**Ideas and Society: The world after 9/11. A conversation between Hugh White and Professor Robert Manne**

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**Dennis Altman**

I’m Dennis Altman, Director of the Institute for Human Security at La Trobe. It’s an enormous pleasure on behalf of both the Institute and Robert Manne’s Ideas and Society Program to welcome you to this very special event. I should just say for the beginning that it’s particularly appropriate of course that an Institute for Human Security is involved in a discussion about the consequences and aftermath of 9/11 in a world in which we simultaneously feel much more insecure but are subject to far greater degrees of surveillance in the name of security than we’d experienced before. That’s all I want to say, I don’t want to pre-empt the discussion that’s going to take place between Robert and Hugh. It’s my job just to introduce our two speakers to you, and we’re of course delighted to have as a guest at La Trobe, although he assures me a returning guest, Hugh White. Hugh will be known to many of you as Australia’s pre-eminent analyst of defence policies and will probably be known to you as well for, I’m sorry this is awkward that I’m holding this up deliberately for the cameras, a recent *Quarterly Essay*, Power Shift, in which he discusses the implications for Australia of the dramatic rise of China and the implications this has for a country that has so closely tied its foreign policy to that of the United States. And it’s a great pleasure to welcome Hugh here. He’s currently Professor of Strategic Studies at the ANU, following a long career in the Defence Department and as an advisor to then Defence Minister, Kim Beazley.

Robert Manne, I hate to say, needs no introduction. I say “I hate to say” because my experiences when Chairs say this, usually means they’ve forgotten who they’re introducing. I haven’t forgotten Robert. And Robert is of course well known to us all at La Trobe and to many of you indeed as a teacher, as a colleague, as a friend, most recently author of Bad News, and I’m again plugging *Quarterly Essay* unmercifully, and I hope that Black Inc will remember this Robert, and I will be properly rewarded for my salesmanship, in which Robert has done a fairly forensic analysis of *The Australian* newspaper, which those of you, like me, love to read but hate to buy, because we don’t want our money to go to Rupert Murdoch, will enjoy reading enormously.

Now what’s going to happen is that Robert and Hugh are going to engage in a conversation on essentially their understanding of the world post 9/11. There’ll then be time for some questions. What I really hope is this is the beginning of a much larger discussion in which people in this room will feel inspired to go away, to think of your own responses, and possibly to generate discussion in other parts of the university, involving other people, in the way in which the world has changed over the past decade. So I think, over to you Robert.

**Robert Manne**

Thanks very much Dennis. I just want to say that I’m delighted that Hugh’s come and I say that really not because of all the positions he’s taken in areas of defence, or the Pram Factory as I now discover, as a lighting director, but because in my reading of those who are commenting on strategic matters in Australia, I know of no-one who thinks as clearly and as originally and as independently as Hugh, and we’ve had contact in various ways over the last few years. And when I thought about having a discussion about the world after 9/11, it is completely true that there no-one I wanted more than Hugh to come along, and I think what he says reflects the fact that his initial academic training was Philosophy – there’s a clarity of mind which I appreciate. Also, I asked him before and I think it’s true that Hugh is probably the most naturally natural member of the School of International Relations that I would call realism, and thinks about foreign policy in those terms, and I find that a very powerful way in which to approach this area. So, with that, Hugh, you have returned to La Trobe, thank you so much.

**Hugh White**

Well, thanks very much Robert and Dennis for that very kind introduction. It’s a delight to be here.

**Robert Manne**

We’ll do a world tour, over the last ten years, and then please, do ask questions and I look forward very much to the question time.

Ten years since 9/11. At that moment, or very shortly after that moment, the Bush administration declared something that they called either a war on terror or a war on terrorism, and I suppose the obvious question to ask is, whether you think that declaration was wise and what effect it’s had on the war to set up such a thing.

**Hugh White**

Yes, it’s a very good way to start on this issue. No, I think it was unwise. I think it was inaccurate. I also think it was unhelpful. And I think it’s been very consequential in the way in which the events of the last decade have unfolded. The reason I think it’s inaccurate is simply that I think there’s a very big … I do think it’s best to see terrorism, it’s accurate to see terrorism as a crime, a very large crime, a crime of immense consequence. But there’s a very big difference between crime and war. When you’re trying to investigate and prosecute a crime, your objective is justice. When you’re trying to prosecute a way, your objective is victory. These are very different concepts. They lead you in very different directions. And I think right at the outset the urge to see the response to 9/11 as a war confused what it was the United States and the world supporting the United States was trying to achieve, what it was going to count as success, and what kind of things you needed to do to achieve them. And one of those consequences of course was the place it gave, the privileged place it gave to armed force in the way that unfolded, because of course if you declare a war, you have to fight someone. And I think one of the reasons, and I’m sure we’ll touch on this later, one of the reasons why so much of the war on terror turned into large-scale military operations, had to do with that very early identification.

**Robert Manne**

Almost the metaphor itself created the need for military action.

**Hugh White**

That’s exactly right. Well, and because of course the metaphor was very politically pungent, and of course that’s one of the reasons it was used. People … our attitudes to war … by “our” I mean society’s attitude to war, in the US but also in Australia and in other Western countries and I’m sure others as well is very complicated, it has very strong negative connotations of course, waste and sacrifice and all the rest of it, but very strong positive connotations too. I had a very strong sense at the time that people *liked* the idea of declaring this a war and that’s one of the reasons why governments, having started talking about war, because that’s what the public wanted to hear, then found themselves compelled to conduct it as a war. And it’s very important to note that there have been some successes in the response to 9/11 and at one very crude level and it’s very hard to work out exactly how far to take this, but there have been no further major attacks on the United States. The number of further attacks around the rest of the world have been much lower than people expected. Partly, that’s because they wildly exaggerated the threat. But it also does reflect the fact that, pushing to one side the military operations, some reasonably effective police and intelligence work, not to say that everything has been justified, particularly in terms of the legislative framework, but some reasonably effective police and intelligence work, has actually managed this as a crime, and it takes one back to the thought that if one had defined this as a crime initially, we would have had a very different decade.

**Robert Manne**

I mean in a way what you’re saying is the two layers if one of them worked and the other has been … we’ll go into the disaster part of it … you’ve said some quite provocative things about the fact that the threat from Al Qaeda or from Islamist, not Islamic, but Islamist terrorism, was vastly exaggerated, the kind of existential threat it was meant to pose to Western societies, to the United States, Europe and to Australia, was vastly exaggerated. Could you speak to that a bit?

**Hugh White**

Yes, I do think that’s right. One of the most remarkable things about not just the days and weeks after 9/11, where the psychological shock perhaps understandably disconnected people’s judgment, but for years afterwards, serious people, people who really knew about this stuff, would look me in the eye and say this is the equivalent of the Cold War. And I’d say, just run that past me again. During the Cold War, the Soviet Union had twenty thousand nuclear warheads aimed at the United States and there was a clear possibility, under quite clearly definable circumstances, that those warheads would have been used. The United States would have been wiped out, not a metaphor, but actual physical reality. One of the interesting things is how quickly people just forgot how dangerous the Cold War was. But then to describe the threat of Al Qaeda, even had Al Qaeda got hold of two or three or four or five nuclear weapons, a terrible thing of course – I’m not trying to understate how serious that would have been – but to liken that to what would have happened in the Cold War had a nuclear exchange broken out, or for that matter, as many people did as well, liken it to the challenge posed to Western society, to global order by the Nazis, I think is just … sometimes you just come across a statement which is simply unsupportable. There’s no argument … you can’t make an argument that makes that look coherent. But a very large number of very sensible people believed this and kept on believing it for quite a few years. And so you’ve got to ask yourself, what’s going on here?

