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THE UNITED STATES VS CHINA-RUSSIA ENTENTE

2022 John Bonython Lecture

John Bolton

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The United States vs China-Russia Entente

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Foreword

Since the 1980s, the Centre for Independent Studies has invited a world-acclaimed scholar, journalist or former policymaker to deliver our annual keynote lecture named for John Bonython, the first chairman of CIS's Board of Trustees, who passed away in 1992.

This year's John Bonython lecturer was John Bolton, a leading foreign-policy figure in Washington, who has served in every Republican administration since the Reagan era. Among other official positions, John has served as US ambassador to the United Nations in the George W. Bush administration and national security adviser to president Donald Trump. John is also author of several prominent books, including *The Room Where It Happened: A White House Memoir*.

Our invitation to John provoked widespread interest. After all, his temperament is the antithesis of the conventional diplomat. He is also a man of extraordinarily strong views. And as he reminded major news outlets during his August 2022 trip, John is intellectually intense and driven — and not someone you go to for small talk! Which, of course, helps explain why he has been such a great critic of the United Nations.

After we worked together at the Washington-based American Enterprise Institute 25 years ago, I commissioned and published John regularly in the opinion pages of the *Australian Financial Review*. My favourite article I ran related to the United Nations treaty committee system's persistent criticisms of Australia over mandatory sentencing laws and the treatment of illegal immigrants.

By August 2000, the Australian government of prime minister John Howard had had enough, and the then foreign minister Alexander Downer withheld Canberra's support from the UN treaty committees. Australia's co-operation with the committees would be conditional on 'effective reform'.

The response from various Australian media outlets, most notably

the ABC, was overwhelming hostility. How dare Australia criticise the UN treaties system, the argument went. Never mind that the UN treaty committee system was monitored not by like-minded democratic nations, but by the likes of Sudan, China, Libya, Algeria, Syria, Vietnam and Cuba — all members in good standing of the UN Human Rights Commission.

As opinion editor at the *Australian Financial Review*, I decided to challenge the intoxicating media and intellectual orthodoxies by commissioning John to write the lead article for the *AFR* opinion page. The title: ‘Downer is Right to Tell the UN to Get Lost’. And this was John’s philosophical argument:

“Downer and the others reaffirmed the basic principle underlying constitutional representative government: legitimate sovereignty ultimately rests with the citizens.

It does not rest with a single ruler or a national elite elected, hereditary or self-appointed. It does not rest with those who claim superior moral authority or insight. And it most assuredly does not rest with international organisations. Alexis de Tocqueville would have been proud of them.”

John’s argument about legitimate democratic sovereignty gave the Howard government’s decision philosophical heft. It remains true more than 20 years later. So, please enjoy John’s thought-provoking views on another important subject: how the US and its allies, including Australia, should respond to the Russia-China entente.

Tom Switzer

Executive director

United States vs China-Russia Entente

I want to talk tonight about the state of play in the world. So you'll forgive me if I go quickly because there's a lot of ground to cover. I think that in many respects, understanding of the evolving international situation, particularly with respect to China, has proceeded further in Australia than it has in the United States.

We're catching up in many respects, but it really was in recent governments in this country that many of the problems with China that are now more well understood across the industrial democracies began.

My [intent] really is to try to help people understand that while the threat of China is very real, the world still remains complicated. Part of what we have to do here is deal with what I have called a China-Russia entente. Not a formal alliance, not yet an axis of any kind, but the old French word that indicates certain congruence of interest and values that are being played out around the world. It's understanding that, I think, especially in the United States, that's going to be important going ahead.

So let's just take a little bit of history here with respect to China in particular, but also Russia, because history informs what the current government in Beijing is doing.

Even though ideologically over decades it's gone through transformations, fundamental perceptions of Chinese interest haven't changed. After the Communists came to power, the party was decidedly Stalinist in its view of the world. When Khrushchev took power, they began to get unhappy and things began to change.

Some of the fundamental aspects that confronted China were evident right at the beginning. In the middle of the Cold War, the 1958

bombardment of Quemoy and Matsu, little islands right off the coast of China, almost brought confrontation with the United States.

