fold as Beijing sees it, nevertheless leads a separate life as the world's 16th largest economy (not far below Australia, the 12th), even as Beijing's nightly TV news calmly treats Taiwan as a province of the PRC.

Some glimpse an Asian future in which China may find globalisation, not Chinese nationalism, to be the chief context. If globalisation fuelled by technology and communications roars ahead, Asia's nationalisms may be largely transcended. But if globalisation stalls Asia is prone by its complexity to Balkanisation, as Kevin Rudd reminded us in *Foreign Policy* magazine in January 2013.

China's problems with neighbours (half a dozen) exceed those of Russia (with a couple) or the US (with only Cuba). Many of these problems are encrusted with a history of Chinese imperialism and the PRC's triple origin as nation, empire and civilisation. Both Vietnam and Korea were attacked and occupied by Chinese dynasties. Indonesia, Malaysia and others experienced social challenges as well as cultural enrichment from influxes of Chinese. Thailand's concern with China in the late Qing was overwhelmingly demographic.

In the face of modern China's triple character as civilisation, empire and nation-state, it's a mistake to isolate any one of those traits from the other two. The 'realm of China' under various dynasties and today's globalisation has similarities that qualify the idea of national sovereignty. Several of China's major dynasties were virtual international frameworks, and Chinese people ebbed and flowed beyond the reach of the emperor. China as a nation-state isn't a simple picture. Asians tend to grasp this complex nature of China because they experienced China as civilisation and empire before it became an emerging nation-state. China's imperial shadow is not a major problem for Australia—still less for the US—but it will be for Laos, Cambodia, Burma, and even Vietnam and the Koreans.

Samuel Huntington said that the Soviet Union and the US too weren't standard-issue nation-states, being unusual and alike in that each 'defined itself in terms of an ideology'. In his last years, the Harvard professor worried that America lacked a common culture to fall back on should ideology falter and enemies be absent: 'If multiculturalism prevails and if the consensus on liberal democracy disintegrates, the US could join the Soviet Union on the ash heap of history.'⁷² Here, China is better off. Should the creed of communism continue to fray and even disappear, the PRC still has civilisation and empire to define itself. But that would be mixed news for China's neighbours, such as Burma and Cambodia, which remember being asked to welcome Maoism when Chinese Red Guards in the 1960s surged to Rangoon, Phnom Penh and elsewhere.

Region and alliance tomorrow

'Australia is a country for which the external environment is largely given,' Stewart Firth wrote in *Australia in international politics* in 1999. 'That is why responses loom so large in Australian foreign policy.' Yet Australia is less helpless than most countries. A nation with a huge continent to itself isn't presented with numerous givens, and even a superpower faces some (Bush's presidency was transformed by 9/11; Obama had little inkling of Egypt's eruption). Only slowly has Australia learned to use its power to initiate and not merely respond.

In Australia's China policy, opportunity (economic) exists alongside wariness (national security). To be sure, the converse is also true: some see dangers in the economy sphere (overdependence on a single market) and opportunities in the security realm (China as a stakeholder in future regional architecture could offer stability in Australia's environment). Of course, if dangers should recede, reduced urgency in the US alliance would be natural.

The post-Cold War situation in the Asia-Pacific is less changed and clear-cut than in Europe, and Australia's security environment hasn't changed for the better. Europe saw a vast reduction in military arsenals and spending; the Asia-Pacific sees the opposite. In Europe, nations departed and new ones appeared, but not in Asia. Germany's division ended, but Korea's hasn't and China's not fully. The European Union swelled with new democracies, but not Asia. During the Bush II presidency, Middle East ructions diverted attention from East Asian realities, including territorial and maritime disputes, but they endure with a vengeance.

Is the alliance still an all-encompassing asset, as it seemed to Menzies, Howard and others? Not in supplying answers to almost every foreign policy issue. Former foreign minister Andrew Peacock remarked about getting

off a plane to face reporters' questions, 'In the Cold War you always knew what the answer was.'⁷³ But the alliance remains our ultimate guarantee and a signal to the world not to mess with Australia. Post-Soviet Union, the diffusion of the alliance's sphere of application and influence has made it a *changed* asset.