**Robert Manne**

Another thing that really does puzzle me is … and in a way it’s come up time and time again … you know, yesterday and today in the commemorations, is the sense that people genuinely had in the States, but also elsewhere, even in Australia, that a very serious terrorist attack – I call it the second most important in the last 112 years – the most important being the one at Sarajevo, that precipitated the First World War, but the second most important terrorist attack in recent history, people said “The world has changed forever” but I honestly didn’t know what they meant and I wonder if you do understand why that sort of statement was made.

**Hugh White**

I do have a kind of a sense of that. I do think people sensed that something very big had happened on that morning, bigger than just the huge events that you saw on the screen. And I’m just not quite sure myself how much of this is *post facto* rationalisation, but I think I did have a sense of it at the time, and that is that the most striking thing about the 9/11 attacks other than the drama of the attacks themselves, was the fact that they struck America at a time of such remarkable power. This was the United States, beginning a new century, a new American century, absolutely persuaded that they were going to occupy the pinnacle of global affairs, in every dimension of national life, international life, global life. And that this sense of confidence in their destiny as the leader of the world, which I personally, as an Australian, don’t mind, actually, because a world dominated by the United States would be a hell of a lot better for Australia than a lot of other alternative worlds, including the world into which we might be heading. But I think what people sensed was, oh, that model’s not going to work. That the sense that somehow, whatever happens from here on in, that model of the world is not going to be sustained.

**Robert Manne**

A kind of image of total security and total dominance was shaken.

**Hugh White**

That’s right. It was, if you like, an image of a global order with a benevolent hegemon, which from a theoretical perspective, is potentially quite a nice world. And it certainly was a world that a lot of people were feeling very positive about at that time, and not just Australians – Europeans were getting quite comfortable. I mean, they bitched about it, but they didn’t actually mind it, really nobody was contesting it. Now my judgment would be that in fact that world was passing, that was always an illusion, that was *not* what the 21st century was going to be about, for different reasons, which we’ll come to later.

**Robert Manne**

Now, obviously the first two things happened very quickly – one decision for Afghanistan and one for Iraq. And I want to talk about Afghanistan first and then Iraq. The decision that was made within hours I would say, that as a consequence of Al Qaeda’s attack, Afghanistan, or the Taliban regime, was going to be held to account and as it was clearly not going to be the desire to, or be able to destroy Al Qaeda itself, it was going to be attacked and eventually invaded. Because we’ve got a limited time I want to go to the heart of the question. The question is this – was the decision to attack Afghanistan firstly just, in your view, and secondly, was it wise? Two quite different questions unfortunately.

**Hugh White**

Yes, very different. One of the difficulties with thinking about the decisions in relation to Afghanistan, there have really been two – I mean, there’ve been lots of different decisions about Afghanistan but two very starkly different ones. One is a decision to intervene in Afghanistan in order to destroy Al Qaeda’s bases there. The other is a decision to try and rebuild Afghanistan to make it a better place in the longer term. And I think one of the very striking things about the Afghanistan story in the last decade is how complex the shift from one to the other and back again has been. We’ve never quite settled on one objective or the other. And that’s true of Australia and the United States I think today. But I think the first of those decisions, the decision to target Al Qaeda in Afghanistan in the wake of 9/11 was a legitimate, I’ll say, a just thing to do. I say that rather carefully – I’m old fashioned enough to think that what you might broadly call extra judicial processes of justice are things to be undertaken very carefully, but because they had a very high level of confidence, justified and acknowledged by the perpetrators of responsibility for the attacks – because the attacks were very spectacular, because there was a risk … at least I understand why people felt there was a strong risk of repetition, the desire to destroy the institution I think was a legitimate and understandable one and had I been working in government at that time, I would have supported it. Whether it was necessary to topple the Taliban, is another question, and of course not many people worried too much about that because not too many people loved the Taliban, but I do think you can actually separate the desire to reconstruct Afghan politics from the desire to target Al Qaeda and I would have very strongly … I’m a great believer when you use armed force of defining your objectives as narrowly as possible because it’s hard enough even to achieve the narrow ones, as we know, we didn’t actually achieve the narrow ones, that waited for Abbottabad a couple of months ago, so I think it was just … was it effective? Well it was only partially effective in that core objective and of course catastrophically ineffective in …

**Robert Manne**

I’ve never thought about it in that way you’ve just put. I wonder why you think the narrow objective of destroying Al Qaeda morphed into this, what now I think looks totally utopian ambition to reconstruct Afghanistan by a relatively small armed force.

**Hugh White**

Well, they get a lot of bad press and my goodness, they deserve just about all of it. But this is not something you can blame on Donald Rumsfeld and his mates, because they were out of Afghanistan in a very relaxed way – they just weren’t interested in this place any more. I think the morphing took place thanks primarily to the Europeans. The Europeans I think felt it important to be part of a response, didn’t want to be in the business of invading Iraq, but doing other untidy things. So they wanted to play some role in Afghanistan, they wanted to do something nice, so they said, let’s try to reconstruct Afghanistan. So I think the Europeans actually set about a kind of a utopian vision of what they could achieve in Afghanistan, and one of the odd things is the way the United States is being slowly drawn back into that effort really in the years since 2007 or thereabouts.

**Robert Manne**

And so what you’re arguing in fact is that the Europeans because they wouldn’t consider involvement in Iraq in general felt that they ought to do something in the war on terror, and the something that was more possible, more feasible, was Afghanistan.

**Hugh White**

Well, more possible and more acceptable, more palatable. More palatable, not more possible. In the end.

**Robert Manne**

Doesn’t it seem almost crazed to not have reflected on the Soviet experience of Afghanistan, from the European point of view?

**Hugh White**

Yes, and I do think just to step back from my kind words about Donald Rumsfeld and his mates, I do think they didn’t have any conception about what the end game was going to be. It was very clear they went in, they hadn’t thought through how the follow-on was going to occur. I think the Americans hoped that having installed the Karzai government they could just leave and leave it to the Karzai government. I’ve never claimed to be an Afghanistan expert, even remotely, but nobody who knew anything about Afghanistan politics thought that was ever going to work. So, no, I think there was a sort of wilful optimism.

**Robert Manne**

I don’t want to ask the obvious – the obvious question to ask at this point is, do you think it’s going to be a success? And the answer is no. The unobvious question, and it’s because you know people within the defence world in a way that most of us don’t, do you think people now within the defence world, both in Canberra and if you can say, in Washington, genuinely believe that there is any prospect for what might be in some way or other defined as a success in Afghanistan, or are they just kind of pretending until they do what Kissinger called in a different circumstance, have a decent interval following their withdrawal?

**Hugh White**

I don’t believe anyone who seriously considers the issue can have any optimism that will achieve anything like our stated objectives in Afghanistan in the time we’ve given ourselves with the resources we’ve got available. On the other hand, there may be a third alternative to them just cynically waiting it out, and that is, they may just be kind of evading the issue. Gibbon’s got a fantastic phrase about people existing in a mixed and muddled place between self-illusion and voluntary fraud. And I think that describes …

**Robert Manne**

In *Decline and Fall*?

**Hugh White**

Yes, in *Decline and Fall*. And I think it describes our state of mind quite well. I think a lot of people … remember, people in government, they’re tied up in a thing, usually the decisions were made before they got into their present positions, they’ve inherited this proposition, it’s rolling forward with a momentum all of its own. You know, Julia Gillard inherits the talking points from Kevin Rudd. Stephen Smith inherits the talking points from his predecessor, the new CDF inherits his talking points from his predecessor – they all just keep rolling out the talking points, and they now know they’re coming out at the end of 2014. So they’re just holding on.

