



***The Avoidable War:
The Dangers of a Catastrophic Conflict between the U.S. and Xi Jinping's China***

**22 March 2022
Washington, D.C.**

**The Hon. Kevin Rudd AC
President & CEO, Asia Society
President, Asia Society Policy Institute
26th Prime Minister of Australia**

Thank you Senator Romney for doing me the honor of attending the launch of this book here in Washington, D.C.

In fact, it is good to see so many people here from both sides of the aisle of American politics, and from around the international community as we come together to think through the great question of our age: the future of the U.S.-China relationship and whether in the years to come, this ends in crisis, conflict or war.

As well as David Lipton, Counsellor to the Secretary of the Treasury Janet Yellen; former Deputy Secretary of State John Negroponte; former Trade Representatives Carla Hills and Susan Schwab; the Ambassadors of the Philippines, Thailand, as well as from my own country Australia, as well as other members of the diplomatic corps; and my publisher Public Affairs, represented by Colleen Lawrie and Johanna Dickson; and my literary agent and friend Michael Carlisle.

Dear friends, one and all,

Today, here in Washington, and in capitals around the world, we are rightly focussed on the unfolding horror in Ukraine.

Our common resolve must be simple: to defend freedom. To defend people's right to choose the governments who lead them. And to defend the rights of nation states to live in peace and security within their nation's boundaries.

Or as Article I of the United Nations Charter reminds us, to be free from the scourge of war.

All democracies should rally to the cause of providing the democratically elected government of Ukraine all the material resources it needs to defend its democracy and its country.

Just as all of us have a common global responsibility to shoulder our share of the burden with assisting the millions of Ukrainian refugees now pouring out of their blood-soaked land.

It may therefore seem odd to be here in Washington today launching a book entitled *The Avoidable War*. Not between Russia and Ukraine (even though that war was entirely avoidable, had Vladimir Putin chosen diplomacy rather than the sword).

The avoidable war we speak of today for so many of us remains unthinkable, and that is any future war between China and the United States.

Many of our friends in Europe also thought, until a month ago, that another major war on the European continent was unthinkable. But now it has come to pass.

We should therefore reflect soberly on the decade that lies ahead as we slide into a new and uncomfortable binary world that is divided between China and the United States.

Lessons of history

It's always problematic to reach back into the past to justify a course of action for the future.

History never repeats itself. But as Mark Twain has reminded us, it often rhymes.

As I reflect on the 20th century, since the “war to end all wars” (and that was World War I), there are three sets of principles which remain anchored in my mind.

The first is how did we all become “sleepwalkers” during the extraordinary events of 1914 as we all tumbled headlong into a war which nobody wanted, few expected, and which monarchs, prime ministers and diplomats failed to prevent. Some thought it was possible. But none saw it as probable. Until the “Guns of August” ripped loose.

If you have read my compatriot Christopher Clark's book *The Sleepwalkers: How Europe Went to War in 1914*, you too will be haunted by how quickly the unthinkable becomes very thinkable indeed.

A second principle to emerge from the horrors of the 20th century is the problem of appeasement.

If dictators conclude that democracies lack resolve, then the sorry history of the 1930s is that they are emboldened. And so Hitler began the salami slicing of Europe. Until it became all too late to prevent general conflagration.

If there is a third principle, perhaps it is this: despite our near-death experience during the Cold War and the Cuban Missile Crisis in 1962, the world survived—ultimately through a combination of deterrence, détente and diplomacy.

In the case of the United States, the fact that Kennan's doctrine of containment finally prevailed fully forty years after it was conceived was due to the fact that successive administrations—both Republican and Democratic—sustained it until the Berlin Wall came down, the Soviet Union collapsed and Eastern Europe was free.

There are of course many other lessons from history. Not all geopolitical. Geoeconomic lessons are rich as well. Economic enmeshment between the nations of the world may make armed conflict less probable, but certainly doesn't remove the risk altogether, particularly as we reflect once again on what happened back in 1914 in what was then a highly globalized Europe and a highly globalized world.

