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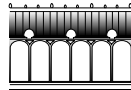
# **the paramount power**

CHINA AND THE COUNTRIES OF  
SOUTHEAST ASIA

**Milton Osborne**

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LONGUEVILLE  
MEDIA

PO Box 102 Double Bay New South Wales 1360 Australia  
www.longmedia.com.au  
info@longmedia.com.au  
Tel. (+ 61 2) 9362 8441

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# China and the Countries of Southeast Asia



**Milton Osborne** has been associated with the Southeast Asian region since being posted to the Australian Embassy in Phnom Penh in 1959. A graduate of Sydney and Cornell Universities, his career has been divided almost equally between government service and academia and he has served as a consultant to the United Nations High Commissioner for Refugees. He is the author of nine books on the history and politics of Southeast Asia, including *The Mekong: turbulent past, uncertain future* (2000) and *Southeast Asia: an introductory history* which is now in its ninth edition. Milton Osborne is a Visiting Fellow at the Lowy Institute, and an Adjunct Professor in the Faculty of Asian Studies at the Australian National University.

# Executive summary

Over the past decade, China's relations with the countries of Southeast Asia have changed substantially, even dramatically. Nowhere is this more apparent than in the fact that China now has close and productive dealings both with the Association of Southeast Asian Nations (ASEAN), an organisation founded in 1967 in large part in opposition to China, and with the individual countries making up that organisation. Allowing for the considerable diversity that exists in its relations with each individual Southeast Asian country, China has now assumed a position as the paramount regional power. This paper seeks to describe how this came about and reflects on contemporary Southeast Asian attitudes towards China, based in part on the writer's discussions in eight ASEAN capitals in November 2005.

Central to any discussion of China and Southeast Asia has been China's 'Peaceful Rise', a term coined by a senior party theoretician, Zheng Bijian, in 2003. The words reflect a Chinese concern to be seen as a country open to the world as its economy rapidly expands and as it seeks to develop mutually beneficial relations with other states. But well before the term was used, and following the accession to power of Deng Xiaoping, China had begun to turn its back on Mao's policy of supporting international revolutionary activity. But while it withdrew its support for communist parties and insurgencies in Southeast Asia, there continued to be difficulties in its relations with the individual countries of that region. The most obvious of these difficulties involved

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China's hostile relations with Vietnam, but there was the more general problem of contested sovereignty in the South China Sea. And although Thailand had already developed close ties with China by the early 1980s, other Southeast Asian states, such as Singapore and Brunei, did not have diplomatic relations with Beijing until the early 1990s, while diplomatic relations between Indonesia and China were suspended until the same period.

The end of the Cold War provided an important impetus for China to begin improving its relations with Southeast Asia, but what appeared to be a real change in policies was brought into question by China's occupation of Mischief Reef in the Spratly Archipelago, in 1995. This Chinese action brought a sharp and critical response from the ASEAN countries, which was followed by what many analysts have seen as the starting point for what is now termed China's 'charm offensive'.

As China worked to overcome the negative results of its actions in the South China Sea, the onset of the Asian financial crisis gave it the opportunity to demonstrate its goodwill towards the Southeast Asian region. It provided a major loan to Thailand and participated in the raising of loan funds for Indonesia. Perhaps most importantly of all, it did not devalue the yuan, an action which would have placed even greater pressure on the currencies of the Southeast Asian states.

Several features of this charm offensive are now clearly apparent. China refrains from criticism of the internal policies of the countries of Southeast Asia, and in doing so gains benefit from being able to present itself as free from the colonial baggage of Western powers, including the United States. It has devoted considerable effort to improving the character and quality of its diplomatic representatives in the region, and it has embarked, particularly since 1999, on a pattern of frequent visits by its leaders to the capitals of Southeast Asian states while welcoming reciprocal visits by the leaders of those states. Each visit is accompanied by the conclusion of an economic or financial agreement of some kind which, although in some cases relatively modest, greatly boosts China's standing.

Although relations of the kind just outlined have led to China's being seen in a new light in Southeast Asia, there was a short break in the

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development of mutual good feeling when, in 1998, China reinforced its position on Mischief Reef. A sharp Southeast Asian reaction, led by the Philippines, was followed by China's readiness to enter into discussions about issues associated with the South China Sea and, eventually, to the formulation of a 'Declaration of Conduct', in 2002, which may lead to joint development activity, without any claimants abandoning their claims of sovereignty.

China's economic development, once seen as a threat by Southeast Asians is now generally regarded as an opportunity, a fact reflected in what is already a substantial increase in trade between the region and China and has led to the conclusion of a framework agreement on free trade between ASEAN and China in 2002, which will come into effect in 2010. One year later China agreed to sign ASEAN's Treaty of Amity and Co-operation, a decision greeted with the greatest warmth in Southeast Asia.

Seen from the perspective of Southeast Asian countries, China's actions are both welcome and, for a number of them, a contrast with the policies of the United States. Although there is a recognition that the United States is unquestionably more powerful than any other state, in terms of its capacity to project power into the Southeast Asian region, some aspects of American policy are distinctly unpalatable to regional populations, particularly in those countries with Muslim majorities, such as Indonesia and Malaysia. The United States preoccupation with the 'war on terror' is also seen as diverting American attention away from Southeast Asia, while there is a reaction against Washington's belief 'that democracy is the best possible form of government, anytime anywhere', and its tendency to couch policies in terms of moral absolutes. There is little sympathy in Southeast Asia for any suggestion that the appropriate policy to follow in relation to China is that of 'containment', and affirmations by the United States that it does not have this policy are regarded with some scepticism.

While there are grounds for debating the degree to which Southeast Asian states are pursuing their interests through varying degrees of hedging in their dealings with China and the United States, there is no doubt that all countries of the region see their interests served through

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engagement with China. As expressed to me in various ways in my recent discussions in the region, China has become a power whose interests cannot be ignored. This is what is signified by the concept of paramountcy. And notably, confirming its paramount—rather than its hegemonic or dominating—position is the fact that Beijing has made clear that it accepts that other states have a right to exert influence in individual states. China's position in relation to Cambodia is a particularly striking example of this fact.

There seems little reason to suggest that Chinese influence in the countries of Southeast Asia has been exercised in a manner seriously contrary to Australian interests. That said, we should be aware that the countries of the region will increasingly frame their policies in ways that are in tune with Chinese policies. This could mean that there will be occasions when Australia may find that aspects of its foreign policy will not be supported in Southeast Asia. This has already been the case in terms of Australian support for Japan's gaining a seat on the United Nations Security Council. On the broader issue of regional security, there is little to suggest that increased Chinese influence in Southeast Asia works to Australia's detriment. In relation to terrorism, Chinese relations with Southeast Asia seem likely to be benign.

In the future we can assume that China will be resolute in pursuing what it sees as its own interests in Southeast Asia. Over the past decade it has shown that its policies reflect a wish to deal with a prosperous Southeast Asia. Whether Beijing fully appreciates all of the factors that ensure that prosperity may be open to question, but it is difficult to avoid the conclusions that increasingly the evidence suggests it does.



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I am also glad to acknowledge the assistance of Shuyin Tang who, as an intern at the Lowy Institute, compiled the table of visits that appears as an Appendix to this paper.

Before I began my research I was helped by suggestions for the pursuit of my enquiries in Southeast Asia by Anthony Milner, then the Dean of the Faculty of Asian Studies at the Australian National University. As has previously been the case in my research carried out overseas, I received and am most grateful for the valuable assistance I was given by the Australian diplomatic missions in all of the countries I visited. I record my sincere thanks to the many Southeast Asian individuals, both officials and otherwise, who were ready to give me their time to discuss my research. Since they spoke freely to me without an expectation that I would quote them by name, I do not consider it appropriate to list them individually. Nevertheless, I do wish to make particular reference to the assistance I was provided in Singapore by the Institute for Defence and Strategic Studies, headed by Mr Barry Desker. He and his staff provided me with particularly valuable assistance and I am grateful for assistance provided by the staff of the Institute of Southeast Asia Studies, also in Singapore. As has been the case on many previous occasions, I am indebted to Dinah Goddard for her readiness to read my manuscript in draft and to draw my attention to ways in which it could be improved. In warmly acknowledging the assistance of others, I alone am responsible for the judgments recorded in this paper.

