

Synopsis

Although Taiwan may be a small island in the Pacific, it is a significant symbol between the West and China. This essay examines how Australia's relations with Taiwan has represented Australia's shifts in global allegiances by looking at three major turning points that have defined Australia-Taiwan relations.

How has Australia's relationship with Taiwan reflected Australia's global allegiances?

In April 2018, the People's Republic of China issued an ultimatum to all airlines, demanding that they recognise Taiwan as a Chinese territory in order to further their decisive One China Policy. Whilst airlines in the Pacific region, including QANTAS, obeyed immediately, American airlines waited up to three months before complying¹. Australia's swift response to China's bold demands showed a willingness to appease China and represented a drift away from Western allies, namely the United States. Historically, Taiwan has been a symbol in the conflict between communism and capitalism, and an important economic powerhouse in Asia. Australia's position on the diplomatic recognition of the People's Republic of China (PRC) and Taiwan (also known as Formosa or the Republic of China) has evolved since the conclusion of the Chinese Civil War in 1949, where contentions between two Chinas arose for the first time. Australia's responses to this tension have always been in line with international changes in political power rather than independent interests or a genuine engagement in relations with Taiwan. Australia's recent concession over airlines, however, represents the turning point we face today regarding diplomatic relations with China. These changes can be examined through the lens of three turning points in Australia's history with Taiwan: Australia's recognition of Taiwan in 1949², establishing relations with the newly independent nation; the Whitlam government's reversal of this decision with the 1972 recognition of the People's Republic of China (PRC)³; and the 2001 entry of China into the World Trade Organisation (WTO)⁴, affirming China's place in the international economic community. These three acts of foreign policy mark Australia's shifting allegiances from leaving behind Pax Britannica, to navigating the world of Pax Americana, and today, entering another world of Pax Sinica.

The end of World War II left Australia beginning to explore deep strategic ties with the United States as an alternative to its long-standing partnership with the United Kingdom. In 1949, Australia followed the United States in recognising Taiwan as the Republic of China⁵. The Nationalist government led by Chiang Kai-Shek had just retreated to Taiwan following their loss in the Chinese Civil War (1945-1949)⁶. Cabinet documents from Australia's Department of External Affairs reveal that the motivations for Australia's recognition of Taiwan were driven by global strategic relationships with major powers rather than economic links in Asia or Cold War ideological incentives. This can be proven by exploring Australia's policy of ambivalence towards the Taiwanese government, and also by examining its reactions to the policies of the UK and USA. Although Australia and Taiwan began tentative relations in 1949, the Australian government expressed a distant policy with

¹ Wee, Sui-Lee, *Giving in to China, U.S Airlines Drop Taiwan (in Name at Least)*, New York Times, 25.7.18

² Australian Government Department of Foreign Affairs and Trade, *Australia-Taiwan relationship*

³ Australian Government Department of Foreign Affairs and Trade, *China country brief*

⁴ *China in the WTO: Past, Present and Future*, World Trade Organisation, December 2011

⁵ Australian Government Department of Foreign Affairs and Trade, *Australia-Taiwan relationship*

⁶ The Editors of Encyclopedia Britannica, *Chinese Civil War*, Britannica

regards to Taiwan, with the countries not exchanging ambassadors until 1966⁷. This means that Australia was not concerned about the diplomatic impacts of decisions made on Taiwan, suggesting other reasons of recognition besides building relations. A revealing quote shows the government's real incentives with the note that, "the real obstacles, however, to Australian recognition of Communist China are the possible effects to such a policy on the status of Formosa and on our relations with the United States."⁸ Australia's desire to appease the United States might not seem out of the ordinary today, but in the context of the 1950s, it was a startling shift away from its long-time ally of the UK.

A substantial contributing factor that caused Australia to rethink its allegiances was the conspicuous split in policy regarding the recognition of the PRC between the UK and the USA. This split arose from a socialist UK government favouring China in the hopes of keeping Hong Kong, in contrast to the United States' hard-line policy against the expansion of Communism. Another diplomatic document revealed, "Differences of policy between the United Kingdom and the United States have made it difficult to define publicly Australia's policy on Formosa and the off-shore islands".⁹ The significance of this turning point was therefore the confirmation of Australia's shift away from Pax Britannica. Although Australia attempted to appease Britain by declaring that they were not wanting to prop up Chiang Kai-shek and his regime, it was clear that their ultimate sway was towards the United States, perhaps in an attempt to seal the ANZUS treaty which was negotiated in the following years¹⁰. Whilst Australia may have tried to publicise their denunciation of China as an ideological or economic move, sentiment amongst government officials shown in cabinet documents stating that, "the potential margin of overall increased China trade resulting from such an exchange would probably be negligible,"¹¹ showed that Australia's willingness to commit to the United States was prioritised above possible trade growth with a Communist China.