Then there is our common planetary challenge of climate change. This too, as a matter of logic, should draw us together to save our shared biosphere. On this Paris gave us cause for hope. Glasgow a little less so. But as we see a return to hydrocarbons in response to the energy challenges of the moment, think of what Thomas Paine would have called "common sense"—common sense appears to be yielding to imperatives of economics and geopolitics.

The rise of China

So how do we draw these threads together in dealing with the challenge we all face in China's continued rise?

The metrics are stark.

China as the world's most populous country; the world's second largest economy; the world's largest military; as well as a nuclear weapons state.

China is also now actively engaged in a series of unresolved territorial disputes: along the Sino-Indian border; in the East China Sea against Japan; in the South China Sea against multiple claimant states (including U.S. treaty ally the Philippines); and, of course, the biggest of them all, Taiwan.

Add to these geopolitical factors, and the ideological and ideational divides that now separate these two worlds, as China seeks to replace an international rules-based order, led by the United States, with one of its own making and choosing—one which puts China at its center and seeks to change that order's norms and rules in a manner more compatible with Chinese national values and interests.

Taken together, these represent a heady mix of geostrategic challenges for the three decades that lie ahead—as we move towards Xi Jinping's 2049 target of the national rejuvenation of the Chinese nation, by which point he plans for China to be the most powerful nation on Earth.

What then is to be done?

So what then is to be done if this is indeed to be the “avoidable war,” as the title of the book suggests it should be?

And how do we apply the lessons of history—sleepwalking, appeasement, deterrence, diplomacy and a common concern for the global commons—to a strategic framework which might just have some chance of reducing the possibilities for crisis, conflict and war between these two great powers of the 21st century?

At present, both Republicans and Democrats characterize the U.S.-China relationship as one of strategic competition.

By contrast, in China the Communist Party's official literature describes the period through which we are currently living as “the rise of the East and the decline of the West.”

In Beijing, these are euphemisms for the rise of China and the decline of the United States.

Although I suspect the collective West's unified response to the Russian invasion of Ukraine (including the imposition of punishing financial sanctions against Moscow and the geopolitical hardening that has occurred in Berlin) may have given China some temporary, pragmatic pause in its ideological euphoria.

Beneath the surface, China also recognizes that it is in a deep strategic competition with the United States for regional and global preponderance—militarily, economically and technologically.

As for Xi Jinping, he plans to be in office until about the mid-2030s (assuming his likely reappointment at the 20th Party Congress this November), by which point he would be in his mid-80s.

It is my judgement that Xi Jinping is likely to seek to use military means to recover Taiwan if that cannot be done via political means.

And that Xi wishes to see this happen within his lifetime.

We should not accept the panicked assumptions of some that this will happen anytime soon.

In my judgement, it would only happen when China believes that the balance of military power was overwhelmingly to its advantage in East Asia, and when financially and economically it would be powerful enough to withstand international financial sanctions.

Neither of these conditions exist at present.

That means it is more likely to be later this decade or early in the next, but still on Xi Jinping's political watch. Because he, like Vladimir Putin, sees himself as "a man of history" seeking to recover lost national territory.

That means that we have entered what I call the decade of living dangerously.

The question, therefore, is how best to preserve the peace and defend freedom during what will be difficult and destabilizing times.

To do so, what I argue in the pages of this book is that it might just be possible to develop a joint strategic framework between Washington and Beijing of what I call "managed strategic competition."

I have a simple approach to these questions: strategic competition can either be unmanaged (that is, that there are no rules of the road); or it can be managed (in the sense that there are some basic guardrails put in place, with the agreement of both sides, to prevent the relationship from spinning out of control by accident, rather than by design).

This becomes even more critical when the stock of political and diplomatic capital available in the bilateral relationship has been depleted to near zero.

And that is the point that we have about reached now.

When there is negligible trust, goodwill or even open lines of communication available, the risk of radical strategic miscalculation is very large.

There is no particular rocket science to my concept of managed strategic competition. I've been working on it since I wrote a research paper at the Harvard Kennedy School with my friend and colleague Graham Allison back in 2014. It was then less pressing than it is now. And I have written various articles and delivered various speeches on the concept in the years since then.

There are four components to managed strategic competition.