The region–alliance link was illustrated in the East Timor crisis in 1999, when Washington agreed to lend muscle–power to an ANZUS ally's local initiative. A recent modest example is the first trilateral exercise among the US, Australian and Indonesian armed forces on humanitarian relief and disaster response. If America shrinks in Asia, Australia would face regional uncertainties, including worsening Japan–China relations. The clauses of ANZUS are less important than the overall health of American leadership in the world and Canberra's ability to keep the partnership desirable to Washington. From its beginnings, Percy Spender saw ANZUS as part of a regional architecture, but only much later has it become imperative to make it so.

What Washington does or doesn't do with Japan, China, Europe and others is a substantial part of the benefits and risks of the alliance and a less clear-cut variable than it was before 1991. Beijing pays close attention to ANZUS because both Australia and the US are now influential in China's own region, and because Beijing must assess ANZUS alongside Washington's alliances with Japan, South Korea and others.

'The Chinese were particularly interested in us because we're an American ally,' recalled Alan Thomas of his ambassadorship in Beijing. 'They think we're passing messages to the Americans when they talk to us or they're hearing what we know of American things [and] can explain it better than they do ... they were always very conscious that we were an American ally.'

Thomas denied that this made his task difficult because ANZUS never ranked in anxiety for Beijing alongside issues of domestic control and sovereignty. 'The Chinese really only ever cared about three things and that was Taiwan, the Falun Gong and Tibet over the Dalai Lama ... Our agenda had probably 40 items on it over the years I was there ... the Chinese really only ever pushed on these three purely political things.'⁷⁴

But Downer recalls that 'The Chinese would tell me alliances are things from the past. I would answer that the US alliance is built into Australians, it's part of our DNA. Be relaxed about it. I expect you to respect that as we respect that you have your friends.' Of course, the way that message is spoken matters and it ought not be 'in the Chinese face'. As Geoff Raby said of a later period, 'We didn't have to be cheerleaders for the American pivot' to make the point of our alliance with Washington.

Hugh White says that Vietnam's new closeness to Washington means nothing because Hanoi would not fight alongside the US in the Taiwan Strait. This ignores the political weight that closeness brings. Is Venezuela–China rapport a concern for Washington only if Hugo Chavez and Xi Jinping discussed joint defence in the event of a US attack on Venezuela? Partnerships yield multiple benefits beyond a pledge to defend each other. In 1971, Beijing did not ask, nor did Washington explicitly offer, US defence of China should Moscow attack, although only two years earlier the two communist giants had fought on their border. Absence of a US pledge to defend China didn't diminish the benefits to both sides of the tacit Nixon–Mao alignment, or weaken its impact on Moscow.

Some worry that should the US–China relationship cool, while Australia remained close to China, Canberra's alliance with Washington would be threatened. Not necessarily. Beijing has an agenda with Australia beyond hoping for an end to ANZUS, and Canberra is well placed to decline future Chinese requests (for example, to expel US facilities from Australian soil). Still, Australians have to be alert to a possible recurrence of US gyrations on China. 'Even the Obama Administration is more suspicious of China than I've ever been,' says Downer. 'As a student of geopolitics I can't see how China's going to be a threat to America, or to us, even to Japan.'

Should the US become ideologically militant towards China, it would be within Australia's interests, rights and capacity to urge realism on Washington.

Should the US become ideologically militant towards China, it would be within Australia's interests, rights and capacity to urge realism on Washington. At any point in time, Canberra's success in urging restraint (or backbone!) on Washington would depend on the health of ANZUS. Menzies was able to resist Washington's pressure to stop selling wheat to China and to open an Australian embassy in Taipei because he was staunch on ANZUS (even on SEATO). Another strong Australian Government, Hawke's, was effective in limiting the damage with Washington over the New Zealand – ANZUS crisis in 1984. Of course, a weak and divided Australian Government facing electoral disaster can't persuade either Washington or Beijing of much.

Washington has sometimes used Canberra to influence US–China relations. After a difficult visit to Washington by Zhu Rongji in 1999, Clinton asked Howard to 'tell the Chinese America really wanted them in the WTO'. The President said to the Prime Minister, 'They will listen to you because you get on well with them.' Howard tracked then-premier Zhu down in London to press the point.⁷⁵ The US and China steadied the ship and Beijing entered the WTO in 2001.