It's an amazing tribute to Dwight Eisenhower that we stood by Chiang Kai-shek at that time, resisting this Chinese effort to take these offshore islands, from which, if any of you have ever been, for example, to Quemoy, as I've had the pleasure to do, you can see China - you don't need to be on Sarah Palin's front porch. You can see China across a relatively narrow strait. And after months of bombardment, China came away with nothing. Nothing.

Now things moved on fairly quickly. Mao Tse-tung was also pursuing the policy of starving his own people, which is what the Great Leap Forward was, and helped distract the people from the defeat, in effect, that Quemoy and Matsu was. Only 20 to 50 million died as a result of the Great Leap Forward. Didn't slow the Chinese Communist government down at all.

Right after that came the Cuban Missile Crisis of 1962, a confrontation between the Soviet Union and the United States. While it was going on, as example of what we should have understood better as the Sino-Soviet split, Beijing in publications in China accused Khrushchev and the Soviets of adventurism; of a policy that was too dangerous to pursue in trying to put offensive missiles in Cuba - a public criticism of their senior partner in the alliance between the two, as it stood then.

Although we know more about this now than we did then, when Khrushchev appeared to have backed down the Chinese accused him of capitulationism. So you're damned if you do, and you're damned if you don't.

The point is, the Chinese saw something they thought was too forward leaning, and they criticised the inevitable consequences, the appearance of defeat that Khrushchev suffered ultimately leading to his downfall within the Soviet Union.

Now events moved forward, with Mao Tse-tung and his second brilliant idea, the cultural revolution that destroyed thousands of years of Chinese culture and brought the country to near chaos until,

after a few sort of interim rulers, Deng Xiaoping came to power in 1982. This is a seminal moment, the consequences of which we're still feeling in Western relations with China.

Deng Xiaoping broke from Communist orthodoxy introducing market-oriented reforms into the Chinese system. He famously said, "it doesn't matter whether a cat is black or white, as long as it catches mice." The consequence of moving from orthodox Marxism to more market-oriented policies, was a substantial growth in wealth across the Chinese economy. We see the continuing effects of it. It was dramatic, and it had a dramatic effect on the international economy as well.

From this early success in the introduction of market-oriented reforms the West, as a whole, drew two conclusions that have formed the basis of American foreign policy, and really western foreign policy vis-à-vis China since then. Both of them have turned out to be 100 per cent wrong.

The first foundational conclusion was that in the international sphere, this increase in wealth, this increase of Chinese interaction with the rest of the economy, would take place in what my friend Bob Zelek once called a peaceful rise of China, that China would be a responsible stakeholder in world affairs. That increasing economic connections would bring increased compliance with international norms, and the economic sphere, and the political sphere as well, so that the growth of Chinese wealth would make it a more responsible international partner, and not a threat, but really growing toward something like the economies of the Asian tigers and their behaviour.

The second premise was that this increase in wealth would lead to increasing democratisation across China. And I remember well, hearing people say, "I just heard of an election out in some village, in some province in the middle of nowhere in China". [In essence] to compete for the headman position in the village, there were two candidates, and that's going to spread, and other villages will have elections, and then you'll have democratic elections at the provincial level, and then you'll have democratic elections at the national level because as you get a middle class in China, they're going to act like the

middle class everywhere, and we will have democratic government. So the combination of these two theories, principles, was that China would begin to look a lot like the rest of the world. And what could go wrong, really?

Well here's what started to go wrong. The fact was that China did not become a responsible actor in international economic affairs. The history is now incontestable that China's economic advance has been fuelled in substantial part by the theft of intellectual property on a sustained and systematic basis, without consequences through most of the industrial democracies. There have been repeated forced technology transfers as a condition to invest in China. There has been sustained discrimination against foreign traders and investors.

Obviously, the main capital allocation decisions in China, in domestic capital, have remained in the control of the government and the Communist Party, and after being admitted to the World Trade Organisation, which was a development that was supposed to guarantee that international norms would change behaviour in China, we see that what China has done has been to take what should be a free trade organisation, and turn it into an instrument of Chinese mercantilism. All the while we've just watched it happen.