The second and most transformative turning point in Australia's relations with both Taiwan and China was the Whitlam Government's 1972 recognition of the People's Republic of China. Whilst this turning point relates more specifically to the PRC, it also represented the subsequent end of official diplomatic relations with Taiwan, a concession not made lightly by the Australian government. Whitlam is credited for his work as Opposition Leader to convince the Australian population that a Communist PRC could be trusted. This was not an easy task considering how anti-China the Liberal McMahon government's rhetoric was¹², and Whitlam created both ideological and economic justifications to support his argument. The first signs of Australia's intentions to recognise China came in 1971 with Whitlam's notorious trip to Peking. Whitlam's then radical visit and interview with Zhou Enlai was widely publicised, with the objectives of introducing the Australian people to the idea of strengthened relations with China as well as dispelling myths that Whitlam and the Labor

⁷ Callick, Rowan, *Wall Came Tumbling Down*, The Australian, 20.12.12

⁸ Australian Department of External Foreign Affairs, *Australian Policy on Recognition of Communist China*, 1959

⁹ Australian Department of External Foreign Affairs, *Australian Policy on Formosa and The Off-Shore Islands*, 1963

¹⁰ Brown, Gary; Rayner, Laura, *ANZUS after 50 years*, Foreign Affairs, Defence and Trade Group, 2001

¹¹ Australian Department of External Foreign Affairs, *The Practicability of Establishing An Australian Trade Mission in Peking*, 1969

¹² Fitzgerald, Stephen, *Whitlam's China Masterstroke*, Australian Financial Review, 05.10.2

party were not acting as secret communist agents. Whitlam's publication in *The Sunday Australian* titled, 'My mission to China', observed that, "The new China is Chinese first, Maoist second and Communist third."¹³ The listing of communism as the third priority of the new Chinese government contextualised China amidst the anti-communist bias held by the West at the time, and put China in a new light in order to deflect the Labor Party's communist accusations. Whitlam also drew comparisons with Canada at a National Press Luncheon, with the call, "The Australian Labor Party supports the formula agreed upon between China and Canada..."¹⁴ The comparison to Canada provided another example of a country in the same position, as Canada was both a Commonwealth nation and long-time ally of the US, that acknowledged China without political or economic repercussions and continued to maintain stable relationships with all three parties. These ideological and political moves helped Whitlam to secure enough votes to win the 1972 Federal election and enact his recognition strategy.

It is important to note, however, that the success of Whitlam's unprecedented visit would have almost certainly not been possible without the announcement two days later that Henry Kissinger (then US Secretary of State) had also flown to Peking to meet with Zhou Enlai and discuss the future development of China-US relations. Moreover, less than a week later, President Richard Nixon announced his intent to fly to China and meet with Chairman Mao Zedong¹⁵. Ultimately, the Australian voters, and indeed the Australian government, were still dependent upon the United States for direction in foreign policy regarding China. This is epitomised by Prime-Minister William McMahon's embarrassing policy weakness regarding Chinese recognition. Previously to Nixon's announcement, McMahon didn't hesitate in criticising Whitlam by saying, "In no time at all Zhou Enlai had Mr Whitlam on a hook and he played him as a fisherman plays a trout."¹⁶ But after Nixon's surprising announcement, he was left in a vulnerable political position which required him to shift policy in order to remain consistent with his Washington ally. This is shown in his new statement, "The President's purpose of normalising relationships with China has been the publicly announced policy of the Australian government for some time."¹⁷ Even though it would take the United States almost a further decade to formally recognise China, it was ultimately their first steps forward that paved the way for Whitlam to present the acknowledgement of China as reasonable to the Australian public.

The third and more recent turning point that highlights the global shift in the direction of entering a Pax Sinica era was the admission of China into the WTO in late 2001, which led to Australia's more compliant position on China and a correlating distance from Taiwan in a foreign policy that still stands today. This bold move by the international community facilitated the rise of China as an economic powerhouse and a global leader. For Australia, this decision represented a reversal from a lenient policy to a much more hard-line policy regarding Taiwan. The significance of this turning point is understood when examining strong indicators in its relations with China and subsequently Taiwan during the late 20th

¹³ Whitlam, Gough, *China and the US*, *The Sunday Australian*, 18.07.1971

¹⁴ Gough Whitlam, *Address by Mr E.G. Whitlam QC, MP, to the National Press Club Luncheon, Canberra, Monday 26th July 1971*