**Robert Manne**

And they don’t push their thoughts to the point of … beyond the talking points.

**Hugh White**

No, I don’t think so. I don’t think so. I in fact think, and it’s a significant judgment and a very uncomplimentary judgment, but I think the people responsible for managing Australia’s involvement in Afghanistan do not take seriously enough their responsibilities, including their moral responsibilities to ask whether the operations which are costing us lives at the rate of about one a month at the moment, have any chance of achieving their objective. And I think that’s a bad thing.

**Robert Manne**

Just on the simple humane principle of pointless death.

**Hugh White**

I’m not a pacifist – I do believe that there are circumstances in which governments are justified in deciding to sacrifice their citizens’ lives in order to achieve strategic objectives. But I think those circumstances are very narrowly defined and those who are responsible for making those decisions have an exceptionally high level of due diligence to ensure that they’ve really thought this through. And I don’t think these decisions are duly diligent.

**Robert Manne**

One final question about Afghanistan before you have to move on, and that is, I don’t think there’s any reason to discuss why Howard went along with the United States, in that he did it whenever possible. Except you say in China – we’ll come to that a bit later. Are you surprised that the Rudd government and now the Gillard government are kinds of Labor government that don’t sort of strenuously re-think such issues – that there seems an automaticity about their continued support for the fundamental lines of Howard foreign policy.

**Hugh White**

Yes, I’m not surprised by that. Let me just say a thing about Howard though, because in some ways Howard’s approach to the war on terror was terrifically predictable and seemed absolutely in character. But there was always a kind of artfulness, almost a cynicism about the way Howard did that, because Howard worked like mad to minimise his risks. His risks, and soldiers’ risks. It’s not, as the old communists used to say, a coincidence that we took no casualties in Iraq and we took very few casualties in Afghanistan under Howard, and that is because Howard very deliberately, viewed from the Americans’ perspective, quite ruthlessly, having committed the troops, having said all the words, was very sensitive to try to minimise casualties. Now, I’m not sure how far Howard in that was aiming to minimise his own political risks or minimise the risks to his soldiers, and perhaps there’d be no reason for Howard to distinguish between those in his mind. But what does strike me is that the Rudd and Gillard governments have been much less attentive to that factor. So what’s been going on? In Rudd’s case I think it was absolutely clear. Labor politicians are schooled from birth and if they didn’t learn it then, they’re told by those nice blokes in Sussex Street who’ve done such a good job of running the Labor Party recently, that you must appear strong on national security to succeed as a Labor leader.

**Robert Manne**

That’s domestic politics?

**Hugh White**

Domestic politics. And Rudd having run for office on pulling out of Iraq, had a particular need to find a way to demonstrate his credentials, and Afghanistan, an increased commitment to Afghanistan, and a willingness to do more things in Afghanistan than Howard had ever been willing to do, and take more risks and lose more lives, that was his way of demonstrating his credentials to national security. And Gillard, taking over from Rudd, found herself in exactly the same position. And so I think in both cases Afghanistan has been central to them as a way of demonstrating, as a Labor leader must, their credentials in this field.

**Robert Manne**

And just before … I want to talk about Iraq in a minute … but just before we do that, common sense would suggest that there is a real problem in this region and it’s not Afghanistan – the real problem is Pakistan, and the possibility that American actions and the geo-political situation in that region will strengthen the power of Islamism in Pakistan, and Pakistan as we all know is a nuclear-armed state. I’m really interested to know whether you think that the potential dangers of Pakistan are real, much more real than Afghanistan, and I won’t ask you this, but if you have any sense perhaps, of where things might be leading?

**Hugh White**

Well, clearly Pakistan is an exceptionally dangerous place, because it’s by far and away the weakest state ever to have nuclear weapons. And that would be dangerous even if there wasn’t, so to speak, an Islamist strand to Pakistan politics if you know what I mean. If North Korea was that weakest state it would be very worrying. To me the key factor in Pakistan’s … what makes Pakistan dangerous is its weakness and its nuclear arsenal, not its Islamic politic character. But I do think that makes it an exceptionally dangerous and difficult place, and it’s always seemed to me that it’s much, much riskier than Afghanistan, and in particular, I think, if it were to be the case that terrorists got hold of nuclear weapons, the chances of those nuclear weapons coming out of the Pakistani arsenal, well, totally bogus quantification, would be 90%. And you know, so for a long time people who have argued in favour of the Afghanistan operation on the grounds of trying to control the problems of terrorism, have simply been looking in the wrong place. On the other hand, I’m not one of those who says, oh well, we should have been operating in Pakistan, because if trying to do much with the Afghanistani population with thirty million people with upwards of a hundred thousand troops looks difficult, what do you do in Pakistan with a hundred and eighty million people, and actually quite a big and capable army. But this is not a problem that the West can solve. I’m not even sure it’s a problem the West can manage. I think it might be a problem we have to live with.

**Robert Manne**

Again, because time is short, I want to push on to Iraq. As we now know, within days at the very most, the Bush administration had decided essentially on an invasion of Iraq and the removal of Saddam Hussein, for reasons again that we know. I suppose again the question I’d like you to give an answer to is why do you think that decision was made? I mean, my favourite joke about this is Richard Clarke, who says the decision to attack Iraq because of 9/11 was like deciding to attack Mexico because of Pearl Harbour. From one point of view it kind of makes no sense. So the question I’d like to ask is why you think the Americans made that decision.

**Hugh White**

Look, it’s a very interesting question. I think there are two ways to answer it. The first so to speak is a point of process, and that is, truth in advertising. I spent a great deal of 2002 going around the country telling people that the United States was not going to invade Iraq. And all my friends remind me of this pretty regularly, as you can imagine. But I had an argument, and that is, the United States, though it can sometimes drive you mad, is actually a pretty well governed country, with intense contestability, in Washington, and so normally any idea has to have to survive a welter of competing arguments, which are one way and another brought to bear on the decision, and normally prevent really stupid decisions being made. So one way of answering your question is the Bush administration had the most peculiar power structure of any administration, certainly in international affairs and strategic affairs. It had a genuinely very weak President. The weakest national security advice we’ve seen in a very long time, the weakest Secretary of State we’ve seen in a very long time, the strongest Secretary of Defence we’ve seen in a very long time, the strongest Deputy Secretary of Defence in Paul Wolfawitz that anyone’s ever seen or imagined and the Vice President from hell …

**Robert Manne**

Running the show.

**Hugh White**

Running the show. So, you know, the Washington I know and love – I don’t quite mean that flippantly actually. I’m actually very fond of the American system. I’ve worked with it a lot over the years. The Washington I know and love wouldn’t have had this decision. This was a Washington out of control. But there was a rationale for it none the less. Of course, what’s very striking and goes precisely to your point about the chronology, is that the key players in that decision-making structure had really decided to invade, wanted to invade, before 9/11 and 9/11 became a pretext. Why did they do this? It goes back to my point about America that morning. America seeing itself as on the dawn of a new American century, a new Rome and all that sort of stuff. And I do think these guys saw the reconstruction … the Middle East was *the* part of the world which did not respect American power. It was *the* part of the world that wasn’t in this tent. And they saw the re-arrangement of Middle Eastern politics to bring it within the US-led world order as *the* necessary and sufficient condition for consolidating America’s primacy in the second American century. And they wanted to get this job done. And 9/11 gave them a chance to do it. And they believed that, with the use of armed force, they could reconstruct the Middle East, Middle Eastern politics on America-friendly lines, and there were about seven layers of error in that. But I think it’s a bit unfair – Dick Clarke’s line is a bit unfair. They weren’t invading Mexico in order to reconstruct Pearl Harbour, in order to retaliate for Pearl Harbour, they were invading Mexico because they wanted to completely reconstruct the world order, and I think it’s that – you’ve got to look beyond 9/11 to their vision of America’s place in the world.