## **List of acronyms**

ANC	African National Congress
APEC	Asia–Pacific Economic Co-operation
ARF	Asean Regional Forum
ASEAN	Association of Southeast Asian Nations
CLMV	Cambodia, Laos, Myanmar and Vietnam
CPB	Communist Party of Burma
CPM	Communist Party of Malaya
CPT	Communist Party of Thailand
EAEG	East Asia Economic Group
EAS	East Asia Summit
FTA	Free Trade Agreement
GMS	Greater Mekong Sub-Region
IMF	International Monetary Fund
MRC	Mekong River Commission
PKI	Indonesian Communist Party
SLORC	State Law and Order Restoration Council
UNOCAL	Union Oil Company of California
UNTAC	United Nations Transitional Authority in Cambodia
WTO	World Trade Organisation



# Introduction

In the fast-moving world of contemporary international politics, it is easy to forget, or be unaware of, how rapidly changes have occurred, both in the internal politics of individual states and in their external relationships. Nowhere does this comment apply more notably than to the relationships between China and the countries of Southeast Asia—whether considered individually or in their collective identity as members of the Association of Southeast Asian Nations (ASEAN), an organisation founded in 1967, partly in opposition to the expansion of Chinese power. There is widespread awareness in Australia of the dramatic changes that have occurred in Europe following the end of the Cold War fifteen years ago. Similarly, and not least because of our sporting relationships with South Africa, there is a general awareness of the dismantling of the apartheid system in South Africa and the election of an ANC Government in 1994. But it is arguable that there is no similar general awareness of the extensive changes that have occurred so far as China and Southeast Asia are concerned. This is not altogether surprising. While the Australian media has given detailed attention to Australia–China relations in recent years, it has been less concerned with developments involving ASEAN and China. What is more, the record of China’s relations with the individual countries of Southeast Asia is complex and little susceptible to summary treatment. It varies from China’s continuous record of diplomatic relations with Burma (Myanmar) since 1959 to the cases of Indonesia and Vietnam

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where normalisation of relations between those two countries and China did not take place until 1990 and 1991, respectively, after long periods in which relations were suspended. And, in the case of Brunei and Singapore diplomatic relations were not even established until the early 1990s. Even in the case of Burma, now seen by many observers as a client state of China, relations between the two countries were marked by problems until 1989, when China finally ceased to support the Communist Party of Burma (CPB), which had maintained armed opposition to the government in Rangoon.

Against this background, it is also worth remembering that despite the contemporary amity prevailing between the countries of Southeast Asia and China, it is only a little more than a decade since China's actions in relation to the South China Sea, involving the occupation of Mischief Reef in the Spratly Archipelago, resulted in sharp criticism of China by the then members of ASEAN: Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. And when, in 1998, China acted to reinforce its position on that reef, serious questions were again raised as to the nature of China's real intentions towards the Southeast Asian region.

Less than eight years later, the Chinese foreign minister, Li Zhaoxing, could sum up China's official views of its relations with Southeast Asia in the following terms, as he reflected on the visits to Brunei, Indonesia and the Philippines by President Hu Jintao in April 2005 (the grammar of the original statement is retained):

Driving the regional cooperation and advancing the peace and stability. Brunei, Indonesia and the Philippines are important members of ASEAN. President Hu Jintao emphasised that China is willing to strengthen the friendly cooperation of good neighbours with all ASEAN countries as to realise the common development and prosperity and expand the coordination and cooperation in international and regional affairs. China supports ASEAN's integration course and its leading role in the East Asian cooperation process.<sup>1</sup>

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Allowing for the degree of self-interest contained in this statement, it nevertheless represents a fundamental change from the statements which China routinely issued at the height of the Cold War. As Professor Wang Gungwu, a distinguished and long-time observer of China's relations with Southeast Asia, has written, 'during the Cold War, the Beijing government used hostile rhetoric against the new national leaders [of Southeast Asia] who were thought to support the Western alliance, and this tended to incur the fear and anger of their peoples as well'.<sup>2</sup>

Now, in 2006, there is no doubt that China occupies a position of great importance in the calculations of all of the countries of Southeast Asia and it has become important to decide how this position should be characterised. For reasons explained in the conclusion of this paper, and in the light of developments over the past several decades, I argue that China is now the paramount regional power in its relations both with the individual countries of Southeast Asia and with ASEAN. In making this judgment I do not disregard the continuing importance of the United States to the Southeast Asian region, but for reasons that I outline its unquestioned military strength does not always guarantee it the influence that might otherwise be expected.

Further complicating an understanding of developments involving China and Southeast Asia, and the various routes followed by individual countries towards their current generally warm relationships with that major power, is the extent to which some of those relations involve a strong element of paradox. This is particularly so for the countries of mainland Southeast Asia, which either lie on or close to China's southern borders: Burma, Cambodia, Laos, Thailand and Vietnam. These are countries which, both historically and in immediately contemporary terms are seen by China as central to its strategic interests, and the fact that there is an element of paradox in the relations that I describe further underlines the success of China's diplomatic policies.

### **Paradoxes and partnerships**

China's contemporary relations with its Southeast Asian downstream neighbours along the Mekong are marked by paradox. Nearly 45% of

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the Mekong's course runs through Chinese territory, before it becomes Southeast Asia's longest river, and since the 1980s China has begun an ambitious program of dam construction on the river to generate hydroelectricity. The two dams completed, the three now under construction, and the three or possibly four more planned for the future, will almost certainly cause environmental damage to agriculture and fishing in four of the five Southeast Asian countries downstream of China; in Laos, Thailand, Cambodia and Vietnam. Burma does not rely on the Mekong for food or irrigation in any significant fashion.<sup>3</sup>

Additionally, China was the key promoter of a program to clear obstacles to navigation in the Mekong. At China's urging, Burma, Laos and Thailand signed an agreement with China in June 2000 providing for the clearance of reefs and rapids in the Mekong between southern Yunnan and the Thai river port of Chiang Khong. With finance provided by China, these clearances were completed in 2004. Cambodia and Vietnam, the Mekong countries further downstream, were not consulted before the signing of this agreement, nor while clearances were taking place. Following the clearances, it appears that the major benefits from increased navigation have flowed principally to China and that local fishing in northern Thailand has already been adversely affected.<sup>4</sup>

China is not a member of the Mekong River Commission (MRC), the body established in 1995 as the successor to the moribund Mekong River Committee, originally formed in 1957. It has never given reasons for its failure to join the MRC, but these are not hard to find. Membership of the MRC would not have led to that body's being able to direct how China should act. Although, as a member, it would have been required to notify other committee members of the actions it was taking in relation to the river, this could not have stopped it proceeding with its dam construction. It is simply the case that Beijing has taken the view that it has an unfettered right to exploit the Mekong within its own territory as it sees fit and without consultation with other governments.

Yet despite the prospect of future damage to Mekong's productive character because of China's dams, contemporary relations between China and Laos, Thailand and Cambodia have never been better. And



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while Vietnam will always harbour suspicions of China for historical as well as more immediate reasons, the current relations between Vietnam and China are certainly the best they have been since diplomatic relations were resumed in 1991, a fact recently demonstrated when President Hu Jintao visit Hanoi in November 2005. In the view of some commentators, the policies China is pursuing in relation to the Mekong—strong self-interest combined with close engagement—can be taken as a guide to how an observer may judge its policies towards Southeast Asia more generally.<sup>5</sup>

With the countries of the Mekong as an example, what can be said about China's relations with all of the countries of Southeast Asia, and with those countries in their collective ASEAN identity. Even a cursory glance at the current state of relations between China and the countries of Southeast Asia makes clear the fact that there have been substantial changes in the character of China's relations with the countries of Southeast Asia by comparison with the quite recent past, when suspicion and uncertainty rather than contemporary amity predominated.

### **China's 'peaceful rise'**

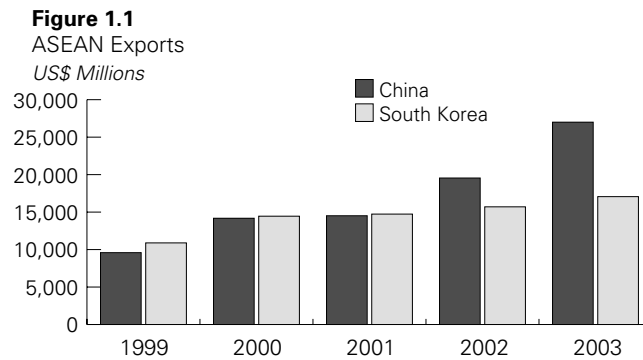
At the heart of any consideration of China's relations with ASEAN and its individual members is the phenomenon of China's 'peaceful rise' and the debate that is taking place about the essential character of that 'rise', economically and strategically. The first use of the phrase 'the peaceful rise of China' is attributed to a speech by Zheng Bijian, chairman of the China Reform Forum, at the second meeting of the Boao Forum in November 2003. (The Boao Forum for Asia is an annual meeting held on Hainan Island. It was launched in 2002 as a Chinese-sponsored version of the Davos World Economic Forum.)

Zheng is an influential figure who has drafted reports for no fewer than five national party congresses. The latest exposition of Zheng's views may be found in a recent issue of *Foreign Affairs*.<sup>6</sup> It became clear that the phrase had received official endorsement when it was used by Chinese Premier Wen Jiabao, in December 2003, in a speech delivered

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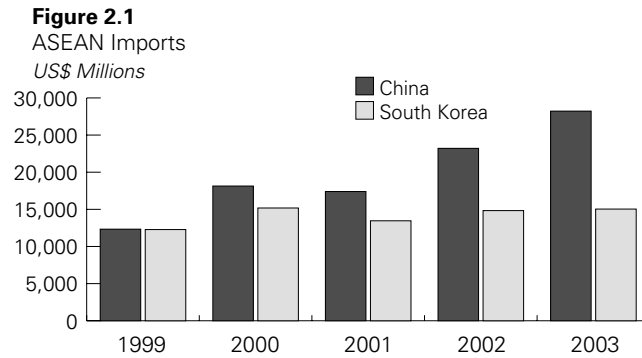
at Harvard University, with the title, ‘Turning Your Eyes to China’.<sup>7</sup>

The reality of the ‘rise’, in economic terms at least, was made abundantly clear in late 2005 with China’s announcement that its economy was 17% bigger than previously estimated, with growth for 2005 now estimated at 9.9%. According to statistics released in early 2006, China’s national economic output of US\$2.26 trillion makes China the world’s fourth largest economy in market exchange rate terms, with only the United States, Japan and Germany larger. In purchasing power parity terms, China is now the second largest economy in the world. As an economic powerhouse China is of vital importance to the economies of the countries of Southeast Asia which, in considerable contrast to their attitudes of the 1980s, now look to trade with China as essential for the growth of their own economies.<sup>8</sup> This is well illustrated in the two accompanying bar graphs showing exports and imports between China and ASEAN and between South Korea and ASEAN over the period 1999 to 2003—it is a reasonable assumption that the same trends have continued over 2004–05. What is clearly apparent is that in relation to both exports and imports, China and South Korea started from a very similar base in 1999, but by 2003 China had drawn ahead of Korea quite noticeably.



