

# **One China 2.0**

## **Yushan Forum**

**Grand Mayfull Hotel, Taipei**

**Wednesday, October 11, 2023**

**Hon. Scott Morrison MP**

**30th Prime Minister of Australia**

I am pleased to be able to join you this evening to participate in this year's Yushan Forum. It is a privilege to have been invited and I am especially pleased to have been able to join with the Taiwanese people in their National Day celebrations. You have much to be proud of.

Taiwan is like almost no other place on the planet. No place could be more central to the cause of liberty and democracy, at this time, than Taiwan, including even Ukraine, where war continues to rage. Taiwan is a unique case, and we must be careful in drawing parallels between potential conflicts in Taiwan and elsewhere, especially regarding their global implications. I believe Taiwan stands above them all. To put this in some context, when my Government took the decision for Australia to swiftly provide lethal support to assist Ukraine, following the illegal invasion by Russia, this was as much a decision to support Ukraine, as it was to demonstrate our alignment with a global western resolve to resist the aggression of authoritarianism, especially given the tacit endorsement of the invasion by Beijing, that continues to this day. I was as concerned about Beijing as I was about Moscow.

PRC's claims over Taiwan are a threat to the entire region, as they are not isolated to Taiwan. There are also the PRC's claims in the South China Sea, the Senkaku Islands, Natano Island and so on. Legitimately, in the region, one can reasonably ask, if Taiwan, then what and who is next.

The threat is not just true for those of us who live here in the Indo-Pacific, but globally. At the very least, there is consensus that conflict in Taiwan would cause a severe global economic depression. Strategically, if the PRC were to forcefully occupy Taiwan, this would enable the PRC to project well beyond the first island chain, radically altering the security environment within the Indo-Pacific, through which the bulk of the world's trade passes. When combined with Russia's aggression in Ukraine, it would also significantly reset the balance of the international order in favour of autocracy and authoritarianism.

There is therefore no country too far away from Taiwan not to be impacted by Taiwan's future. The future of Taiwan is inextricably linked to all our futures and the peace, security and freedom of the world we live in.

It has now been fifty years since Australia established diplomatic relations with the Peoples' Republic of China. At that time, we adopted what is known as the One China policy. There is often confusion and differing interpretations of what this policy means. So let me be clear about what it is, and what it isn't.

In recognising the Peoples' Republic of China in 1972, Australia's One China policy acknowledged that the PRC had claims over Taiwan, however it did not recognise the legitimacy of those claims, either way, on behalf of any party. Taiwan's ultimate status was to be resolved peacefully. In the US, a similar stance was adopted and added to by Congress through the Taiwan Relations Act and then by the Reagan Administration's Six Assurances,

attaching the notion of strategic ambiguity regarding Taiwan's defence. The status of Taiwan is therefore deliberately ambiguous, and remains so.

A lot has changed in these last fifty years. Taiwan has been transformed into a modern, free, and vibrant representative democracy, with an advanced developed economy, producing the world's most critical and sophisticated technology. We could not have said that about Taiwan fifty years ago. It was a very different place from today. It is an incredible success story, achieved under extraordinary duress.

Across the Straits, the PRC has become the world's second largest economy, lifting more people out of poverty than any other nation in history. This is truly an extraordinary and highly commendable achievement. It is the single greatest economic miracle in human history.

Professor Yasheng Huang from MIT recently highlighted in *Foreign Affairs*<sup>1</sup> the irony that this success was not achieved by adherence to the communist policies of statism, but orthodox market economics. He described Deng Xiaoping's economic reforms as 'utterly conventional', opening China to the world, allowing greater entrepreneurship, reducing government price controls and even privatising state owned industries. These reforms had more in common with Margaret Thatcher and Ronald Reagan, than Mao Zedong and Karl Marx. But sadly, that's where the similarities between China and the west ended. Over those same years, and before and after, the Communist regime in Beijing expanded and reinforced the apparatus of a highly authoritarian and autocratic one party state, responsible for the oppression and deaths of millions, from the cultural revolution, to the Tiananmen Square massacre and the most recent and ongoing oppression in Xinjiang. Under President Xi, these

---

<sup>1</sup> Huang, Yasheng, 2023, 'China's Economic Slowdown Was Inevitable', *Foreign Affairs*, September 25, 2023 <https://reader.foreignaffairs.com/2023/09/25/chinas-economic-turmoil-was-inevitable/content.html>

authoritarian controls have risen to new levels, with a rejuvenation of the PRC's cultural Marxist ambitions, harnessing new technologies to monitor and control the population and repudiating the economic reforms of the Deng era, relegating economic freedoms to the same fate as political and religious freedoms in the PRC.

At the same time the PRC has used its growing economic power to build its capacity to assert its ambition within the region and globally - militarily, diplomatically and economically - using grey zone tactics where necessary to coerce and intimidate. Under President Xi, in particular, the PRC has made it very clear that they wish to rebalance the global rules based order, established following the end of the second world war, in a way that better advantages their interests, and autocracies like them, such as Russia, Iran and North Korea. This has been on show most recently with the PRC allowing their banking system to continue to support Russia, as they wage their illegal war against Ukraine.