**Robert Manne**

And it’s not oil, then?

**Hugh White**

Oh, no, it’s not oil. I’ve never bought that argument. I mean, at several different levels, apart from anything else actually, the people, George Bush’s mates make money when the price of oil goes up, so they … but I think there’s a real, I think there was a much deeper strategic idea there, going to a very deep sense of America’s place in the 21st century world order.

**Robert Manne**

Now, one of your many jobs in government was in ONA, so you know something about intelligence. And again I wanted to ask you this question – it’s something I don’t myself feel I understand – which is first of all whether it is a surprise that the intelligence about weapons of mass destruction was entirely false, and I suppose linked to that is whether you think the key people in government, you know, their George Bush and let’s say Paul Wolfawitz a highly intelligent man is a contrast – or John Howard here, whether they genuinely thought there was a clear case that this intelligence was true. If so, why?

**Hugh White**

A very important point. I am as sure as I can be that the key players genuinely believed that Iraq had WMD. I’m also as sure as I can be that none of them believed that Iraq’s WMD was a good reason to go to war. A good reason to go to war was to destroy Saddam’s regime, to reconstruct Iraq politically, and to use Iraq’s reconstruction as the beginning of a process of reconstructing the Middle East in order to consolidate …

**Robert Manne**

So, a pretext, not a lie.

**Hugh White**

It’s a pretext, but not a lie. The lie was why we’re doing it, not that we believe in it. Now, why did they think that? Well, you know, truth in advertising – I believed it. And I believed it on the basis of the fact that in their first year after Iraq’s surrender at the end of Operation Desert Storm, when they invaded Kuwait, and the UN sanctions were imposed on Iraq to control, to dismantle Iraq’s WMD, I was doing the job in ONA that was responsible for analysing the intelligence that came in about what they discovered in Iraq, and what they discovered in Iraq was really scary. Iraq in 1991 had much more WMD than we thought. And so in a classic and rather simplistic piece of psychology, we thought, well, we’re not going to make that mistake again. The other absolute killer argument was that we believed that Saddam had WMD because he acted as if he did. And of course there was a very strong tendency to default to caution on that. So I am actually not that surprised … the record is now clear, it was a serious failure of both intelligence collection and intelligence assessment not to see that he didn’t have WMD. But I think in the end the whole question about WMD, I’m sure the leaders believed it and I don’t for a moment believe that that was the reason they invaded.

**Robert Manne**

I’ll press on that a little bit. There’s just one part of it I’m not quite sure about. I’ve read quite a lot about the stuff over nuclear weapons and the threat, and ElBaradei for example in his recent book that he really told the Americans that it was absolutely that the stuff they believed about Niger and so on was false. And there I think on that issue I’m of the belief that they did believe it was true but there’s ways of believing things are true when you *want* to believe them, and you just discount alternative evidence.

**Hugh White**

That is exactly right. As I said, I think it was a very serious failure, both of collection and of assessment – looking back on it, it is now clear that there was not nearly an adequate basis for the judgment that was made. And I’ve got to say, and of course I’d been out of government for a few years by then, and I hadn’t read any of this stuff for several years, but when Secretary of State Colin Powell gave his famous presentation to the UN Security Council in the weeks before the invasion of Iraq, and I saw the evidence he was educing, I thought to myself, “Is that all? Hang on, that was the stuff that I saw”. That was the point at which my own confidence was shaken because I had assumed, listening to what people had said, that the collection effort had multiplied and they’d built up a whole new sort of basis of data, and what’s now become clear is that in fact they had a very, very slender evidentiary base for the conclusions they were reaching, and my acceptance of that argument, that they had WMD, was based on an incorrect assumption that they had collected a whole lot more data. And they hadn’t. But I’d go back to the point that in the end I think, that was actually irrelevant to the decision.

**Robert Manne**

A couple more questions about Iraq and the last ten years. How profoundly do you think the American invasion of Iraq and then the chaos that’s followed and the extraordinary number of deaths and dislocations and so on that have occurred, how bad an effect do you think that’s had on the reputation of the United States in different parts of the world? How much of a blow to the prestige of the United States has it been?

**Hugh White**

I think very significant to prestige. It’s worth going back and remembering that at the turn of the century and indeed for that matter, after the Afghanistan victory, the first victory in Afghanistan around Christmas of 2001, the view very broadly was shared that the United States was in a position where it was militarily omnipotent, that it, and you could be quite precise about this, that it could achieve any desired strategic result, with the application of armed force against any adversary, anywhere in the world, at an acceptable level of cost and risk. And after Iraq, that was proven to be wrong. It was always wrong. The United States has always had a very small army. It’s very good at destroying things and that’s what armed forces partly do, but it’s never been strong at controlling other people’s territory and populations – that requires a completely different kind of military. A military that looks much more like the PLA than like the US army. The US never had this capacity and they proceeded to demonstrate that they didn’t have this capacity once the statue in Baghdad had fallen and they were trying to run a very difficult and vociferous country. So I think it’s had that effect. I think more broadly it has undermined the mystique of the US military. I think the poor decision-making has undermined people’s confidence in US government processes. And I do think it’s done some pretty serious internal damage to Americans’ confidence in their leadership.

**Robert Manne**

The final question about Iraq, or really about Afghanistan and Iraq. My favourite economist, Joseph Stiglitz, a long time ago thought that almost its most powerful impact on the United States would be on the economy, and the two or three trillion dollars that he estimated it would cost the United States. Is that your assessment too, that it’s had a devastating effect on the US economy?

**Hugh White**

It has had a very serious effect on the US economy but I’m not going to argue economics with Joe Stiglitz, but I tend to think that it’s just, if you like, been another, not straw, but bale of straw, on the camel’s back. But this is a camel, the US fiscal balance, which is already very seriously stressed by having ludicrously low tax rates and very high expenses, and so I don’t think it’s been itself *the* cause, I think it’s just been, so to speak, another thing which has made the US fiscal balance very dire, and that of course is terrifically significant to the US international position over the next few years and decades.

**Robert Manne**

Is that your metaphor – the bale of straw? On the camel’s back.

**Hugh White**

Yes.

**Robert Manne**

I congratulate you on it. I will remember it and use it and claim it as my own.

**Hugh White**

I just made it up.

**Robert Manne**

If I understand your work in general, the biggest message you’ve been saying in recent times is that while the United States was preoccupied by these wars and by the Middle East, they didn’t notice and had not yet responded to the really big thing that was happening in the world, which is the rise of China. So I suppose the beginning question, because I want to ask you quite a few questions about that, is, how certain is it, do you think, that China’s rise will continue, as a dominant matter in the next century, and linked with that, how clear is it that America will go into, let’s say, relative decline over the next decades.

**Hugh White**

A very important question. Let me take the second part first. Nothing in my thinking about the future place of the United States in world affairs presupposes that the United States is in decline. I am broadly pretty sympathetic to the idea that the United States is an immensely innovative, flexible, regenerative country that can rebuild itself in all kinds of remarkable ways. But, I do think, due diligence requires you to acknowledge the possibility that might not be true this time. Our basic reason for thinking the United States is going to bounce back is that it always has before. And that’s a proposition with some logical limitations.