Source: ASEAN Statistical Yearbook 2004

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Source: ASEAN Statistical Yearbook 2004

There has been little public discussion by the governments of the ASEAN countries—with Singapore an exception—about the concerns they may feel for the possible negative effects of China's 'rise'. Some external observers, particularly in the United States, argue that China's 'peaceful rise' should be viewed in the context of Beijing's long-term determination to minimise, or even exclude, the United States from the Asia-Pacific region.<sup>9</sup> What is under debate, for some commentators at least, is the question of whether China will ultimately move from exercising 'soft' power, as it does at present, to the use of 'hard' power, particularly if it proves necessary to defend its lines of supply, or in the course of efforts to exclude the United States from the Asia-Pacific region.<sup>10</sup>

Against the background of China's 'rise', is there a point to asking which is more important, China's relations with ASEAN collectively or with the individual countries of Southeast Asia? The sensible answer is surely that China's dealings both with ASEAN and with the individual countries that make up the organisation are important, if necessarily different in character. But it is easy to focus on ASEAN as a collective entity and on its relations with China and to assume that this also represents the essentials of each individual Southeast Asian country's relationship with their great neighbour. China has been skilful in seeing

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that it can advance its interests by dealing with the ASEAN collectivity, and in doing so it shrewdly recognises that ASEAN policy necessarily has a lowest common denominator character. China is well aware that ASEAN is in many ways a weak body, two-tier in character to the point where even in its own documents the ASEAN Secretariat refers to its late-joining members, which are either economically weak and/or characterised by authoritarian forms of government—Cambodia, Laos, Myanmar and Vietnam—as the ‘CLMV countries’.

ASEAN’s character is essentially constrained, and in many ways weak, given that there are such enormous variations in population size, government systems and ethnic characters of the ten countries making up the body. So China’s interests in Brunei, a regionally distant maritime state with a population of some 360,000, are insignificant when compared with the strategic importance of its relations with those countries along its southern periphery—Burma, Laos and Vietnam—or with the largest by far of all the Southeast Asian countries, Indonesia, with its population approaching 250 million. In a range of discussions carried out during November 2005 in eight of the ten countries making up ASEAN—Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam—there was a clear readiness on the part of my interlocutors to place at least as much importance on bilateral as opposed to multilateral ties with China. This fact is reflected in the manner in which some ASEAN countries have been pursuing bilateral free trade agreements with China. Such actions underline the extent to which the goal of establishing an ASEAN Economic Community by 2020—announced at the 2003 Bali Summit—is indeed a long-term goal. In short, and despite co-operation in many fields, the member countries remain clearly committed to pursuing their individual interests.

### **Issues of strategy**

No consideration of the relations between China and ASEAN, and with the individual countries of Southeast Asia, can be undertaken without reference to the other vital strategic issue for the region—relations with the United States. As Wang Gungwu has remarked, in the

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light of the events of 11 September 2001, ‘it is important to understand what U.S. strategy is, and how Asians see that strategy’.<sup>11</sup> In this regard, some observers in the countries of ASEAN harbour doubts concerning the United States commitment to the region—a view reinforced for these sceptics by a feeling that events post 9/11 have encouraged American unilateralism. And, at the same time, ‘the war on terror’ has led the United States to adopt policies, particularly in the Middle East, that are domestically unpalatable for Southeast Asian countries with Muslim populations, whether majority or otherwise.<sup>12</sup>

There is no doubt that in military terms the United States remains, unquestionably, the most powerful actor in the Asia–Pacific region, despite no longer having bases in the Philippines and having withdrawn from the bases it established in Thailand at the time of the Vietnam War. Where there is room for debate is in relation to the extent to which the United States has shed a measure of ‘soft power’. A judgment on this issue is made difficult as a result of the fact that in two recent instances the United States has been able to provide humanitarian (soft) aid as the result of its military capabilities. The most striking example being the deployment of American naval assets to assist in the early reaction to the 26 December 2004 tsunami. At the height of the immediate post-crisis period the United States had nearly 16,000 personnel and 26 ships, 58 helicopters and 43 fixed wing aircraft assisting in response to the devastation caused by the tsunami.<sup>13</sup> More recently, and in response to the mudslide on Leyte Island in the Philippines, US marines were deployed to assist in the rescue missions that took place. In both cases, and despite the provision of Chinese aid, United States’ actions were quite clearly more important and immediate.

Nevertheless, and at a time when its Middle Eastern policies are viewed by some observers in Southeast Asia as either offensive or counterproductive, or both, there are good reasons for asking whether there is, in fact, a developed and coherent United States strategy towards ASEAN and its individual members. In the judgment of some observers, both American and Chinese, the United States has, indeed, failed to develop a coherent policy towards ASEAN as a collective body. Commenting in the light of the fact that the United States would not be

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invited to the December 2005 East Asia Summit, Catherine Dalpino of Georgetown University has been quoted as stating that the United States has lost influence in the Southeast Asian region because of its failure to deal with ASEAN as a collective body. Instead, in Dalpino's judgment, the United States is 'notoriously bilateral, and almost gratuitously so'. In contrast, China has advanced its soft power position by being ready to deal with ASEAN as a group.<sup>14</sup> This judgment was endorsed by Ren Xiao, Director of the Asia-Pacific Studies Department of the Shanghai Institute for International Studies, who pointed to the importance of China's having signed ASEAN's Treaty of Amity and Co-operation in 2003, in contrast to the American refusal to do so.<sup>15</sup>

But whatever the decline of its 'soft' power, the United States remains the only power with global reach within the Asia-Pacific region and because of its presumed commitment to defend Taiwan against a Chinese invasion, that power is linked to the one clear trigger point for conflict in East Asia.<sup>16</sup> This is a fact that, although seldom enunciated explicitly, is an issue of great concern to the individual countries of Southeast Asia as well as to ASEAN in its collective identity.

Yet emphasis on China's readiness to deal with ASEAN, as opposed to its bilateral engagements with the countries of Southeast Asia, does not reflect a situation as straightforward as Dalpino suggests. A more nuanced judgment would be that China has skilfully combined its policies to deal effectively both with ASEAN as a collective body *and* with the individual countries of the region. For there is no doubt that China's success in the region stems in large part from the fact that it has shaped its policies for each individual country so skilfully.

### **Towards a transformed regional relationship**

An account of the broad transformation of China's relations with the countries of Southeast Asia must take particular account of developments from the early 1990s, with a concentration on the reactions to China's occupation of Mischief Reef in the South China Sea in 1995 and its response to the Asian financial crisis that began

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in 1997. Such an account will involve consideration of several broad, intertwined questions. The most important of these are:

- What has been the nature of China's policies towards ASEAN generally and towards the individual countries of Southeast Asia?
- What has been the nature of the policies followed by the individual countries of Southeast Asia in response to China? The range of policy options followed by Southeast Asian states have frequently been categorised as 'bandwagoning', 'balancing', and 'hedging'. Are these categorisations appropriate?<sup>17</sup>
- How should we assess the policies of China, ASEAN and the individual countries of Southeast Asia in terms of wider strategic considerations? In particular what has been the nature of the United States response to the emergence of a 'rising' China in its dealings with Southeast Asia, at a time when so much of its policy is determined in relation to the post-9/11 environment?
- How, in the light of those broader strategic considerations should we describe the relationship between China and the countries of Southeast Asia? Is China a 'hegemon', seeking to impose its will on Southeast Asia? Or, perhaps more subtly, is it a 'paramount' power that is ready to accommodate the interests of other powers in the region, always so long as its own interests are given due consideration? Or is the best explanation of Chinese policies to be found in seeing its contemporary policies as a reversion to historical patterns of behaviour?