First, the United States and China must both develop a clear understanding of the other's irreducible strategic redlines in order to help prevent conflict through miscalculation. Each side must be persuaded to conclude that enhancing strategic predictability advantages both countries, strategic deception is futile, and strategic surprise is just plain dangerous. This will require granular diplomatic understandings on Taiwan.

Second, the two sides would then channel the burden of strategic rivalry into a competitive race to enhance their military, economic and technological capabilities. Properly constrained, such competition aims to deter armed conflict rather than tempt either side to risk all by prosecuting what would become a dangerous and bloody war with deeply unpredictable results. Such strategic competition would also enable both sides to maximize their political, economic, and ideological appeal to the rest of the world. Its strategic rationale would be that the most competitive power would ultimately prevail by becoming (or remaining) the world's foremost power—with Armageddon avoided. And may the best system win.

Third, this framework would create the political space necessary for the two countries to continue to engage in strategic cooperation in a number of defined areas where both their global *and* national interests would be enhanced by such collaboration—and indeed undermined by the absence of an agreed, collaborative approach. Climate looms large on the list. The next pandemic comes second. Then there is still the tricky business of maintaining global financial stability given the challenges that lie ahead.

Fourth, for this compartmentalization of the relationship to have a prospect for success, it would need to be policed by a dedicated senior official on either side of the relationship. On the

U.S. side that would be the Secretary of State or the National Security Advisor or the Secretary of Defence. On the Chinese side, it would be the Director of the Foreign Affairs Office of the Central Committee or the Vice Chairs of the Central Military Commission. Or all of the above. But no more quick decisions will be critical to avoiding disaster.

Of course, it is important to be realistic.

No joint strategic framework can in itself prevent war. But properly constructed and based on clarity, transparency, and most importantly credible deterrence, it may significantly reduce the risk of it.

Such a framework would also keep alive the possibility of political change, the evolution of each side's worldview, or the emergence of new ways of thinking about old problems (both conceptual and even technological) and better managing great power relations in the complex world of the 21st century.

Most importantly, it may cause both China and the United States to conclude that after more than 150 years of one form of political engagement or another, they are not destined for war.

Conclusion

I am sure the approach I recommend in this book will be roundly criticized both in Washington and Beijing as not being sufficiently sensitive to the realities of each side's core national interests.

My challenge to the critics, however, is to come up with something better.

For those who argue for deterrence, the reality is that deterrence forms a core component of the four part structure I have recommended. For those concerned about the appearance of appeasement, managed strategic competition does nothing of the sort, because there is an internal clarity (as opposed to public political bravado) to the strategic redlines that have been set.

And for those concerned, as I am, about sleepwalking into war, the whole point of two sets of senior officials acting as policemen of the strategic stability of the overall relationship, is that it seeks to avoid, by conscious design, the political and diplomatic inertia—followed by rapid and crazed mobilizations—that we saw in July 1914.

And for those who legitimately believe that, for the sake of the global environmental commons, these two countries—the largest polluters in the world—need to work together to save the planet, managed strategic competition offers a possible vehicle for collaboration on the things that matter to us all.

To succeed, managed strategic competition would need to be embraced in Beijing as well. The Chinese may well argue that the framework I have outlined does not sufficiently accommodate their interests, particularly on Taiwan. But our Chinese friends should reflect on the fact that crisis, miscalculation, conflict and war (and as our Russian friends have discovered, all the uncertainties that those involve) doesn't suit China's interests either.

For the United States, for such an approach to work, it would require a level of bipartisan buy-in to a coherent long-term national China strategy that would transcend the daily blood sport of domestic American politics.

But America has, in its history, time and again proven that it is capable of uniting when the future of the Republic most desperately needs it.

And that time, I believe, has well and truly come.

I have lived and worked in America for five of the last seven years.

And at the beginning of my career, I lived, worked and studied for some three years in Hong Kong, Taipei, Shanghai and Beijing.

I know both these countries and the civilizational traditions which they represent very well.

And, for different reasons, I admire them both.

The time has come for statesmanship to deliver us from the peril that potentially lies ahead for us all. I hope this book, and the ideas contained within it, might make a small contribution to this great task.