**Robert Manne**

Where philosophy training comes in.

**Hugh White**

Philosophy training comes in, the trouble with induction is that it doesn’t always work. At least it works until it fails. And so it’s possible, and I do think over the last couple of months since I’ve started to think more seriously about the possibility that this actually might be the point where the United States doesn’t bounce back. Put it this way, I think we need to be very cautious about the rhetoric that says America bounces back because America bounces back, which is really the depth of a lot of the arguments. But on the other side of the coin, I would reverse the burden of evidence. It’s not inevitable that China will keep growing. It could run into a brick wall for a million different reasons, well, no, for four or five different reasons. But I think the most likely outcome is that China will keep growing over the next few decades, as fast or almost as fast as it has over the last few decades at any rate that it will grow fast enough to overtake the United States quite soon, and that it will continue to grow to the point where it doesn’t just edge ahead of the United States and stop, but edge ahead of the United States and keep going. And it’s not fanciful to imagine that by the middle of the century, which is, in my line of work, not very far away, China’s economy could be a third as big as the United States again. And that is a fantastically significant development because I’m a bit old fashioned about this. I think in the end the foundation of national power is economic weight, that our world has been shaped in an era in which the United States was not just the biggest economy in the world, but had been the biggest economy in the world for as long as anyone could remember, and no one could imagine, a lot of people still can’t imagine, that the United States won’t always and inevitably, and almost by definition be the strongest economy in the world. But if you believe the IMF the United States will cease to be the strongest economy in the world in five years time, on PPP terms, which is the more relevant of the measures from a strategic point of view.

**Robert Manne**

Can I ask you a little bit about this? It seems to me that there are two competing ideas about the pre-eminence or whatever. One is the one you’ve given which is GDP, in gross terms, no matter what the population of the country happens to be, although I think we’re slightly haunted by the idea of per capita GDP as a kind of competing measure in the areas of power. But the other I think conventional measure of power is armed force. And when you say that China will have a larger economy than the United States, would you not agree that it won’t have a larger arsenal.

**Hugh White**

Yes, I certainly would. I can’t resist just going back to per capita GDP. Of course it’s always better to have a bigger than a smaller per capita GDP but per capita GDP tells you nothing about national power. The highest per capita GDP in the world is Luxembourg. It has no strategic power. What matters for the strategic power of a state is the state’s capacity to command resources and it doesn’t matter whether you command relatively small resources from a very large population or quite big chunks of resources from a relatively small one. It’s how much money you’ve got in the bank. And particularly of course when what’s at stake is air and maritime power, when it’s just money that counts.

**Robert Manne**

And then savings ratio comes into it as well.

**Hugh White**

Well, in the end it’s, you know, from a state’s point of view, it’s tax, and long term it’s the tax take year by year, and it’s the capacity of the economy to sustain a relatively high level of … or whatever level of taxation you require over the longer term. So savings ratios and things are important to long term revenue flows, but what’s important year on year is how much money is flowing into the exchequer. Now the balance between economic power and military power is a very complicated one but let me make two points. The first is, I do think national power is manifest in lots of different ways. Military power is one, diplomatic capacity is another. Direct economic power is one way it’s manifest. But if you look at below the manifestations and say what’s the engine, I think it is economic power. Strong, big economies – you can’t have a strong state without a big economy. You very rarely have a rich country that doesn’t function as a strong state, in fact, the only example I think we have in history of a really rich state that didn’t function as a powerful international actor was Japan. Over the last few decades.

 Now on the business of China’s military power in relation to the United States, it’s very tempting to look at the IIAs ??? balance or something and say, OK, well America’s got that much and China’s only got that much. Therefore America’s stronger than China. But what matters is not what you’ve got but what you can do, and what you can do in the relevant places, and the competition between the two is profoundly asymmetrical. The United States aspires to global power, or it is a global power, and therefore spreads its capability around the world. China doesn’t I believe aspire to global power, at least not in a global strategic way. It is interested in having political influences in all sorts of places but as a strategic power it focuses very much on the Western Pacific and East Asia. And so it’s much more focused. In East Asia, China is the local power. And so China doesn’t have to project power a long way, and you know, the world isn’t flat when it comes to armed force at least. How much it costs you to achieve a strategic effect at a particular location depends amongst other things on how far you have to send your force to get there. So China has a huge asymmetrical advantage in the fact that it’s competing with the United States on China’s doorstep in the Western Pacific. And the third point is that in order to undermine the military foundation of America’s political leadership in Asia, China only has to prevent the United States projecting power by sea in Asia. The military foundation of America’s primacy in the Western Pacific, going back actually to Admiral Dewey in 1899, has been its capacity to project power around the Western Pacific without being … reasonably high levels of confidence that it wouldn’t be sunk by anyone else, and of course they’ve maintained that almost all the time except for the months between, roughly speaking, Pearl Harbour and Midway. But what has happened in the last little while is that China has started to erode America’s capacity to project power at low levels of cost and risk. And so I do think China has, at the point where it matters for China’s strategic competition with the United States, China has shifted the military balance very significantly in its favour.

**Robert Manne**

And it’s interesting, the point you said about the global nature of the United States and the Asia Pacific nature of China, is sort of exactly I think where the British were in dead trouble in the 1930s, with their global empire with a declining economy in their case, facing Japan say, which was only interested …

**Hugh White**

That’s exactly right. I mean, the Royal Navy could always have sunk the Imperial Japanese Navy …

**Robert Manne**

If it could all go there.

**Hugh White**

If it could be in Singapore on the day. But unfortunately they had a date elsewhere.

**Robert Manne**

I mean, one of the things about Power Shift, the Quarterly Essay that Dennis referred to earlier, which I was both interested in and perhaps even a little bit sceptical about, is the degree to which you think there is a possibility of armed conflict between China and the United States.

**Hugh White**

Yes. Well, my reason for thinking that the risk of armed conflict between the US and China is quite high – when I say quite high, relatively high considering how serious it would be. Even a 5% chance of a possibility that serious is a very high risk indeed. And it’s more than 5%. Why do I think that? Well, because I believe that the two countries are quite deeply committed to sets of strategic objectives which are fundamentally incompatible. It’s not that either side wants war. Nobody in Beijing wants a war with the United States. No one in the United States wants a war with China. But China I think does naturally expect to become the leading power in Asia, and the United States does absolutely intend to remain the leading power in Asia, and from such simple, stark incompatibilities of objectives, big wars begin. And you ask the question – just look at the last few couple of years, where quite clearly we’ve seen China becoming more assertive in the ways it pursues its claims for a stronger role at sea in the Western Pacific, the South China Sea, ???, contesting US military operations within China’s EEZ and so on. The United States has quite clearly over the same period including in connection with Australia, energised its efforts to build a coalition of countries in Asia designed to resist China’s challenge to its primacy. And both sides are clearly building their forces in relation to the other and the tone of competitiveness is building up. At the Shangri La dialogue in Singapore in the beginning of June this year, US Secretary of Defence Gates and the Chinese Defence Minister gave speeches on alternative mornings, on successive mornings, and the two were absolutely stark. Gates described how the United States was going to stay engaged in Asia, was going to retain its present position and work with all of these countries to preserve itself – hardly mentioned China at all. Of course the Chinese Defence Minister described four conditions for a peaceful future for Asia, the first one of which was that China must be treated as an equal. So I don’t believe war between the US and China is inevitable, but I do believe it becomes increasingly likely the longer the US and China proceed down this path of escalating strategic competition and in order to get off that path, they are both going to have to significantly change their national objectives to which they are both committed. And changing objectives like that requires great statesmanship. And I don’t see it on either side.