These are issues that have received considerable attention in Southeast Asia, and particularly, though far from exclusively, in Singapore, and have become subjects increasingly given attention in the United States, both at the level of government and in major think tanks.<sup>18</sup> It is therefore surprising that there has been little comparable interest in local media coverage of these issues beyond a general interest in Australia's relations with ASEAN, and in particular the issue of whether Australia would be admitted as a participating member of the East Asia Summit held in Kuala Lumpur in December 2005.<sup>19</sup>

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### **Geography and history**

In all discussions of China and Southeast Asia some fundamental facts of geography and history deserve repetition. China shares land borders with three Southeast Asian countries—Burma, Laos and Vietnam—and in terms of its own claims to maritime sovereignty in the South China Sea it shares sea borders with all of the countries of Southeast Asia (and members of ASEAN), with the exception of Burma. These are geographical realities that will not change. Historically, as aptly observed by Martin Stuart-Fox, ‘if China seeks to project political power beyond its borders, Southeast Asia is its prime target. For centuries the region has been seen by China as its natural sphere of influence, and it still is, however unpalatable this might be to regional powers.’<sup>20</sup> Noting this fact does not provide a clear template for every instance of contemporary Chinese diplomatic action, but it does provide a salutary reminder of the underlying mind set behind the Chinese view of the *Nanyang* region. Or, as a scholar from China expressed the point to me recently, ‘Southeast Asia is China’s backyard’.

### **China and ASEAN and the emergence of a ‘charm offensive’**

It has now become commonplace to suggest that China is engaged in a ‘charm offensive’ towards the countries of Southeast Asia. This indeed seems an apt description of current Chinese policy but scarcely so for China’s behaviour towards much of the Southeast Asian region up to the beginning of the 1990s. Changes in Chinese foreign policy have been so great that contemporary observers have to pause to remember Mao Zedong’s adherence to a class-based revolutionary struggle determining China’s international stance. Under this policy prescription China supported revolutionary activity, whether directly or through propaganda, by communist parties and insurgent groups in Southeast Asia. The Soviet Union and the United States were portrayed as the main enemies, but support for organisations such as the Indonesian Communist Party (PKI), and the Communist Parties of Malaya, Thailand and Burma were an essential part of policy for much



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of Mao's rule, as was support for the Khmer Rouge insurgency that continued into the period when the Pol Pot regime held power in Phnom Penh, and, indeed, did not stop when that regime was overthrown by the Vietnamese in 1979.

Change came after Mao's death in 1976 and the subsequent accession to power of Deng Xiaoping in 1978. Under Deng, China abandoned a foreign policy that emphasised revolutionary struggle and, instead, concentrated on consolidating the nation's domestic strength. As pointed out by Nan Li in his very helpful discussion of 'The Evolving Chinese Conception of Security'.<sup>21</sup> Deng's view of nation building was based on 'the four modernisations (modernising industry, agriculture, science and technology, and national defence)'. With a commitment to economic development, China modified or withdrew support from Marxist insurgencies and sought to distance itself from the competition existing between the United States and the Soviet Union, although not from its own competition with that latter power. In Southeast Asia this policy led to China's slowly ceasing to support the Communist Party of Thailand (CPT), the Communist Party of Burma (CPB) and the remnants of the Communist Party of Malaya, (CPM), and diminished its symbolic support for the Communist Party of Indonesia (the PKI).

The improvement in relations with a number of Southeast Asian countries following Mao's death, did not extend to China's seeking détente with Vietnam through the 1980s. The explanation for this fact is quite straightforward. China was unready to accept Vietnam's unilateral influence in Cambodia following its occupation of that country in 1979. Moreover, until the end of the 1980s, China saw Vietnam's actions in Cambodia as an extension of the policies of its great Communist rival, the Soviet Union. China's hostile attitude towards Vietnam continued even when there was some improvement in relations between the two communist giants in the last years of the 1980s. As reflected in the propaganda exchanges between China and Vietnam, both countries viewed their relationship through the prism of their long and antagonistic historical relationship. For China, Vietnam's behaviour reflected the actions of an ungrateful tributary. In Vietnamese eyes China's policies and actions were those of an overbearing hegemon, summed up in

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China's statement that its invasion of Vietnam in February 1979 took place to 'teach Vietnam a lesson', and were even characterised as a reflection of China's wish to conquer the world.

Yet while China's invasion of Vietnam gave the then members of ASEAN pause to the extent that it might reflect wider Chinese policy, the 1980s were also important for the manner in which opposition to Vietnam's occupation of Cambodia showed that there could be a coalition of interests between China and ASEAN, or more particularly two members of the body. This 'practical' coalition involved Thailand, as the 'front-line state' bordering Cambodia, and Singapore. The latter's vocal opposition to Vietnam at this time reflected its own long-held concern about any legitimacy being accorded to a country that invaded *and* occupied a neighbour, and so touched directly on its own, unstated, concern that it might at some stage face a military threat from its much larger neighbours, either Indonesia or Malaysia, or even both. The tendency at the time to view this alignment between China and members of ASEAN as an anomaly is understandable given the still uncertain feelings held about other aspects of China's policy towards Southeast Asia, as discussed below. Yet, if nothing else, the 'anomaly' showed that China could work with Southeast Asian states when it suited its interests.

As the 1980s drew to a close, and at time when there was growing evidence of major change occurring in the Soviet Union, the dramatic series of protests in Beijing, between April and the beginning of June 1989, culminating in the violent suppression of the protesters in Tiananmen Square on 4 June, marked an important step in the delineation of Southeast Asian reactions to Chinese actions by comparison with those of Western powers. In sharp contrast to the strong criticism that came from Western capitals, Southeast Asian countries mostly refrained from comment on the developments that took place. The readiness of the Southeast Asian countries to extend their self-denying ordinance against criticism of each other to China was certainly noted with approval by Beijing.

When, in the early 1990s, Jiang Zemin, succeeded Deng as the most important shaper of Chinese foreign policy, he was instrumental in

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seeking to establish better relations with the countries of Southeast Asia. China was now working within its proclaimed policy of 'Good Neighbourliness' and adherence to the 'Five Principles of Peaceful Co-Existence' it had first enunciated in 1954 in relation to its dealings with India (mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, peaceful co-existence). This policy posture was particularly clear after the collapse of the Soviet Union and the end of the Cold War in 1991 and provided opportunities for new initiatives. But even before the Soviet Union's final death throes China had been working towards developing a new set of relationships with the countries of the region.

### **China's expanding diplomatic profile**

China had resumed diplomatic relations with Laos in 1989. It was to do the same with Indonesia the following year, having suspended relations in 1967. China and Singapore finally established diplomatic relations in 1990, with Brunei following suit the following year. Although China had established relations with Malaysia, Myanmar (Burma), the Philippines and Thailand in previous decades—in 1974, 1959, 1975 and 1975 respectively—doubts had continued to linger in all of these countries over China's long-term intentions. Chinese support for domestic insurgent movements, whether material or largely symbolic, was remembered and provided a reason for caution. This point is underlined by the often forgotten fact that in Burma—now seen as so closely aligned with China that some observers would classify it as a client state—Beijing only ended its support for the Communist Party of Burma in 1989.

At the end of the 1980s, and as already noted, China's relations with Vietnam had not returned to a 'normal' basis. Most importantly, and despite the fact that Vietnam had already undertaken to withdraw its troops from Cambodia, the 'Cambodian Problem' remained unresolved and China remained a supporter of the Khmer Rouge element in the Coalition forces of Democratic Kampuchea. By 1989 that support

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was qualified as China saw political advantage in giving a measure of support to former King Norodom Sihanouk who, having broken with the Khmer Rouge, lived in Beijing as a Chinese 'pensioner'. At the same time, China had almost certainly made the calculation that it could probably deal with Hun Sen, who had emerged as Phnom Penh's strong man. As China's diplomatic relations with Vietnam remained in suspense, Beijing was ready to leave the impression that it might give Vietnam a further 'lesson'. Moreover, Hanoi's resentment of China was further fuelled by the latter's actions in the Spratlys in 1988 where an armed clash between Chinese and Vietnamese forces near Johnson Reef led to the death of some eighty Vietnamese sailors.<sup>22</sup>

The 'punitive' invasion of 1979 and the maritime clash of 1988 are a reminder of the fact that the bilateral relationship between China and Vietnam is the most complex in the Southeast Asian region. When, finally, they normalised their relations in 1991 as part of the settlement of the 'Cambodia Problem' it was very much at the expense of Vietnam's interests. At the now famous, but at the time secret, meeting between Chinese and Vietnamese representatives in Chengdu, a year earlier in September 1990, China made it clear to the Vietnamese that the price of its withdrawing support from the Khmer Rouge in Cambodia would be an end of the hostile stance Vietnam had adopted toward China for more than a decade. This stance, particularly as enunciated by the Vietnamese foreign minister, Nguyen Co Thach, was deeply resented by the Chinese. Not only was Thach seen as one of the architects of Vietnam's occupation of Cambodia, a country which had been a Chinese client during the Pol Pot regime, he was anathema to China for his vociferous denunciations and punitive actions in relation to the Chinese ethnic minority in Vietnam.<sup>23</sup> From China's point of view, Thach had to go, and go he did about six months later as the Vietnamese leadership reluctantly recognised that their country's best interests could not be served by ignoring the fundamental fact of Vietnam's geopolitical relationship with its much bigger and much more powerful neighbour. Despite Vietnamese pride in having seen off the French and the Americans, the leadership in Hanoi reluctantly recognised the difference between dealing with distant powers and

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the great, modernising power immediately to its north. Moreover, it now faced the necessity of making foreign policy decisions without being able to rely on economic support from the Soviet Union, now in terminal decline.