As Prime Minister of Australia, I experienced the PRC's coercive tactics first hand. But I haven't been the only one. Of course Taiwan, but also South Korea, Japan, Lithuania, Norway and many more have all felt the frost of Beijing's displeasure when they haven't gone along with Beijing's script. Pleasingly, most, if not all, have stood their ground. Australia certainly did, boosting our economic and strategic resilience by deepening our ties with key partners in the region such as the US, Japan, India, South Korea and ASEAN countries, through initiatives such as AUKUS, the Quad, our reciprocal access defence agreement with Japan, the first ever comprehensive strategic partnership with ASEAN and numerous trade agreements. I will be forever grateful for the resolve of the Australian people in supporting our strong stand, especially those agricultural and resources producers who were targeted by Beijing's illegal trade sanctions. I welcome the fact that Australia and the PRC are talking once again. This is always important. However, I note Beijing has not

walked back any of their stated grievances with Australia, which included our commitment to freedom of speech, our free press and the sovereign right to make and enforce laws about foreign investment and national security. And while their removal of some illegal trade sanctions is welcome, this is something that should be expected, not commended, and certainly not haggled for. To do so, demeans the sacrifice Australians made to stand up for our own freedom and sovereignty.

Most relevant to Taiwan, China's economic rise has been deliberately used to establish a capability to forcibly bring Taiwan under Beijing's control. This capability will soon be achieved, potentially within the next few years, with a target date set by President Xi for 2027. Whether the PRC chooses to exercise this capability or not is another matter. This is the subject of a more extensive calculus, which we must work constantly to ensure can never add up. This is achievable. As the Ukraine experience demonstrates, but also Iraq and Afghanistan, wars can be started, but they cannot be easily concluded, nor their purposes durably accomplished.

The combination of the increasing assertiveness and authoritarianism of the Communist Regime in China, especially under President Xi, and the incessant threatening of Taiwan, combined with the success of Taiwan's democratisation and market based economy, places great pressure on One China policy settings in the west, which were established to protect a status quo. From the west's perspective, this status quo is anchored in preventing conflict, ensuring respect for the autonomy of the people of Taiwan and the maintenance of a strategic balance within the Indo Pacific region that favours peace, stability and prosperity. I would go further to say, a strategic balance that favours a free and open Indo-Pacific. Any violation and/or subjugation of Taiwan would obliterate this balance. This status quo is worth protecting. Our challenge is how we now protect this balance in a vastly altered geo-political

environment to the one in which our One China policy settings were first established fifty years ago.

This requires a critical appraisal of our diplomatic, economic and security policy settings, within the context of preserving the status quo, regarding Taiwan,

This appraisal should challenge the justice of denying the people of Taiwan, who have expressed a clear preference for freedom through the success of their representative democracy, greater certainty over their autonomy and the opportunity to participate more fully in global and regional affairs, where they have so much to offer. This means positively broadening the scope and nature of our unofficial relations with Taiwan, both bilaterally and multilaterally in non political, humanitarian, scientific and trade arenas, within a modernised One China framework.

Admission of Taiwan as a non-state into the CP-TPP, Interpol, ICAO, the WHO and other UN forums, would be a great start, and overdue. Other options include adjunct non member engagement in economic, environmental, technological, and humanitarian dialogues with multilateral fora, including the Quad. Under such One China policy settings, Taiwan's practical autonomy could be enhanced, without crossing the threshold of national statehood.

We also need to be clear eyed and insistent about our objectives. We should not lower the bar. Our One China policy settings require competing claims over Taiwan's sovereignty to be resolved peacefully. No self respecting representative democracy could ever credibly reconcile this objective with an outcome obtained by a 'resistance is futile' approach that seeks to exhaust Taiwan's political will and/or international diplomatic resolve and is fuelled by a manufactured spectre of inevitability. Such an approach needs to be called out. Such a coercive approach could never be considered peaceful. Peace is not just the absence of conflict, but the presence of freedom.

Some claim the door should be left open to such an outcome in the name of self determination for Taiwan, however, the notion that the free people of today's Taiwan would ever willingly put themselves under the rule of an authoritarian communist regime is simply not credible. The recent experience of the citizens of Hong Kong, whose liberties have been overrun, only confirm this point.

Some will also argue that updating our understanding of the status quo regarding Taiwan and our One China policy settings risks provoking the PRC and injuring the fragile stability that has been achieved over the past fifty years. Perhaps. But such criticism confesses to the PRC being an aggressor that needs to be appeased through One China policy settings, rather than actively deterred. I am in the deterrence camp.

And for those who think deterrent is a provocation, this view indulges the fantasy that China plays by the same rules and shares a similar perspective. They do not. It was not active deterrence by the west that forced the PRC to turn island atolls into airports, illegally harass their neighbours in the South China Sea and ignore the findings of an UNCLOS tribunal on their territorial incursions, it was their nationalistic ambition. The passive response of the Obama's administration to PRC incursions in the South China Sea, regrettably only encouraged the PRC to go further. These airports are now effectively stationary air-craft carriers and military installations, which is completely contrary to the assurances given at the time of their construction by the PRC. The PRC's further attempts to now lock the rest of the world out of the South China Sea, is a further example that the PRC will continue to push the boundaries until someone is prepared to say no. I was pleased my Government was prepared to say no.