**Robert Manne**

Can you outline, I’ve read the *Quarterly Essay* so I know roughly what you think, but if you could outline for the audience your sense of what would be a benign and wise diplomacy from the point of view of the United States in regard to this increasing tension?

**Hugh White**

Let me put it from an Australian perspective. What do we want in the future of Asia? We don’t want to live in an Asia that’s dominated by China. And in order to avoid that, it is … well, by far and away the best way to avoid that, the surest way to avoid that, is to keep the United States engaged, because in the end only the United States is strong enough to balance China’s power. On the other hand, we don’t want to live in an Asia which is dominated by US-China strategic competition, because the chances of that leading to war, or even just to a state of Cold War standoff in which we can’t trade with China if we happen to be on America’s side, is I think, high, really quite high, very high. So, a future which works with us is the one in which the United States stays engaged in Asia, but not on the basis of a contested relationship with China. That can come about, I’m sure that can happen, a perfectly credible future for Asia, but it is one in which both the United States and China agree to share power and they both have to treat one another as equals. I also think they actually have to treat Japan and India as equals, because I think they are also great powers with a capacity to disrupt this. But the US and China are the first two. Now, that is going to require great sacrifices on both sides because for China it will be a matter of the Chinese accepting that even when they have overtaken the United States by a significant margin, they are not even going to be the dominant power in Asia, let alone the dominant power in the world. So they’re not going to be the heirs to what America has had. And if I was Chinese, I’d find that disappointing. On the other hand the United States will have to accept that they have to treat China as an equal and I try talking to Americans about how it would feel to treat China as an equal and I’ve never yet received a very positive response. And I understand why not but …

**Robert Manne**

You develop in Power Shift the idea that there was a concert of Europe after the Napoleonic Wars which kept the peace for a considerable time, and you think a similar concert of Asia could develop.

**Hugh White**

It could work. Yes.

**Robert Manne**

Who would be the main members?

**Hugh White**

I don’t for a moment predict that we’ll have a concert of Asia, I just say that it’s the only outcome which bears us the alternatives of Chinese hegemony or a highly contested warlike balance of power–type future. And that concert … well, my definition, my conception of a concert is that it has to have all of the great powers and nobody else. I think the great powers of Asia will be the US, China, Japan and India. There’s a question as to whether Japan doesn’t sink too fast to remain as a great power. There’s a question as to whether India will rise fast enough, or at what point it will rise to become a great power, and there’s the perennial enigma wrapped in a riddle, of Russia and whether Russia functions as a great power in the Asian system. I tend to think not. But the reason why I think there’s something in the European metaphor from the 19th century Europe, is that Asia is developing today something a little bit like what the Europeans faced after the Napoleonic Wars, that is, a system of states, four in our case, maybe five or six, all of which had a great deal of power, no country had enough power to dominate the whole system, as China certainly doesn’t have enough to dominate the whole of Asia I think as long as the United States stays in cage. They all have a great deal to gain by avoiding competition. They all have to give up a great deal in order to avoid competition. But what made the 19th century Europe’s century was the fact that they didn’t spend the whole of the 19th century fighting one another and they did allow them to turn outwards. Europe’s population exploded, its economy went through the roof, the modern world was to a significant degree made and they took over the world. Asia could have that kind of a century, if they/we can get our act together. If not, it will look much more like Europe in the 20th century and if you look at where Europe stands at the end of the 20th century, actually at the end of the 20th century, Europe has an optimistic moment but boy it went through a hell of a lot to get there.

**Robert Manne**

Just one question to conclude on the China/United States matter, and Australia, within it. If you were an Australian Foreign Minister advising our ambassador in Washington to speak, what roughly would you get them to say to the United States about this question?

**Hugh White**

I think if I was an Australian Foreign Minister I wouldn’t be advising, I’d be instructing the ambassador in Washington – the ambassador in Washington might take a different view. Look, it’s a very important point. I think Australia has to do something very unusual here and that is, we have to persuade the United States that it should negotiate with China, compromise with China to go to the heart of the question, appease China, to try and identify whether the kind of deal that I’m talking about can be done. Now Australians have always regarded their security as depending completely on the domination of the Western Pacific by an Anglo-Saxon great power, so for us to go to the present Anglo-Saxon great power and say we’d rather you didn’t dominate the Pacific, we’d rather you shared power with somebody else, is almost unthinkable in Australian foreign policy and I guess I’d say lightly rubbing my bruises, that the response to my *Quarterly Essay* has shown just how hard it is for people to get their heads around that idea.

**Robert Manne**

I mean, there was the most astonishing outburst from Greg Sheridan at *The Australian* …

**Hugh White**

It was, yes.

**Robert Manne**

Saying that this was the most preposterous idea he’d ever encountered.

**Hugh White**

Yes, that’s right. He didn’t go in hard or anything, he just sort of used moderate analysis. But I think even Greg aside, a lot of people whom I respect a lot, have nonetheless found it a hard idea to get their head around. Because I do think it’s hard for people to think that Australia wouldn’t always just support the dominant Anglo-Saxon maritime power in the Western Pacific. And you know, the only reason I think this might be the time to re-think that of course is that for the first time in our 230-something years on this continent, since the European settlement, an Anglo-Saxon power is not going to be the dominant power in the Western Pacific. If China’s economy ends up being bigger, perhaps even a third bigger than America’s within a time frame that’s relevant to our thinking about these things, then we’re in a completely different world. And America’s in a completely different world. China is the most formidable strategic adversary the United States has ever faced. Already. Its economy is already bigger relative to America’s than the Soviet Union’s ever was, than Russia’s ever was, than Germany’s ever was and Japan’s ever was. It’s never faced an adversary like this. And it’s going to keep growing, probably. So the idea that we in Australia can just keep hanging on to an expectation that America will always be there to keep Asia safe for us the way it always has, I think just ignores the significance of China’s dynamism, and what makes that particularly ironic for Australians is that with the economic half of our brain we can think of nothing but China keeping growing. In the strategic side of our brain we try and pretend it’s not happening. This is not a recipe for a happy future.

**Robert Manne**

And you say, I think just recently you’ve written that the United States was very slow to really slow the rise of China, surprisingly slow, as if they were kind of mesmerised by 9/11 and the Islamist threat and so on.

**Hugh White**

I think that’s right but I think it’s not just that they were mesmerised by 9/11 though I do think that was a very significant factor, but also that I think that it is proving very difficult for Americans to understand that within a few years they’ll no longer be the strongest country in the world. I think they are starting to understand this. I think the historians will judge that 2009 and the global financial crisis was the point at which Americans started thinking – oh, this really is going to be different. Until then there was a very complicated, no fairly simple actually, hierarchy of rationalisations – maybe China will stop growing, or it won’t stop growing but it won’t be able to build the military or economic power, or it will build the military and political power but it won’t choose to challenge America, or it will challenge America and we’ll still win. And often people, and I’ve been arguing with Americans about this for ten years, and I’d always get some combination, and often all four of those arguments would be made in succession. Well, of course they’re all wrong. China will probably keep growing. It will acquire the economic and political muscle that goes with the money. It is challenging American power and it might win. It won’t lose. It won’t be a re-run of the Cold War, because China aint Russia.