### **The 1990s: critical years**

Yet for all the progress that had been made in improving relations between China and the Southeast Asian countries by the early 1990s there was still a long way to go before those relations would reach the apparent amity of the contemporary scene. A snapshot that reiterates the state of China's relations with the countries of Southeast Asia at the end of the 1980s emphasises this point. Brunei, the Philippines, Malaysia and Vietnam opposed China's claim to sovereignty over the South China Sea; Vietnam had renewed diplomatic relations with China, but both countries made clear the fact that these relations were not 'normalised'; the resumption of diplomatic relations between Indonesia and China had not meant that China's presumed role in the failed Gestapu coup of 1965, had been forgotten, particularly by the powerful Indonesian military.

Nevertheless, from the point of view of the five original members of ASEAN (Indonesia, Malaysia, the Philippines, Singapore and Thailand), plus Brunei, there was a pressing need to think hard about their future relations with China since there were uncertainties about the future direction of American policy now that it was clear the Cold War was coming to an end. To the extent it was possible to develop a common policy within ASEAN there was agreement that engagement provided the best way of achieving a sense of security in its dealings with China at the same time as it offered opportunities for trade.

The development of bilateral diplomatic relations, as already noted, was followed by China's first important engagements with ASEAN as a group. In October 1990 China indicated its wish to have an official relationship with ASEAN and the following July the Chinese foreign minister, Qian Qichen, took part in the ASEAN Ministerial Meeting held in Kuala Lumpur. Two years later China and ASEAN established

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joint committees on trade and scientific issues. In July 1996, at the 29th ASEAN Ministerial Meeting, China, with Russia and India, became Dialogue Partners with ASEAN. And by 1997 there were no fewer than five separate sets of regular consultations between ASEAN and China of which the most important was the ASEAN Regional Forum, established in 1994, and seen by ASEAN as a basis for minimising conflict in the Asian region generally. Two years later, in December 1997, China's president, Jiang Zemin, took part in an informal summit, now characterised as ASEAN + 1. It was at this time that China unveiled its 'New Security Concept', which laid emphasis on the peaceful settlement of conflicts in the post-Cold War period and together ASEAN and China issued their Joint Statement for ASEAN-China Co-operation towards the Twenty-First Century. Then, in 1997, China joined with ASEAN and Japan and Korea in the consultations known as ASEAN + 3 in association with the annual ASEAN summits.<sup>24</sup>

Four years later, and of great importance to ASEAN's perception of China, Beijing signed the Treaty of Amity and Co-operation in Southeast Asia at the ASEAN + China meeting held in Bali in October 2003. When China's decision to sign the treaty was announced at the 9th China-ASEAN Senior Officials' Consultations in August 2003, the ASEAN Secretary-General, Ong Keng Yong, made clear the importance ASEAN placed on China's agreement to accede to the Treaty. Calling the decision 'trail blazing', Ong said that 'It will be a good signal to everybody in the world that China and ASEAN are friendly neighbours and are working together'.<sup>25</sup>

### **Issues in the South China Sea**

Because interaction between China and ASEAN as a collective body moved so rapidly during the 1990s it is salutary to contrast the formal arrangements established during that period with the far less rosy developments that took place at a bilateral level. The positive aspects of China's dealings with ASEAN as a group have tended to obscure continuing difficulties that remained between China and individual Southeast Asian countries. The most notable of these difficulties

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involved the conflicting claims to sovereignty over the South China Sea. As noted, no fewer than five countries, plus Taiwan, claim sovereignty over all or part of the South China Sea. The importance of these claims lies in both the strategic importance of the region and the islands within it—the Paracels and the Spratlys—as an area for maritime lines of communication and the widely held presumption, still to be satisfactorily proven, that much of the region is prospectively rich in hydrocarbon deposits as well as being a rich fishing area.

In early 1995 and to the concern of all the ASEAN states, which had begun to see a positive change in Chinese policy postures, Beijing occupied Mischief Reef, in the Spratlys. The reef, a rocky outcrop 135 nautical miles west of Palawan Island, is also claimed by the Philippines and Vietnam, and by Taiwan. China took this action despite its having participated with individual Southeast Asia states in confidence building measures designed to minimise conflict in disputed areas, including with the Philippines in relation to the South China Sea. Since Vietnam was not a member of ASEAN at the time, China's occupation of Mischief Reef was the first instance of a hostile Chinese action against an ASEAN member.<sup>26</sup> At the time of the Chinese occupation there was no Philippines' presence on the island.

China's action on Mischief Reef had an importance going beyond the competing claims made for the territory by Beijing and Manila for it threw into question the whole nature of Chinese policies. A range of Southeast Asian observers whom I have interviewed point to the occupation's broader significance as sparking a unified ASEAN reaction opposing China's action and as having given Beijing pause in terms of how it should deal with the countries of Southeast Asia. Some have argued to me that this was the point from which the 'charm offensive' began. Certainly, after the Mischief Reef incident ASEAN foreign ministers who met with Chinese representatives in Hangzhou in April 1995 were prepared to make their criticism of China's actions clear. Later that year the Chinese foreign minister, Qian Qichen, maintained China's 'indisputable' claim to sovereignty over the Spratlys, but agreed that disputes over the Spratlys should be settled peacefully and on the basis of international law.<sup>27</sup> (China, it should be noted had by this time

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acceded to the 1982 United Nations Convention on the Law of the Sea but still had not ratified the Convention.)

If China was surprised by the strength of ASEAN reaction to its occupation of Mischief Reef in 1995, this did not prevent it from taking further action in relation to that location less than four years later when it upgraded the buildings it had earlier constructed there. Observers differ on the reasons for China's apparently provocative actions, taken after it had begun discussions, first with the Philippines, and then more generally with ASEAN, with the aim of establishing 'the principles for a code of conduct'. It is difficult not to conclude that in part China's actions reflected its awareness of a lack of unity within ASEAN itself over sovereignty claims in the South China Sea. Equally, its actions may have involved a coldly calculated decision that, with most of the individual ASEAN countries still suffering the results of the Asian financial crisis, acting at this time was unlikely to lead to any major crisis. Whatever was the case, and in the light of later developments, it is striking to record the words of the Philippines Defence Secretary, Orlando Mercado at the time that China's actions were 'a dagger at our underbelly'.<sup>28</sup>

The strength of the united ASEAN reaction to China's actions in relation to Mischief Reef in 1995 probably played a part in China's readiness to reach an accommodation with Thailand on maritime issues, in August 1997, and then with Vietnam in relation to parts of the disputed areas in the Tonkin Gulf, in December 2000. This still left some maritime issues unresolved between China and Vietnam, notably their respective claims to the Paracels and Spratlys and to areas east of the Tonkin Gulf to which China claims historical rights. (As noted later in this paper, the Land Border Agreement signed between China and Vietnam in December 1999 is being steadily implemented with the expectation that all delineation of the border will be achieved by 2008.)<sup>29</sup>

### **The Asian financial crisis**

Although China's actions in relation to Mischief Reef in 1998 were a further reason for the various members of ASEAN to have doubts about China's long-term intentions, these were certainly balanced, in varying



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degrees, by Beijing's positive actions in relation to the Asian financial crisis that began in 1997. China advanced a loan of US\$1 billion to Thailand, and although China did not advance financial assistance to Indonesia on the same basis as it did for Thailand, it nevertheless participated in the fund-raising that the IMF undertook to provide assistance to Indonesia. Its decision not to devalue the *yuan*, and so to avoid putting even greater pressure on Southeast Asian currencies, was appreciated throughout the Asian region, accompanied as it was by policies that boosted domestic demand and stimulated growth. China's policies struck a chord in Indonesia, where they were seen as a contrast with what was perceived as the domineering attitude of the IMF, memorably captured in the photograph of the Managing Director of the Fund, Michel Camdessus, standing with arms folded and looming over Suharto as he signed the agreement for Indonesia to receive money from that international body.

### **ASEAN–China Free Trade Agreement (FTA)**

As various observers have noted, while China's 'rise', particularly in economic terms, was frequently seen as a matter for concern in Southeast Asian countries in the mid-1990s, by the end of that decade there was an increasing readiness to focus on the positive economic benefits that could be gained from China's rapid growth.<sup>30</sup> While China was eager to partake in discussions about a free trade agreement with ASEAN, it had a receptive but cautious audience. Despite their earlier doubts, the members of ASEAN had come to see the prospect of an FTA as a way to participate in China's growth, particularly at a time when China's having joined the WTO meant it would be a focus for foreign investment.<sup>31</sup> China put the proposal of an FTA on the table at the ASEAN + 3 Summit in November 2001. A framework agreement was signed one year later for the FTA to come into full effect in 2010 for the ASEAN-6 (Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand) and 2015 for the CLMV ASEANs (Cambodia, Laos, Myanmar and Vietnam). Subsequently, China and ASEAN negotiated an 'early harvest program' covering trade in goods to come into operation in July 2005.