Unfortunately, some who favour distancing Australia from the US haven't told us how an Australia–China security partnership would function, whether it would enhance Canberra's independence or shrink it, and how alignment with Beijing would go down with Indonesia and other Australian friends in the region. A pro-China position adopted for cultural or emotional anti-US reasons would of course not be in Australia's national interests. Downer is sceptical of the entire revisionist position: 'The Southeast Asians would think Australians were out of their minds if they transferred priority from Washington to Beijing. This idea is born out of a sense of hostility to America more than from any sense of geopolitics in the Asia–Pacific.'

Beijing calls US treaties with Asia–Pacific partners 'relics of the Cold War'. They are; so is Beijing's security treaty with North Korea. But the Cold War wasn't a mere nasty policy now due for the trash can. It was a serious power stand-off between blocs led by the US and the Soviet Union. Both Washington and Beijing see a power stand-off looming between them in the Asia–Pacific (which in no way likens the PRC to the Soviet Union). The major question is whether it can be handled peacefully, as the US – Soviet Union relationship was (albeit in nerve-wracking fashion). Because China and the US are far apart across the Pacific, geopolitics favours a peaceful balance, rather than conflict, between them.

The outcome lies with three issues: Will China's economic success continue? How swift is US decline? How would Asia–Pacific nations react if China did eclipse the US?

This essay concludes that China's growth will slow down, that American resilience is being widely underestimated, and that resistance to Beijing presiding over the Asia–Pacific would be robust. The Chinese civilian leadership, which has so far shied away from broad international responsibilities, probably understands all three points. 'China has never looked to lead the world,' said well-connected Chinese Academy of Social Sciences researcher Liu Yuhui, 'It only follows a trend of development.'

While some Australians may view China as the new America to lead the Asia-Pacific, China has a less dramatic view of Australia. We're useful but not indispensable to Beijing, and less politically important to it than China is to us. Shared experiences haven't brought us to this moment of economic partnership, and the Chinese owe us no guiding loyalty. Nor should Australian (or US) policies aim to change China; that will happen largely through the internal dynamics of China.

Nothing in international relations is eternal (and that goes for American leadership), but stable implicit systems shouldn't be thrown overboard too hastily. Charles Hill's claim is persuasive: 'The idea of open expression and open trade is the American way of seeing the world improve itself in the future. If America is not going to [push] that, nobody else is going to.'⁷⁶

In a world without the Soviet Union, the US and its many allies don't lack the power to hold China in peaceful balance, if they have the will.

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ACRONYMS AND ABBREVIATIONS

ANZUS	Australia, New Zealand, United States
APEC	Asia–Pacific Economic Cooperation
CCP	Chinese Communist Party
NGO	non-government organisation
PRC	People’s Republic of China
SEATO	South East Asia Treaty Organization
WTO	World Trade Organization

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Facing the dragon

China policy in a new era

The Asia-Pacific prospers but anxieties exist. Awe at China's economic muscle is mixed with disquiet at Beijing's assertive style. Forty years ago, both President Nixon and Prime Minister Whitlam inherited a China policy frozen for two decades because of the Chinese Revolution of 1949, the Korean War and the Vietnam War. But each leader achieved a fresh context for China policy in the 1970s. With the common threat of the Soviet Union, Washington judged it more profitable to deal with China than to keep the Bamboo Curtain in place. For Canberra, it was time to face the importance of the People's Republic of China for an overall Asia policy.

The Asia-Pacific has seen enormous economic and political change since the 1970s, yet many issues in Canberra's and Washington's current dealings with Beijing echo the deliberations of 1971-72 when relations with the PRC began: the relative claims of prosperity and security in foreign policy; benefits and risks of alliances; triangular diplomacy; handling the conflicting pressures of globalisation and nationalism; demands for universal human rights in a region of proud nation-states.

Dealing with China brings into play American idealism and Australian pragmatism, and also differences between liberal and realist camps in both countries. It remains a challenge to grasp ambiguities in China's position in Asia due to its dynastic past and huge geographic reach, and to align China policy with policies towards Japan, Indonesia and other powers.

Factors shaping future China policy include the Chinese political system's efforts to cope with China's new society and economy, whether the US has the capacity and will to lead in tomorrow's Asia-Pacific, the degree to which Australia's economy continues to depend on resources exports, the course of Tokyo-Beijing relations, and Australia's need to juggle the claims of alliance and region.

China is ambitious in its goals but often prudent in its methods. Between the poles of Beijing and the US seeing each other as a 'threat' and the setting up of a China-US condominium of world leadership, a possibility exists for a peaceful, unorchestrated China-US competition that offers breathing room for Asia's further progress.

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