**Robert Manne**

I’m going to ask, because time’s gone remarkably quickly – I have a hundred questions I haven’t asked. I want to ask one very general question and then I do hope there are lots of questions from the audience. We have a bit of time. It seems to me there are three large suggestions about what the next century will be dominated by, and I’ll put the three to you and ask you what you think. One is the Samuel Huntington idea that the 21st century is a clash of civilisations by which he essentially means the West, or perhaps even the United States and the world of Islam and that the structure of international relations will be dominated by that. The second is the one you’re talking about today at great length – China and the United States – that the rise of China and the capacity of the Americans to deal well or badly with that will dominate the century. The one that I would think is a possibility is climate change, that the general threat posed by that will be the dominant issue which will test the international system, for better or worse. Can I ask an impossible question for you to think your way through that, those three kind of large pictures of the coming decades.

**Hugh White**

Look, I think they’re all very significant. I think the question of the relationship between the West and the Islamic world remains fantastically interesting and unresolved, and obviously what’s happening in the Middle East at the moment just adds a whole new drama and dimension to that. And because the Middle East is in some ways – the bit where I agree with Paul Wolfawitz that is that the Middle East is the bit that’s not quite in the globalised system which is being constructed, and the way in which the Middle East finds itself a place in that system and the way in which the system modifies to work with the Middle East – I’m not saying it’s all the Middle East’s job to make those compromises – is going to be a very important story. But in the end, there’s simply not enough raw national power in the Middle East to shape the global system fundamentally. It can be a massive irritant, irritant sounds the wrong word – it sounds a bit dismissive. I don’t mean that. It’s a big deal. But it’s not going to shape the whole system.

The competition between China and the United States can change the world. The competition between the United States and China which I think is now clearly established and I’m really amplified is not stopped, then the risks that there will at some point, not this year or next year, but ten years or twenty years from now, or maybe sooner, lurch into a conflict, is quite high. If that happens, the chances of that conflict becoming the most costly the world has ever seen is quite high. These are after all, two nuclear powers. We’ve got very relaxed about what nuclear weapons in the hands of major powers means since the end of the Cold War because the Cold War in the end didn’t go nuclear. We were just lucky. This could all – I actually think it’s more dangerous than that, simply because the rules are less clearly drawn.

On climate change I do think that one of the key issues, perhaps the key issue, I mean immensely complex domestic politics in every country. There’s the immensely complex question between emerging economies like China and the developed countries like ours and the United States about so to speak, intergenerational equity and whether it’s not right for us to make allowances, or factor they should have more opportunities for high carbon emissions and we should pay a bigger share. But I think in the end the biggest determinate of whether or not we can get effective global action on climate change will be the quality of the US-China relationship, because unless we can get a deal between the US and China, nothing will happen. If we do get a deal between the US and China, actually, it might not be that hard to put it together. Now this is incompatible with the idea we have of a global community in which sovereign states function as equals. As you will probably have gathered, that’s not a view of the international order I necessarily find very compelling. I’m not saying it’s not attractive. I just don’t think it’s the way the world is. I think one of the things that went wrong at Copenhagen is that the United States turned up there thinking that China was just another party to the negotiation, instead of the absolute key. I think a lot of the atmospherics at Copenhagen as I understand them, I was not there of course, but it was about the Chinese saying to the United States – No, you have to deal with us. And that means that the prospects for a successful management of the climate change issue is going to be hostage to the quality of the bilateral relationship between the United States and China. And if you believe that we modern human kind, or the leaders of the US and China are incapable of allowing disagreements over the respective status as leaders in the Asia-Pacific to get in the way of vital global action to avoid a global catastrophe, then you have a much higher faith in human nature than I do.

**Robert Manne**

 I don’t think that’s the right point to conclude, but we’re not concluding, we’re having questions. So could I ask – there are going to be two roving mikes and if anyone wants to ask a question, I hope many of you do, put up your hand and a mike will arrive.

**Question**

OK. I’ve got two questions. In light of the Clash of the Titans writings, between Mearsheimer and Brzezinski, whose argument do you find more convincing? That’s the first one.

**Hugh White**

I’m sorry, just tell me – whose arguments are these.

**Questioner**

Mearsheimer – John Mearsheimer and Brzezinski – I can’t pronounce his first name. The second question is, like, in light of that article, Brzezinski says that the conflict is unlikely between China and the US. My question is, is it possible for China and the US to stand by one another as two of the greatest economic powers, when their political ideologies are so contrasting.

**Hugh White**

Yes, very good question. I mean, my reservation about Mearsheimer is that he builds a perfectly coherent theoretical model based on historical experience. You know, all rising powers in the past have ended up challenging the dominant power. That challenge has always ended up in a horrible big war, therefore this occurrence will end up in a horrible big war. It suffers from the problem of induction, that we were talking about before. Yes, it’s perfectly valid as far as it goes, but it underestimates the capacity for *us* in the broad, or the US and China in particular, to get it right this time. In other words, it underestimates the capacity of human will to get in the way of the laws of history. It’s perfectly possible for the United States and China to realise that they have immense to gain, both of them, and a hell of a lot to lose from a conflict with one another, and therefore, to negotiate their way past this. The fact is, though, that they have to, they *have* to negotiate their way past it and I think the biggest risk at the moment, of a lot of the writings on this whole question, is to the sort of opposite view of Mearsheimer’s, is that because the two powers are so economically interdependent, and therefore it would be so costly if they were to go to war, they won’t. Now, my reservation about that is that it’s undoubtedly true that interdependence raises the costs of competition and conflict a great deal, and therefore provides much stronger incentives for them to do a deal with one another, to reach an understanding. But it raises the incentives for that deal to be done – it doesn’t actually mean the deal doesn’t need to be done. And what worries me is that both countries, I think in both countries there’s a sense, both in Beijing and Washington, there’s a sense that interdependence makes conflict unlikely. But that’s because they both think that the interdependence constrains the other guy’s actions, not theirs. So in Washington, my friends say “Hugh, you’re way too worried about this. Don’t worry. Look, the Chinese would be crazy to take us on because they can’t afford to disrupt – they can’t afford it because we owe them all this money” and my friends in Beijing say “Hugh, you’re far too gloomy about this. The Americans aren’t crazy enough to do this because they know that we control their debt”. So, in other words, the fact of the interdependence, actually to both of them, reduces the incentives to compromise, whereas it should increase the incentives to compromise. I must say I do think Mearsheimer’s too gloomy and the interdependence guys are too optimistic.

But there is a question – your second question – and that is, would it be possible for the two countries to do the kind of deal that I’m saying they should try to do, given that they have different political systems. Of course, it’s much harder. It’s much harder to build the trust and understanding that is required. But I don’t think it’s impossible. For a start, you don’t actually need that much trust. You can build this kind of understanding, not on the basis that you trust one another, but that you just understand that if you don’t stick by the deal, you’ll be monstered. I mean, in the end, and we don’t want to get fixated on the historical metaphor, but in the end, the concert of Europe held together, not because the Germans and the Austro-Hungarians and the French and the Russians and the British all loved one another, or even particularly trusted one another, and they had very different political systems, but they were united in one clear understanding – that is, that none of them could stand up to the others combined, and if any of them tried to dominate the others, the others would combine against them. It was in the end … it had a very steely underpinning.