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### **The South China Sea and a ‘declaration of conduct’**

With continuing progress towards improved relations in a range of fields, resolution of a sort was achieved between China and ASEAN over the vexed question of the South China Sea with the adoption of a ‘Declaration of Conduct’ in November 2002. Terminology is important here, for the ‘declaration’ should be read as a statement of intent rather than as a ‘code’ that would govern the actions of all parties with claims in the South China Sea. As noted by the Philippines expert on South China Sea issues, Aileen S.P. Baviera, ‘Most knowledgeable observers are probably sceptical that this new declaration can succeed where other agreements have already failed’. But Baviera, herself, although stating that she is neither sceptical nor optimistic, suggests that the ‘declaration’ can be seen as a way forward, even towards conflict resolution.<sup>32</sup> With conflicting sovereignty claims still unresolved there remains the possibility of future tension arising in relation to the South China Sea. But, for the moment, the acceptance by the competing parties of the ‘Declaration of Conduct’ may be seen as a further example of the extent to which the last decade has seen important change in the nature of relations between China and the countries of Southeast Asia, both bilaterally and multilaterally.

### **The Greater Mekong Sub-Region (GMS)**

The Greater Mekong Sub-Region program, instituted in 1992, is another example of a loose forum in which China has been able to pursue its interests. Initially established under the auspices of the Asian Development Bank, the GMS provides a forum for the Southeast Asian countries through which the Mekong flows (Burma, Cambodia, Laos, Thailand and Vietnam) and China, in the form of Yunnan Province.<sup>33</sup> As a body without any charter to mandate particular policies or institute developments other than on a consensus basis, the GMS is, effectively, dominated by China, which has used the two summit meetings of the GMS (in Phnom Penh in 2002 and Kunming in 2005) to offer financial aid to the downstream countries. In doing so, China has managed to

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diminish the role of Japan, despite the fact that the latter is by far the largest donor to the CLMV countries. In a rare example of diplomatic humour at the Kunming GMS summit, the Chinese premier, Wen Jiabao, contrasting China's geographic proximity to the countries along the Mekong with Japan's more distant location, observed, 'A close neighbour is more helpful than a distant relative'.<sup>34</sup>

### **Representation and top-level visits**

No discussion of relations between China and the countries of Southeast Asia would be complete without special note being taken of both the changing character of China's diplomatic representation in the region and the remarkable record of visits to the region by very senior Chinese officials. Although difficult to express in any quantified fashion, it is striking that a frequent comment made to me in visiting ASEAN capitals related to the clearly observable change in the nature of Chinese diplomatic representation through the region. The days of stern figures in Mao suits are long since gone. Increasingly Chinese diplomats serving in Southeast Asia are fluent speakers in the local language and turned out in crisp Western clothing.

At the same time as Chinese representation on the ground has grown more sophisticated, there has been a remarkable pattern of high level visits to the individual countries of Southeast Asia, involving officials from the Chinese president and premier down. Many of these visits are ignored by the Western media, but are clearly welcomed by Southeast Asian leaders, not least because, in their frequency and high status character, they contrast sharply with the infrequent visits of Western leaders. (A table showing the frequency of these visits since 1999 and identifying the senior officials involved and the issues discussed appears as an *Appendix* to this paper.)

Central to all aspects of China's policies in relation to Southeast Asia has been Beijing's general refusal to comment on human rights issues, with the notable exception of those occasions when its own nationals or ethnic Chinese are involved, as discussed in relation to both Malaysia and Indonesia later in this paper. This general policy

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is a mirror image of its own rejection of the rights of other states to criticise human rights violations in China itself. This lack of criticism sits alongside another aspect of the relations between China and the countries of Southeast Asia which was raised with me several times in my discussions with Southeast Asian officials and commentators. This is the presence of a residual resentment of the colonial period in those countries of Southeast Asia which experienced colonial rule—that is, all countries except Thailand, allowing for the fact that in Brunei and Cambodia the colonial relationship was described as being that of a ‘protectorate’. While classifying China as a ‘non-colonial’ power can be subject to considerable qualification, this is the image it projects, and to a large extent is the way it is seen in Southeast Asia.

### **The East Asia Summit**

The East Asia Summit (EAS), held in Kuala Lumpur in December 2005, is the latest attempt to construct a form of regional architecture that takes account of changed strategic and geopolitical realities. The intention is that the EAS will be held in the future as an annual meeting following the meeting of ASEAN leaders. Attended by the ten ASEAN states plus Australia, China, India, Japan, South Korea and New Zealand, with Russia present as invited observer, its significance lies in the ASEAN perception that with some decline in the presence of the United States in the Asian region there is a need for regional solutions to regional problems, including piracy, threats of major health problems (SARS and Avian Influenza). It would also provide a forum that might eventually sponsor some broader form of Asian community. Importantly, the United States was not invited to participate in the EAS meeting, since unlike Australia, it was not prepared to sign ASEAN’s Treaty of Amity and Co-operation. Addressing the fact that the United States would be absent from the summit in advance of the meeting, Singapore former prime minister (now senior minister) Goh Chok Tong, argued that while the United States was understandably unhappy about its absence from the upcoming EAS meeting, ‘East Asia cannot be extended to include countries in the Pacific because it will start

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expanding, even if the political definition gets stretched beyond belief. Nevertheless, and in the pro-United States terms that are familiar from Singapore politicians and officials, Goh went on to say that ASEAN would continue to engage the United States through the ARF and APEC since Washington had legitimate interests in Asia.<sup>35</sup>

There are strong indications that China, although attending the Kuala Lumpur meeting, was far from enthusiastic about the participation of 'outsiders', such as Australia and New Zealand, a view shared, ironically and publicly, by the former Malaysian prime minister, Dr Mahathir, who had promoted the idea of an East Asia Economic Group (EAEG) in 1990. The atmosphere of the meeting was tense, with China doing nothing to hide its resentment of the continuing practice of Japan's prime minister, Junichiro Koizumi, visiting the Yasukuni Shrine; South Korea making clear its resentment of Japan's unreadiness to apologise for its actions in the Second World War; President Arroyo bedevilled by rumours of a coup in Manila; and Prime Minister Howard having to address questions about the mob behaviour of Australia in a Sydney beach riot with racial overtones. Despite the laudatory comments of those attending the summit, the sceptical assessment of *The Economist*, that the 'grand summit was a damp squib', may not have been too far off the mark.<sup>36</sup>

### **The contemporary scene**

The following section outlines some of the important steps that have led to the current state of relations between the individual countries of Southeast Asia and China. It draws, in part, on issues that were raised in discussions I held with interlocutors in the eight ASEAN countries I visited in November 2005 (Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam).

### **Brunei**

Brunei's relations with China since the two countries established diplomatic relations in 1991 have been untroubled, but unremarkable.

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Their relations were summed up in the boilerplate platitudes uttered by President Hu Jintao when he visited Bandar Seri Begawan in April 2005. Ties between the two countries 'have developed on all fronts', the Chinese president said. He continued, 'Our political mutual trust has strengthened, co-operation in various fields has scored notable achievements, personnel contacts have become more frequent and we have maintained sound coordination and co-operation in international and regional affairs'.<sup>37</sup> Although Brunei responded positively to a Japanese request that it should support Japan's bid for a permanent seat on the United Nations Security Council, in June 2005, it later withdrew its commitment of support in the light of Chinese objections.

### **Burma**

Often described as a client state of China, Burma's close association with China dates from the late 1980s. In contrast to the criticism levelled against Burma by many other countries following the harsh repression of protests by the Burmese military in 1988 and its seizure of power from the Ne Win Government, China adopted a laissez-faire attitude to the actions of the State Law and Order Restoration Council (SLORC). It similarly did not denounce the SLORC's refusal to accept the results of the 1990 election which would have given power to the opposition National League for Democracy. But even before this, and as a sign of its intent to further its interests in Burma, China withdrew its support for the Communist Party of Burma in 1989. Then, as Western states embarked on a prolonged period of policies to isolate Burma through sanctions, the Chinese government rapidly became Burma's key provider of military equipment as it assisted the Rangoon government in the suppression of ethnic and regional insurgencies.

China's close involvement with Burma is directly linked to Burma's geographic position adjoining Yunnan province. With Burma's acquiescence, China has embarked on a major program of infrastructure improvement of the roads that lead from Yunnan into Burma, with particular attention being given to the Old Burma Road made famous during the Second World War. China has also indicated its readiness

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to be involved in efforts to improve the navigability of the Irrawaddy, so that goods shipped from Yunnan to the river port at Bhamo could then travel down the river to the Bay of Bengal. The future strategic value of such a development has been widely recognised given the fact that China has also obtained the right to maintain listening posts on Burmese islands in the Bay of Bengal.<sup>38</sup> For the future, there has already been discussion of the possibility of constructing a pipeline that could pump oil from Sitwe on the Burmese coast to Kunming, the capital of Yunnan province.<sup>39</sup>

Chinese penetration of Burma is taking place at almost every level, and includes large-scale, but unquantifiable, illegal immigration into northern Burma. During a 2003 visit to Mandalay a well-informed Burman estimated to me that more than 20 % of the population of the city was Chinese, with many of these involved in the illegal drug trade. The Chinese population of Lashio, closer to China's border, is reported to be even higher, some suggesting a figure of 50 % of the city's population. Part of this illegal immigration is linked to the trafficking of minority Chinese women from Yunnan for the prostitution industry throughout Burma and in Thailand. Meanwhile, the smuggling of drugs and goods takes place on a large scale, with the illegal export of teak, an activity closely linked to the Burmese military, estimated as representing no less than two-thirds of all timber exports to China