¹⁵ *No change- Chinese Politics and the WTO*, *The Economist*, 10.12.2011

¹⁶ Griffiths, Billy, *Whitlam in China*, *Inside Story*, 22.10.14

¹⁷ *The Canberra Times*, *President Nixon's Proposed China Visit*, 17.07.1971

century. The opening of the Taipei Economic and Cultural Office in Canberra in 1991 was one of many subtle hints that Australia communicated to China. This move was perceived as maintaining strong economic relations with Taiwan, especially considering that Taiwanese trade values were worth twice as much compared to China. However, the opening of this 'not embassy' could also be read as a condemnation of China's human rights following Tiananmen Square in 1989, showing Australia's concerns and willingness to send messages to China. This period was seemingly a strength in Australian foreign policy with a balance of growing economic ties with China as well as winning diplomatic battles, including an extremely tense bid-off between Sydney and Beijing to host the first Olympic Games of the 20th century, a battle won by Australia which caused considerable consternation for many in China¹⁸. China's entry into the WTO however, completely changed the situation for Western relationships with China, including Australia.

Democratic Western countries, including the US and Australia, held hopes that by welcoming China into a capitalist circle, they would somehow be able to contain Chinese communism and convert them into a capitalist and economically stable ally. A 1999 Washington Post article pleading with the United States to accept China pointed out that, "Trade policy does not exist in isolation. Trade policy is foreign policy."¹⁹ This statement reflects the ultimate reason that the United States and other member parties, including Australia, succumbed and opened their doors to China. As the incumbent president Bill Clinton put, "it is likely to have a profound impact on human rights and political liberty."²⁰ Perhaps it was an underestimation of China's economic independence, but China's newfound economic freedom not only lifted millions of people out of poverty, but also enabled them to compete amongst the global superpowers. In 2004, a report released by the Australian government stated, "Taiwan is part of the sacred territory of the People's Republic of China. It is the lofty duty of the entire Chinese people, including our compatriots in Taiwan, to accomplish the great task of reunifying the motherland."²¹ This compliant statement was a definite reversal from foreign policy successes regarding Taiwan previous to 2001 and represented China's growing sphere of influence over the Australian government.

Australia's relations with Taiwan has represented a complacency in Australia's foreign policy towards one of the most dominant powers of the modern day. Through examining Australia's reactions to three turning points surrounding its relationship with Taiwan, we can clearly see the three major shifts in alliances that Australia has experienced in the last century. Even though Australia still maintains a strong military alliance with the United States, when we see Australian airlines jumping to immediately follow China's commands, it is clear that we are finishing the age of Pax Americana and moving on to a new age of Australian foreign policy.

¹⁸ Tyler, Patrick E, *OLYMPICS; There's No Joy in Beijing as Sydney Gets Olympics*, The New York Times, 24.09.1993

¹⁹ Fisher, Bart S, *Let China into the WTO*, The Washington Post, 04.05.1999

²⁰ Clinton, Bill, *Speech on China Trade Bill*, 08.03.2000

²¹ *Senate Standing Committee on Foreign Affairs, Defence and Trade- Chapter 7, Taiwan*, Australian Government, 2004

Bibliography

<https://trove.nla.gov.au/newspaper/article/110674721?searchTerm=whitlam%20china%20%20%20%20%20%20%20%20%20%20%20&searchLimits=l-decade=197%7C%7C%7C-year=1971> The Canberra Times, *Mr Whitlam 'forsaken right to be PM'*, 20.08.1971, Trove [online, accessed 21.6.18]

This Canberra Times Article showed the Liberal Party's extreme reactions to Gough Whitlam's policy regarding the recognition of China. It helped me to understand the anti-China views held by the government at the time and how revolutionary Whitlam's visit to China was.

<https://recordsearch.naa.gov.au/SearchNRetrieve/Interface/ViewImage.aspx?B=471021> Department of External Affairs, *Communist China- Recognition of, 1949-1966*, National Archives of Australia [online, accessed 21.6.18]

These documents from the National Archives helped me to understand the process of decision making that the Australian Government went through, by accessing the then top-secret papers which detail the factors that were considered when examining the consequences of developing relations with the two Chinas. I was able to quote from several documents which enabled me to use primary evidence from cabinet discussions at the time in order to support my arguments.

<https://trove.nla.gov.au/newspaper/article/110668178> The Canberra Times, *President Nixon's Proposed China Visit*, 17.07.1971, Trove [online, accessed 21.6.18]

This article provided the Australian perspective on Nixon's announcement that he was visiting China. It showed an overview of global reactions, and then specifically mentioned statements from Australian politicians regarding this surprising announcement. It also quoted Nixon's speech which helped me to see how Nixon publicly declared his visit. I used a quote from this article to emphasise William McMahon's abrupt reversal in public policy in order to stay in line with US policy regarding China.