So the first premise, which was this increase in Chinese wealth would make it a more responsible actor internationally has failed. On the second, the idealism of China becoming a democratic society has turned about to be the exact opposite. Xi Jinping is the most powerful Chinese leader since Mao Tse-tung. His thought has been elevated to the equivalent of Marx, Lenin and Mao. He is recentralising political and economic authority in the centre. We should expect to see that endorsed later in the year.

The second prediction has been 180 degrees off, just as the first. China has not become more democratic. If anything, it's become more authoritarian. And in terms of its non-economic policies around the world, the extent of Chinese militarisation is unprecedented. They have, across the full spectrum of military capabilities, been engaged in a sustained buildup at the nuclear level, ballistic missiles, launching a

blue-water navy for the first time in 600 years, developing area denial and anti-access weapons capabilities to push the United States and its allies back from the western shores of the Pacific, anti-satellite weapons to take our capabilities out of the earth orbit in any kind of conflict, or run up the conflict, and the development of one of the world's most effective cyber-warfare programs. This is not the mark of a country engaged in a peaceful rise.

What has happened was predictable for those who were watching China carefully. I don't include myself in that number, because I was optimistic about this as well. What we failed to recognise was something that Deng Xiaoping said right at the beginning of his rule, which is slightly longer, but I'll condense it. He said, "hide your capabilities and bide your time". A lot of people in the West who saw that said, "what a moderate policy". That is to say, deceive your enemies, and wait for the right moment. That's moderation? Obviously, this was part of our failure to understand exactly what was going on in China. I don't think Xi Jinping really is anything other than the final manifestation that 'hide and bide' is gone and instead we've got wolf warrior diplomacy. That reflects what the real feelings inside Beijing are.

This is where, in the last 10 years, this growing Russia-China entente becomes significant. In the first days of the People's Republic of China, obviously it was the Soviet Union that was the senior partner in the relationship. That is completely reversed today.

Russia is obviously the junior partner, except in certain important areas like nuclear weapons capability, and sophisticated weapons systems. But the size of China, the proximity of China to under-populated areas in Russia, the economic relationship that China and Russia have, all make Russia a lesser partner. I have talked to Russian officials about this and said, "this may not turn out very well for you". And I can tell you with complete candour, I had no impact on them whatever.

They see this entente as entirely beneficial to Russia. Or that they have no alternative.

In a perfect world in the West, we would be trying to find ways to split

them away from China, but I think we're likely to be unsuccessful. The Russians and the Chinese have a division of labour. Russia worries about Europe and the Middle East. China worries about its periphery along the Indo-Pacific and the Middle East. And they work together to advance their interests.

We can see this in a variety of ways. I think the war in Ukraine today is a good example of this. There are people in the West who say China is so put off by this invasion of Ukraine, that it's such a terrible thing that they regret how close they've become to the Russians. That is utter nonsense. You can guarantee that Russian financial institutions that are the subject of Western economic sanctions are finding ways to launder their money through the opaque Chinese financial system. That China would be more than willing to increase its already extensive purchases of Russian oil and gas and take it across pipelines, across their border rather than lift gas and oil in the Persian Gulf.

All of these circumstances have helped contribute to making Russia more of a junior partner to China. And by the way, given the performance of the Russian military in Ukraine, all those Russian troops that are still stationed along the Chinese border now constitute even less of a security threat to China than they did before because the Chinese have seen up close exactly what Russia's forces are really capable of doing.

There are a variety of other examples, Iran being the most important currently, where China and Russia support Iran, although for different reasons. China supports it as a purchaser of oil and gas. Russia supports it as a member of a new cartel where these two nations, both heavily sanctioned, can work together.

What are the conclusions that we can draw from these examples and many others about what the direction of Western policy ought to be? The first is that the American declaration originally during the Obama administration, but repeated endlessly since then, is that the United States has to pivot toward Asia. It probably sounds good in Australia, I'll give you that, but the United States can't pivot. The United States is a global power. As we like to say, we have to be able to walk and chew gum at the same time. And when we pivot away from Europe,

I mean really Europe's a secondary theatre, who cares about that? Or pivot away from the Middle East, who cares about Israel? Who cares about the Gulf, Arab oil production? We can pivot away all we want toward China. They're going to pivot right into the areas we've pivoted away from.