According to estimates made in 2004, and in addition to the infrastructure projects already mentioned, China has provided armaments to the Burmese military to a total of US\$2 billion, while in 2003 alone it provided US\$200 million in economic assistance to the Rangoon government.<sup>40</sup>

A particularly interesting example of China's capacity to gain influence with Burma through the projection of soft power may be found in Beijing's readiness to arrange for three visits to Burma of a Buddha Tooth Relic normally held in the Chinese capital. The first visit occurred in 1955, before the SLORC came to power. The second took place in 1994, and the third in 1997. At the same time as these visits advanced Chinese interests, each may be seen as reflecting efforts of two different Burmese regimes—U Nu's in 1955 and the SLORC's in

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1994 and 1997—to bolster their position with the politically sceptical but devoutly Buddhist Burmese population. On each occasion the Tooth Relic has been brought to Burma it has been paraded around the country, an act which both conforms to Buddhist traditions while providing an opportunity for both the Burmese and Chinese regimes to gain political capital from the event.<sup>41</sup>

China's largely untrammelled hand in Burma is a direct reflection of the way in which the United States has chosen to construct its policy towards the country, instituting sanctions against the military regime, which Secretary of State Condoleezza Rice has called, 'one of the worst regimes in the world'.<sup>42</sup>

There is scant evidence of Chinese embarrassment about the nature of the Burmese regime, though it is of interest that when Chinese Vice-Premier Wu Yi visited Rangoon in 2004 she was reported as saying that China wanted to see the regime pushing Burma's political situation in a more positive direction.<sup>43</sup> There is little if any indication that this admonition has diminished Chinese support for Burma, or that it has yet had any effect on the policies of the military junta. Indeed, a more recent and important indication of China's support for the Burmese regime came when the Chinese foreign minister, Li Zhaoxing, left the ASEAN Regional Forum meeting in Vientiane, in July 2005, to travel to Rangoon 'to visit a friendly country' where he would discuss 'matters of mutual interest'. In doing so, Li made clear his country's opposition to the emerging readiness of other ASEAN states to criticise their Burmese colleagues.<sup>44</sup> This demonstration of Chinese solicitude for the Burmese regime came at the time when the American Secretary of State had elected not to attend the ASEAN meeting in Vientiane, a decision regarded by the Southeast Asian leaders as a less than friendly break with tradition. Yet while China's non-judgmental dealings with Burma are often the subject of Western criticism, it is worth noting that India takes a very similar attitude. Reluctant to criticise the Burmese regime, and concerned to shore up its eastern flank, India has already begun a program of improving road access into western Burma, with promises of more assistance in the future.



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China's concern to prevent India gaining any ascendancy over Chinese relations with Burma is undoubtedly a continuing factor in Chinese policy. Because this is so, and because of China's broader interests in Burma, it is doubtful if too much should be made of Premier Wen Jiabao's comments at the time of the February 2006 visit to Beijing by the Burmese prime minister, General Soe Win. In welcoming the general the premier stated that 'China sincerely hopes Myanmar can continue to push forward reconciliation at home and realise economic development and social progress'.<sup>45</sup> In speaking in these terms Wen Jiabao appears to have been doing little more than echo the comments of Vice Premier Wu Yi, in 2004, that have already been noted and which have not affected policy. More important was the fact that in the same welcome speech the premier once again repeated that human rights issues in Burma were Rangoon's internal affair.

Still, Burma is now a clear embarrassment for ASEAN, not least for Malaysia which was in the lead, while Dr Mahathir was prime minister, in calling for Burma's admission to the collective body. ASEAN foreign ministers meeting in Vientiane in July 2005 successfully brought pressure to bear on Burma to postpone taking up the chairmanship of the collective body to avoid embarrassment when the East Asia Summit was held in Kuala Lumpur in December of the same year. And then, before the opening of the summit, various leaders, including the Malaysian foreign minister, made clear ASEAN's wish for change in Rangoon. Nevertheless, on the basis of discussions with senior figures in a number of ASEAN countries in November, I gained no sense that ASEAN is likely to go beyond critical comments to any thought of expelling Burma from the regional body. More common was the thought, forcefully expressed to me in Singapore by a senior official, that while Burma is indeed a 'pariah' Western and especially American policy has made it so and in doing so has opened the door wide to Chinese influence.

### **Cambodia**

Now the largest foreign investor in Cambodia and spoken of by Prime Minister Hun Sen as Cambodia's 'most trusted friend'.<sup>46</sup> China initially

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moved slowly to assert itself in Cambodia following the settlement of the 'Cambodia Problem' and the United Nations-sponsored elections in 1993. This approach reflected China's previous close involvement with the Khmer Rouge. Following the 1993 elections, the then co-prime ministers, Hun Sen and Prince Ranariddh, visited Beijing, in early 1994. At that time the Chinese president, Jiang Zemin, spoke approvingly of their visit as a 'contribution to the development of Sino-Cambodian relations'.<sup>47</sup> Later that year, and in response to a request from Cambodia, Premier Li Peng assured Cambodia that it had not provided the Khmer Rouge with any assistance.<sup>48</sup> In this early post-UNTAC phase of Cambodia's relations with China the issue of whether or not there would be a tribunal to try senior Khmer Rouge leaders remained an unresolved issue, since it was quite clear that China did not want a tribunal to be established as it would reflect badly on the close relationship it had with the Pol Pot regime when it was in power.

Relations between the two countries continued to improve, as shown by Hun Sen's visit to Beijing in 1996 when there was an agreement for a party to party relationship between the Chinese Communist Party and the Cambodian People's Party. The next important step came after Hun's Sen's putsch of July 1997. In contrast to the condemnation of Hun Sen's actions from Western governments, China remained silent. Encouraged by this silence Hun Sen reacted quickly by closing the Taiwanese representative office in Phnom Penh, so making absolutely clear his country's adherence to a 'One China' policy.

Subsequently there have been repeated high level visits by Cambodian and Chinese leaders to each others' capitals. Each of these occasions has been marked by the announcement of a new Chinese provision of aid or the signature of an economic co-operation agreement, as took place, for instance, during Hun Sen's visit to Beijing in February 1999, when an Agreement on Economic and Technological Co-operation was signed. Among the more notable visits of senior Chinese leaders to Cambodia have been those by President Jiang Zemin in 2000 and by Premier Li Peng in 2001 and Premier Zu Rongji in 2002, when the Chinese president announced the forgiveness of US\$1 billion owed to

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China by Cambodia. In April 2004 Hun Sen visited Beijing and was received by Premier Wen Jiabao, at which time Wen thanked Hun Sen for Cambodia's firm 'One China' policy, while Hun Sen stated that Cambodia regarded China as a 'long-term strategic friend'.<sup>49</sup> Like Brunei, Cambodia initially responded positively to the June 2005 request from Japan that it should support the latter's bid for a permanent seat on the United Nations Security Council but subsequently withdrew that commitment in the light of Chinese objections.

The praise Cambodia accords China does not appear to have damaged Hun Sen and his party's continuing close links with Vietnam. Occasionally there is a sense to be gained from public statements that Cambodia is concerned to maintain a degree of balance in its relations with China and Vietnam. Such an example was the recent statement by Tea Banh, co-minister of defence and a deputy prime minister, revealing China was giving an average of US\$5 million in aid to the army each year, and which was accompanied by a statement from Defence officials noting that Vietnam trained more Cambodian soldiers than China.<sup>50</sup>

As glacial progress has been made towards the establishment of a Khmer Rouge Tribunal, China appears to have backed off from its earlier vigorous public opposition to the trials being held under United Nations auspices. For the moment, it is impossible to assess whether this reflects a cynical Chinese assessment that by the time the tribunal actually begins to function there is a real question as to whether some of those likely to be called before if will have died or be infirm and unable to be present. Alternatively the Chinese government may simply have concluded that it can wear the embarrassment that will arise from testimony to its involvement with the Pol Pot regime.

As for China's actions affecting the Mekong, and despite limited expressions of concern from at least one cabinet minister and from senior officials in private conversation, Hun Sen, now Cambodia's unchallenged leader, has not chosen to pursue this issue in his dealings with Beijing.