The other point though is that in the end we’ve got to make a judgment about the moral standing of states. I think right at the heart of the thought that we can’t – we – the West, the United States – can’t do the kind of deal I’m talking about with China, is the thought that because the Chinese government is authoritarian and repressive, it’s not a country with which we can afford to do business. I think there are countries with which you can’t afford to do business. Governments with which you can’t afford to do business. The Nazis are always the paradigmatic example. I don’t think China’s one of those. I think there’s a lot of bad things about the Chinese government – it does a lot of bad things – but I think in the end it is a government that you can deal with. And there’s a lot in that. I’ll just make one point in support of that proposition. Back in 1946, George Kennan, writing his famous long telegram from Moscow, argued the question – Can we afford, can we do a deal with the Soviet Union? Enter the Second World War, the Cold War not yet begun, Kennan says, can we build the kind of understanding that I’m saying the US should build with China. Can we build this with the Soviet Union? That’s what FDR had been talking about, at Yalta, and after. And Kennan decided on balance that you couldn't because the legitimacy of the Soviet government depended on it having adversarial relationship with the United States. That’s what made the Soviet government legitimate in the eyes of its own people. So the question we’ve got to ask ourselves is, does having an adversarial relationship with the United States – is that critical to the legitimacy of the Chinese government? And I don’t think it is. I think what’s critical to the legitimacy of the Chinese government is 10% per annum. So I’ll allow myself to be cautiously and uncharacteristically optimistic, that there’s just a chance we might sneak through. And what do we lose by trying? I mean, how dumb will it be if we don’t even give it a go?

**Question**

I’ve just got two questions. The first one is, wouldn’t it be, like, I think we all gather that September 11 has changed the world in a different place, but wouldn’t it be more rational to investigate the events at September 11, because I think if we look back in history, USA is notorious in covert operations, for example when the US attacked itself in the marine, sorry, in the what’s in called, the USA versus the Spain War where the US actually attacked itself before it actually having a full-out war with Spain. That’s the first question. The second question is, having about probably two hundred thousand troops in both Iraq and Afghanistan, and using weapons like depleted uranium, you know, white phosphorous and all the other heinous chemical weapons, and Iraq learned after September 11 there’s been a more than a million five hundred thousand civilians killed, before September 11, in the 1990s, British and what’s it called, America, its sanctions and bombings and stuff killed over a million, and also now, in Afghanistan, how many countless innocent civilians, and America’s actually proxy war in Libya, and Somalia/Yemen, so that’s my second question. The second question, that in itself having all those wars is not doing anything good to reconcile relations between the West and Islam.

**Hugh White**

On the first one. It’s a good idea always to approach any major issue like this with a healthy degree of scepticism. And you know, the case of the Maine for example, where the USS Maine battleship blew up in Havana harbour in 1899 for reasons unknown and provoked the Spanish-American war which resulted amongst other things in the Americans taking over the Philippines and becoming a Pacific power, so it was quite an important moment in our history. I mean, the historians are open about that as to whether – I don’t think people seriously believe that the Americans did that deliberately. I at any rate, I try to maintain a degree of scepticism but I just don’t buy the argument that the Americans knocked down the World Trade Centre in order to give itself a licence to invade Iraq and Afghanistan. It could have – it was always going to be a hard political argument, but it would have been much more cost-effective, less risky ways to give itself a pretext to invade Iraq and Afghanistan if that’s what they wanted to do.

On the broader point though about what impact has America’s and Australia’s for that matter, actions in the war on terror had on the broader point about the relationship about the Middle East and the global system. I do think there’s a very open question. I think the politest conclusion you’d have to say is that it has done nothing – nothing that we’ve done since 9/11 has made the management of that relationship easier and I think that’s one of the big disappointments that political leaders in countries like Australia immediately after 9/11 actually began a big, started a big project to open to the Islamic world. I don’t know whether you remember but in the few days and weeks afterwards, a whole lot of coalition politicians including John Howard, visited mosques and things. Now it maybe they’re just not running the footage but I can’t remember the last time an Australian political leader was filmed visiting a mosque. I don’t think Rudd and Gillard ever have, so far as I know. So that whole idea that 9/11 might actually be an occasion for the West and the Islamic world to kind of reach out to one another, I think has actually been lost.

The broader question about – well, until the remarkable events that began in Tunisia, still only what was it, six months ago, nine months ago – I think you could say that nothing that had been done since 9/11 has done anything to improve the situation in the Middle East at all. Whether – I just don’t know whether when the dust has settled from the Arab Spring if that’s what we end up calling it, people will judge that the US intervention in Iraq made any positive difference to the appetite for democracy in the Middle East. I’m sure some people will make that argument. I know I’ll be sceptical about it, but I guess in methodological purity I should just say there’s at least a possibility that that might have made a contribution but I’ve got to say I doubt it.

**Robert Manne**

We’ll have one more question and then we’ll have to stop.

**Question**

Yes, you were talking about the decline of US prestige in the world after 9/11. To what extent do you think 9/11 and the US response precipitated this sentiment of US decline in the face of China. Do you think 9/11 and the US response is responsible in some way for that?

**Hugh White**

It’s a really good question. I think it’s made a significant but in the long sweep of history, relatively modest contribution to the changing perceptions we have and the changing trajectory that I perceive for US power. I think the big thing, go back – I said right at the beginning in response to one of Robert’s first observations that one of the most striking things about 9/11 was that the planes hit America at the height of its power. It’s a bit hard – I remember – it’s a bit hard now to remember just how special America seemed in the late ‘90s and at the turn of the century. It really – people spoke in all seriousness of a new Rome and this was not regarded as risible. And a lot of very serious people took very seriously that this was going to be an American century. And so the perception we have of America now is very relative to that very spectacular height that they were at. Now what’s driven them off that height? 9/11’s been a big part of it but in the end that vision was always unsustainable because silently, but very fast, up the inside straight, zrooming China. And you know, already in 2000, if one chose to do the arithmetic, you could recognise a significant likelihood that China would overtake the United States some time within the next few decades. Nobody back then was predicting that China would overtake the United States by as early as 2016, although Ross Garnaut to be fair to him, came closer than anybody else, because people just didn’t expect that China could sustain the 10 per cent per annum, near enough, for so long. To my mind it’s that which makes that vision of America’s place in the role in a world order, sort of organised in America. It’s that which makes that unsustainable. And it was always going to be unsustainable as long as China could make the great thing work. The fact that 9/11 happened at that apogee, I think both accelerated the decline and made it harder to manage and made it more emotional and made it harder to manage because it was so serious for America’s fiscal position, a point that Stiglitz has made, for America’s international standing, for its own sense of itself. I mean, you can see, I think the speech that Barack Obama gave on the 1st of December 2009, in announcing the surge and then drawdown in Afghanistan, which to my mind was an announcement of a drawdown, much more important than the announcement of the surge – I think that was a point at which Obama said, he used the line in that speech, “the country, the nation I’m most interested in building is our own”. This is the one that says America can’t afford to take its place in the world for granted and it was not Al Qaeda, it *is* China that we didn’t mention, we didn’t have to in 2009. I think that recognition has now sunk in and even if 9/11 had never happened, even if that clear sunny day had proceeded to its glorious afternoon, America would still never have been able to realise the vision that they had and a lot of the rest of us had for its power.

**Robert Manne**

We’re going to close. I have one remark to make, which is to urge you all to come to the next session, this is my advertising, of Ideas and Society, which will be on asylum seeker policy at which my nephew, David, will be one of the speakers, talking about the law. He was the one that was behind the High Court action, but also the journalist David Maher will come along to talk about the politics. It’s on October 5th, so please keep that in mind.

**Dennis Altman**

I’m going to take thirty seconds. Probably like many of you I feel frustrated, I have questions as well, I know some of you also had questions. I think it’s a tribute to how interesting the discussion was that in fact you’re both sending us away deeply frustrated that we didn’t have a chance to ask more questions. On behalf of us all, thank you very much Hugh for coming back to La Trobe. Thank you Robert for the conversation.