It sounds very stylish, but it is completely devoid of substance. It misses the reality that China, as the existential threat of the 21st century, is going to confront us where we are and where we are not. If we don't adopt a global approach to this, we're in deep trouble. What it also should say to business in the United States and Europe really, almost everywhere, is that political risk is back. Globalism was supposed to have brought the end to all these troublesome things like borders and all that sort of thing. If you didn't want to invest in the United States, if you didn't want to put a plant in Central America, go ahead and put it in China. Really, so what? Little bit higher transportation cost, lower labour cost, what could go wrong with that?

We are going to go through a very substantial period of difficulty in the relationship, and businesses that don't attempt to mitigate the effect of political risk are going to face consequences. That's not to say that we need, as some people in the United States advocate, a new industrial policy to unwind from China. Other than in some selective national security related areas, I don't think that is necessary. But I think it's happening already when companies consider potential new capital allocations. Why put it in China when you could put it someplace that's not going to steal your intellectual property? You're not at risk of nationalisation and maybe your supply system is a little bit closer to home.

I think all of that is going to increase. And I think the sooner we get about it, the better we're going to be. It's important for the United States, maybe not so important here, to resist this idea that because China is so important we can give up on Europe. We can say, you deal with Ukraine, it's not our problem. We can say, you deal with Iran, that's not our problem. We can say, let's withdraw from Afghanistan. Really, what difference is that going to make?

All of these are steps that weaken the United States internationally, not just in the confrontation with China, but in the larger picture. I think this debate is very important to have. Nobody likes to be told that history has returned, that we're still suffering from the hangover from the collapse of the Soviet Union when people declared the peace dividend. [The feeling was] everything's fine now. We can dramatically reduce our military expenditures. We're still suffering from that. Even after the attack on 9/11, we haven't built our defence expenditures back up.

People say, but you spend so much on defence, and these other countries don't spend enough. The combined budgets of Russia and China don't come close to the United States. Well, that's their reported budgets.

Okay? Everybody knows more than they should about our military budget. We don't know a lot about Russia and China. And the budgets are not comparable. Would you like to be paid as a service member in the United States or as a member of the People's Liberation Army? Think about that for a minute. If you took out factors like salary and benefits, which our service members deserve, deserve at higher levels than they get, and compare them to what our adversaries pay, you can see what a difference it makes.

The fact is, because the United States is a global power, we have to be in a position to defend our interest in multiple theatres at the same time. Twenty-five years ago, we still believed we had to be able to fight two wars simultaneously and have the capability to do it. Right now, we can barely fight one war with a hope that the contingency of a second war doesn't occur. It's not a luxury that we can continue. I think that if we hadn't drawn enough conclusions from the Russian invasion of Ukraine, we've got plenty of lessons ahead of us from China's intention vis-à-vis Taiwan and really all around its periphery in the Indo-Pacific.

A lot of people have said that the United States has been, in some respects, unduly provocative toward China. That somehow Nancy Pelosi posed a threat to the security of China and that we shouldn't

have done it [visited Taiwan]. We should have persuaded her not to. Good luck with that.

The fact is, this was a teaching moment for many people in the United States. When they woke up and said, “what do you mean the Chinese are telling us where our officials can go? Who gave them that authority? We don’t tell them where their officials can go.”

We know where they go. They go to places that are adversaries of the United States. They buy oil from Iran, contrary to the sanctions. They’re not at all cooperative on that. Look at what they’re doing with Russia.

But the Chinese response to the Pelosi visit was something that was very important for people to see. This was not some new escalation by China. This was the very picture of what they’ve been thinking for a long, long time. And it says that, to the nations in the Indo Pacific in particular, that that threat is manifest right now, and we are not collectively prepared for it.

On Taiwan, I think there are two levels of response. One is to try to deter a Chinese attack in the near term, by providing Taiwan with sufficient support that we change the cost benefit calculus in Beijing. That the cost of taking Taiwan is far too high for the Chinese to bear. I don’t think the Chinese want Taiwan to be a heap of smoking rubble. I think they’ve seen the use of force in Ukraine. It doesn’t appeal to them. They want Taiwan’s enormous productive capability intact. And besides, as you may have noticed, Taiwan is 110 miles away, across some pretty choppy water. It’s not like walking across a border as the Russians did, and they couldn’t even do that very well. This is not something China is going to provoke in a military sense, but what it will do, is create a crisis by pretext and try to create a situation that challenges the United States to come to Taiwan’s side, like throw a blockade around the island.