<https://www.whitlam.org/publications/2017/10/23/for-the-record-gough-whitlams-mission-to-china-1971> The Whitlam Legacy- a series of occasional papers published by the Whitlam Institute, *For the Record- Gough Whitlam's Mission to China 1971*, The Whitlam Institute, Vol 03- July 2013 [online, accessed 27.6.18]

This collection of primary papers helped to give me an insight into Gough Whitlam's campaign to the Australian people on the idea of recognising China. I was able to source quotes from the Sunday Australian articles to understand the narrative being spun by the

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/Completed_inquiries/2004-07/china/report02/c07 *Senate Standing Committee on Foreign Affairs, Defence and Trade- Chapter 7, Taiwan*, Australian Government, 2004 [online, accessed 27.6.18]

<https://trove.nla.gov.au/newspaper/article/122349267?searchTerm=Australian%20Economic%20Office%20in%20Taipei%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20&searchLimits> The Canberra Times, *Taiwan allowed Canberra office*, Trove, 14.03.1991 [online, accessed 1.8.18]

<https://archive.nytimes.com/www.nytimes.com/library/world/asia/030900clinton-china-text.html?mcubz=2> Clinton, Bill, *Speech on China Trade Bill*, 08.03.2000 [online, accessed 11.8.18]

<https://insidestory.org.au/whitlam-in-china/> Griffiths, Billy, *Whitlam in China*, Inside Story, 22.10.2014 [online, accessed 1.8.18]

<https://www.nytimes.com/1993/09/24/sports/olympics-there-s-no-joy-in-beijing-as-sydney-gets-olympics.html> Tyler, Patrick E, *OLYMPICS; There's No Joy in Beijing as Sydney Gets Olympics*, The New York Times, 24.09.1993 [online, accessed 11.8.18]

This New York Times article told me the story of the controversy surrounding the city selection for the 2000 Olympics. This helped to provide me with an example of tensions

between Beijing and Sydney in the 1990s, and also inform me of the reasons and potential bias behind why Sydney got the honour of hosting the first Olympic Games of the 21st century.

https://www.washingtonpost.com/archive/opinions/1999/04/05/let-china-in-the-wto/c262e548-de1b-45dc-a03f-f66620de9c72/?utm_term=.7b480c43315f Fisher, Bart S, *Let China in the WTO*, The Washington Post, 05.04.1999 [online, accessed 11.8.18]

This Washington Post article showed me what the discussion around China entering the World Trade Organisation was like when the issue was relevant. It showed a perspective from a United States economist, and I was able to use a quote which conveyed the prediction of the impacts relating to this decision.

<https://www.economist.com/asia/2011/12/10/all-change> *All change- China's Economy and the WTO*, The Economist, 10.12.2011 [online, accessed 11.8.18]

This Economist article provided an overview of how China's economy has grown in the ten years after its entry into the World Trade Organisation. It helped me to understand the economic importance of this turning point and provided me with statistics to comprehend the growth that China experienced over the decade.

<https://www.economist.com/asia/2011/12/10/no-change> *No change- Chinese Politics and the WTO*, The Economist, 10.12.2011 [online, accessed 11.8.18]

This Economist article provided an overview of the political impacts of China's entry into the World Trade Organisation. It recognised the rise of China as a political power in the decade after entry into the World Trade Organisation and discussed the comparison between US predictions at the time and the reality of China's responses.

<https://www.theaustralian.com.au/news/inquirer/wall-came-tumbling-down/news-story/ce210b402e7a671daaae1d7a968bfcaa> Callick, Rowan, *Wall Came Tumbling Down*, The Australian, 20.12.12 [online, accessed 21.8.18]

This article reflected on Australia's recognition of China 40 years after and discussed the impacts of this decision and the evolution over four decades. It also informed me of the exchange of ambassadors between Australia and Taiwan in 1966 under Harold Holt which was relevant in emphasising the lack of strong relations between the two nations during the 1950s.

<https://www.nytimes.com/2018/07/25/business/taiwan-american-airlines-china.html> Wee, Sui-Lee, *Giving in to China, U.S Airlines Drop Taiwan (in Name at Least)*, New York Times, 25.7.18 [online, accessed 12.8.18]

This New York Times article informed me of the story I used in my introduction regarding China's demand in early 2018 that all airlines comply with the two-China policy. It detailed the responses of various countries, including Australia and the United States. It helped to

provide me with a recent example of Australia-China relations regarding the issue of Taiwan and compare my historical research to the modern day.

<https://www.afr.com/news/policy/foreign-affairs/whitlams-china-masterstroke-20121004-j9jgq> Fitzgerald, Stephen, *Whitlam's China Masterstroke*, Australian Financial Review, 05.10.2

This first-hand account of Whitlam's visit to China written by former Australian ambassador to China Stephen Fitzgerald provided me with a detailed description of Whitlam's negotiations in China. It also told of the struggles that Whitlam and the Labor Party faced with the anti-China rhetoric held by the McMahon government, which helped me to understand Whitlam's motivations behind the publication of his visit.