Acts of aggression by the PRC towards Taiwan, not limited to physical conflict, but including acts of intimidation and coercion, could credibly be argued to have already released

the US from their adherence to their One China policy, under the US Taiwan Relations Act. The US and its allies, including Australia, have wisely kept these controls in place. A recent Council on Foreign Relations Independent Taskforce report on US-Taiwan relations<sup>2</sup> wisely recommended, it is better to ‘avoid symbolic and diplomatic gestures that provoke a Chinese response’, and this is the important bit, ‘but do not meaningfully improve Taiwan's defensive capabilities, resilience or economic competitiveness’. That is where our focus must be. The same report also concluded that ‘abandoning a long time partner and vibrant democracy of twenty three million people located at a critical position in the world’s most economically important region ... would be an act of strategic malpractice and moral bankruptcy’. I agree.

The PRC’s enhanced assertiveness and aggressive capability in the region has fundamentally changed the environment in which all of these issues now have to be understood. To deny this new reality, or imagine it away in the vain hope we can all go back to how we thought things were before President Xi, is fanciful and dangerous. It also wrongly assumes, as Pottinger and Kanapathy argued in their dissenting report to the recent CFR Task force report, that Beijing can and is seeking to be reassured. They are not. As always, they are testing resolve and likely responses, to assist their assessment of the Straits calculus.

For the past fifty years the west has opened up to China, providing the capital, technology, international market access, finance, diplomatic engagement and political recognition that has enabled China’s economic miracle. Most in the west believed that this would lead to a softening of the Communist regime’s authoritarian tendencies, reinforcement of the rules based international order and greater freedoms for the people of the PRC - like

---

<sup>2</sup> Gordon, S.M. Mullen M.G, 2023, ‘US Taiwan Relations in a New Era’, *Independent Taskforce Report 81*, Council on Foreign Relations, New York, 2023



those experienced today in Taiwan. This has not been the experience. In fact, the PRC saw such goals as a direct threat.

Michael Beckley observed in this month's *Foreign Affairs*<sup>3</sup> that, despite President George H W Bush moving quickly to thaw relations with China following the Tiananmen massacre of 1989, Deng considered the US was, quote, 'waging a world war without gun smoke'. After President Clinton granted China most favoured nation status, Jiang Zemin reportedly warned his foreign policy officials that this, quote, 'so called engagement policy', was just another way to 'try with ulterior motives to change the country's socialist system', to 'westernise and divide our country' and 'put pressure on us to in an attempt to overwhelm us and put us down'. Xi sees the assertive bipartisan stance of the Trump and Biden administrations towards China in the same terms.

The PRC has never fallen for the West's engagement as being anything other than an attempt to see change, but Beijing is not for changing. This must surely be clear to us by now. This requires dealing with the situation in the Indo-Pacific as it is, not as we would prefer it to be. There are deeply irreconcilable issues between the PRC and western democracies, including Australia. This must now be taken as a given, and cause us to adjust our approach accordingly, and define a pathway for engagement with Beijing that more clearly recognises the guardrails and boundaries.

These events must lead like minded nations, whether it is those who are particularly motivated to protect liberty and democracy like Australia, Japan and the US or many in ASEAN who simply want a more stable region where their own sovereignty is protected, to take greater precautions to protect against PRC assertions in the Indo-Pacific, for which

---

<sup>3</sup> Beckley, Michael, 2023, 'Delusions of Detente, Why America and China will be enduring rivals' *Foreign Affairs*, September/October 2023.  
<https://reader.foreignaffairs.com/2023/08/22/delusions-of-detente/content.html>

Taiwan should serve as the canary in the mine. Such a deterrent should not be confined to the military sphere, but also build economic and diplomatic resilience to coercion, through offensive and defensive measures. Strengthening Taiwan's resilience - diplomatically, intentionally, economically and militarily - is becoming increasingly urgent. This includes not only to ward off an invasion, but to survive a blockade. Such urgency must also be demonstrated by Taiwan itself. Israel is an even smaller nation than Taiwan and likewise lives under constant threat, but spends considerably more proportionately on its defence. Measures must be put in place to enhance the resilience of both Taiwan and the region to increasing coercion and intimidation, and deny the calculus of aggression and, worse, invasion.

We must continue our resolve to preserve the status quo in Taiwan. This is important both to prevent conflict and to safeguard the freedom of the people of Taiwan, but also to keep alive and on display the better model of a free society here in Taiwan.

Much has changed in the past fifty years. For those Chinese fortunate enough to have spent those years here in Taiwan, they now experience a freedom and prosperity previously unknown to them and their forbears, and which you are right to celebrate and value. For those Chinese who have lived under communism and authoritarianism during this time, where political, religious and economic freedoms are absent, their experience has been less fortunate. I hope and pray that one day, they will know the liberty that we, who are able to share in it, must never take for granted.