Maybe they’ll call it a quarantine as we did in the Cuban Missile crisis, but they will basically say, “this is ours, and you’re not coming back”. If the United States fails to stand up to that, the Chinese [would] have followed Sun Tzu’s philosophy and achieved their objective without

the use of military force. They will have a gemini over Taiwan, and annexation will follow.

On the other hand, the United States could stand up to that kind of provocation, as I have to say in full candour, Bill Clinton did in the late 1990s, when Beijing threatened Taiwan. Clinton sent two carrier battle groups steaming toward Taiwan and through the Taiwanese Strait, and the Chinese backed down. Now times are different. The Chinese military capability is greater, but the political issue is exactly the same. The second thing we need to do, and to do it urgently, is to build Taiwan into part of the collective security structures we need to develop in Asia.

We do not see in the Indo Pacific the kind of dense alliance capabilities that we have in Western Europe, with NATO and elsewhere. We're in a very primitive stage in that sense, but it seems to be inevitable for the Taiwanese, if this remains a China versus Taiwan competition, ultimately Taiwan loses. If this becomes a China versus much of the rest of the Indo-Pacific periphery, then Taiwan is safe, as are the other countries that join with us.

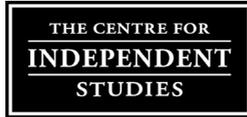
So in terms of the way ahead, I have to say respectfully, Australia once again has led the way along, with Japan and it was really Shinzo Abe's idea to create this quad, India, Australia, Japan, and the United States. It's still in a very early stage of development. It's not yet a military or collective defence alliance. It has a long way to go, but it's an amazing creation that five years ago, even after Abe proposed it, it was going nowhere.

This is something we can all follow up on, and I think Australia, at a time of what I would call inadequate presidential leadership in the United States, Australia can be very creative in making suggestions about how to proceed. The second is AUKUS, which I am still amazed the Biden administration agreed to, and congratulations to whomever in Australia managed to get it through our bureaucracy. This is a stunning development. It's a fantastic idea for Australia that increases your security well beyond the immediate territory around Australia, and projects it into the Indian Ocean. It's a huge investment for the

future and a major victory, really, for policy making in Australia. It has the added benefit of bringing Britain, now independent, finally, of the European Union, back into play in the Pacific area. And the more they do the better. For the United States, as there are budget challenges with adequate military spending, to have eight, 10, whatever it might be, nuclear-powered submarines under the Australian flag, is simply incomparable.

The paradigm that AUKUS represents has enormous potential across the region. Japan, I've got to believe is saying to themselves, "nuclear powered submarines? Count us in". And maybe for more than 10, maybe for 20 or 30. Plenty of other countries in Southeast Asia are thinking about how they can benefit from closer cooperation. I think it's important that we do not [delay things in a search] to find the perfect paradigm that covers all of the across-society challenges that China is posing. I think if we proceed in a Burkean fashion, we do it from the ground up, organisation by organisation, partnership by partnership, we'll get to where we need to go. I think the opportunities are all there.

The challenge that China and Russia pose in their entente is going to be very, very difficult to overcome, there's no doubt about it. But it's also the case that once we are alerted, and you in Australia have been alerted before the United States and others, once alerted, this is for us to lose. And I don't think that's going to be the result.



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THE UNITED STATES VS CHINA-RUSSIA ENTENTE

2022 John Bonython Lecture by John Bolton

John Bolton discusses the significance of the China-Russia entente to the West, the rise of China in that relationship and the real threat posed by Beijing in the region, particularly in regard to its attitude to Taiwan.

Bolton believes China is the existential threat of the 21st century. “[It] is going to confront us where we are and where we are not. If we don’t adopt a global approach to this, we’re in deep trouble,” he warns. Bolton is positive on the benefits AUKUS brings to the region, particularly with the participation of Britain in the Pacific. He also talks about the role of the US as a global power.



John Bolton was US Attorney-General in the Reagan administration, US Ambassador to the United Nations in the Bush administration, and US National Security Advisor to the Trump administration. He is an eminent Republican consultant and commentator.

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