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### **Indonesia**

Following normalisation of relations in 1990 China devoted considerable effort to overcoming the tensions that had remained from the time relations had been suspended in 1965. With the Indonesian military occupying a key position within the state and continuing to hold deep suspicions of China's intentions, President Suharto was ready to follow policies that were favourable to the United States—engagement through the ARF—and to limit any significant form of agreement involving security or defence matters. The opportunity for China to advance its interests in Indonesia came with the Asian financial crisis beginning in 1997, as already noted above. Even so, there was a period of tension following the widespread 1998 riots targeting ethnic Chinese. Judged by many observers to have been the worst anti-Chinese riots in Indonesia since independence, they were fundamentally ethnic in character and not directed against the Chinese government. This ethnic character stirred a wellspring of resentment in both China itself, and areas of the Chinese diaspora, and resulted in expressions of resentment at Beijing's lack of action on behalf of its ethnic compatriots. After having made only mild initial criticisms of the riots, China finally gave voice to a rare criticism of Indonesia's internal politics. Speaking in August, three months after the riots had taken place, the Chinese foreign minister, Tang Jiaxuan, 'urged Jakarta to punish those who brutalised the ethnic Chinese minority in Indonesia in May'.<sup>51</sup>

Subsequently, and following Suharto's fall, President Wahid's visit to China in 2000 set the tone for relations between the two countries over the next several years, with emphasis on economic development and with an avoidance of discussion of strategic issues and of controversial issues, such as possible conflicting claims in the extreme southern section of the South China Sea. The importance of Indonesia's role as an energy source for China was reflected in several developments including the purchase by the China National Overseas Oil Company of concessions and the agreement for Indonesia to supply China with liquified natural gas. As a reflection of the changing character of Indonesia's economic

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relationship with China, Indonesia's exports to China in 2004 increased by 232 % by comparison with the previous year.<sup>52</sup>

It is an open question whether much of real importance can be read into the statement, made during President Hu Jintao's visit to Jakarta in April 2005, that there is a 'strategic partnership' between Indonesia and China. Certainly, one well-informed observer in Jakarta suggested that the phrase should not be accorded too much weight. The phrase did not appear in the formal communiqué issued at the time of the visit, and some observers suggest it appeared in other statements simply as a follow-up to its use in the communiqué issued at the end of the meeting celebrating the 50th Anniversary of the Bandung Conference, held shortly before Hu's visit. Explication of the term 'strategic relationship' by Jusuf Wanandi, senior fellow at the Centre for Strategic and International Studies in Jakarta and a veteran commentator on Indonesian foreign policy, does not throw much light on its meaning beyond an affirmation of its importance. It is, Wanandi states, 'a means to making an effective contribution to global peace and security'.<sup>53</sup>

Under the terms of a statement issued by both leaders at the time of Hu's visit, the two countries aim to increase annual trade volume to US\$20 billion within three years and to co-operate in a number of major projects, such as energy and infrastructure.

Following Hu's visit to Jakarta, and before Susilo Bambang Yudhoyono visited Beijing, Indonesia's research and technology minister, Kusmayanto Kadiman, announced on 18 May 2005 that the two countries would sign an agreement to develop missiles. The missiles in question would have diameters ranging from 150 millimetres to 250 millimetres and a range between 15 and 30 kilometres. In an explanation of the terms of the agreement Kadiman spoke of Indonesia's identity as a maritime country, indicating that the missiles could be launched from ships or islands. Under the agreement China is to provide Indonesia with missiles that Indonesia could dismantle and study before producing its own missiles.<sup>54</sup>

Whatever the apparent warmth of relations between the two presidents, Indonesian opinion more generally is far from unified behind the concept of close relations. In the absence of reliable public opinion

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polls, it is striking that well-informed observers are unanimous in stating that there remain deep suspicions of China at almost every level of Indonesian society. Among the public at large memories of presumed Chinese involvement in the events of 1965, through its support of the PKI and leading to the downfall of Sukarno, remain strong. At the same time, there are divisions between the executive and the parliament and between the Ministry of Foreign Affairs and the Defence Ministry. And further complicating matters, as has been the case before, is the presence of the ethnic Chinese community. This community has never been able to shed its image as a group that worked happily with the Dutch colonial administration, it is seen as excessively rich, ready to flaunt its wealth, and disrespectful of Muslim sensibilities. As one thoughtful observer put it to me, all of these views are held despite the fact that many of the 5 million ethnic Chinese in Indonesia are far from wealthy and, indeed, in some regions of the country, such as West Kalimantan, do little more than eke out a living.

There is little doubt that China wishes to see Indonesia as the leading ASEAN country, an interest based on Indonesia's much greater population size by comparison with its ASEAN counterparts and on the commercial concern that Indonesia is and will be of great importance as a supplier of energy. With past difficulties, particularly relating to the treatment of ethnic Chinese currently placed in the background, President Hu Jintao's visit to Jakarta in April 2005 followed by President Susilo Bambang Yudhoyono's reciprocal visit to Beijing in July 2005 have placed relations on a new level. At the time of this latter visit further agreements were concluded relating to defence technology, the provision of a US\$100 million loan, and the teaching of Chinese language.<sup>55</sup>

### **Laos**

One recent commentator has characterised Laos as being a country caught in a contest for influence between China and Vietnam.<sup>56</sup> Based on my frequent visits to Laos over the past decade, there seem to be strong reasons to argue that Vietnam has already lost this contest for influence, despite whatever residual shared interests there may be

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between the old guard leaders of the Lao People's Revolutionary Party (the Communist Party) and the leadership in Hanoi. As long ago as 1998 a senior Lao official spoke to me regretting the fact that since the Soviet Union had ceased to provide aid to Vietnam, Laos had suffered a consequent loss of aid, so that the country 'no longer had any friends'. It is true that the Vietnamese embassy still sits alongside the Foreign Ministry in Vientiane, as a symbolic affirmation of the past relationship, but Vietnam cannot supply even the relatively limited amount of aid that has been provided by China.

Yet even before the official's 1998 lament, China had begun to provide interest-free loans to the financially challenged Lao government and in 2000 President Jiang Zemin made the first visit to Laos by a Chinese head of state. Subsequently, China has continued to invest in Laos and to cancel some debts—as with Cambodia the actual nature of which debt has been reduced is difficult to determine. Visible signs of Chinese aid to Laos are apparent in the large Cultural Centre built with Chinese funds and the renovation of the gardens around the Victory Monument, both located in Vientiane. Chinese construction firms are active in Laos, building roads from Yunnan into northern Laos and the highway running from southern Yunnan to the Mekong River opposite Chiang Khong in Thailand. When a new hotel was required for the ASEAN summit that met in Vientiane in November 2004, it was built by a Chinese construction firm. And when it appeared possible that the World Bank might not provide cover against sovereign risk for the controversial Nam Theun 2 Dam there was a general acceptance that China would step into the gap, if required—in the event, the Bank did provide the necessary guarantee.

One feature of contemporary developments that deserves mention, but which like Chinese aid is difficult to quantify, is the fact that a considerable number of ethnic Chinese are moving into Laos to settle without legal authorisation. Many are poor rural peasants who are settling in northern Laos, others are minor businessmen. To some extent this movement of people appears to be similar to the significant undocumented settlement of Chinese that is taking place in both Burma and Thailand.

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### **Malaysia**

If relations between Indonesia and China reflect the latter's concern that Indonesia should be the 'leader' of ASEAN, a concern that accords with Indonesia's own image of itself, it is less clear how Malaysia sees its relationship with China beyond purely economic terms. Suggesting that Malaysian foreign policy is essentially characterised by 'ambiguity', one local observer argues that while 'Kuala Lumpur does subscribe to an ASEAN-wide approach to dealing with China ... how this is translated into action remains obscure'.<sup>57</sup>

A contrary view, from an observer close to the government, contests the suggestion of ambiguity vigorously, and argues that Malaysia's policy towards China should be recognised for what it is, an essentially pragmatic approach to an evolving situation. This pragmatic view, the argument runs, accepts the fact that China is already a major economic power and Malaysia must take account of this. Indeed, in 2002 it overtook Singapore as ASEAN's largest trading partner with China. Moreover, my informant argued, Malaysia's lack of ambiguity is reflected in its determination not to be seen as aligned with the United States. Viewed from Kuala Lumpur the United States appears as a country where, disturbingly, the military has great power over the formulation of foreign policy decisions, and where there is a tendency on the part of American officials and foreign policy analysts to see developments involving China and Southeast Asia in zero-sum game terms.

Contributing to Malaysia's pragmatic dealings with China, but complicating Malaysia's relations with the United States, is the widespread perception that the United States is 'anti-Muslim', a view reinforced by developments in Iraq. More generally the United States is seen as a country ready to criticise others and to intervene in their internal policies in pursuit of its own interests. In contrast, China is seen as a benign power, certainly in current terms, which, with the possible exception of Vietnam, offers no threat to any Southeast Asian country. (China's reluctance to be accommodating towards some members of its own Muslim population was not raised as a criticism in my discussions.) Several observers in Kuala Lumpur made the



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observation that problems associated with the South China Sea were no longer of critical importance following the 'Declaration of Conduct' agreed in 1992. At a broader strategic level it is clear that Malaysia does hold concerns about China's policies towards Taiwan, but there is an apparent view that lecturing China in relation to this issue would be counterproductive.

In a manner reminiscent of lingering anti-Western feelings against the Dutch in Indonesia, it is clear that the anti-Western tone of pronouncements on foreign policy, so familiar while Prime Minister Mahathir was in power, remains a feature of Malaysian thinking. Just because Malaysia was colonised by 'the good guys', as a senior Malaysian figure put it, does not mean that the reality of colonialism has been forgotten. This emphasis on the significance of the colonial past also explains why Malaysia is, on the one hand, ready to be critical of Burma, but, on the other hand, unwilling to call for its ejection from ASEAN. (An additional unspoken reason, of course, is the fact that Burma's admission was very much at the instigation of Mahathir when he was prime minister.) Burma's wrongs are real, a well-placed Malaysian commentator observed, but it should be remembered that it had a difficult colonial past. Shunned as it is, it is not therefore surprising that it has turned to China as its only supporter. Indeed, in Malaysia, as elsewhere in ASEAN, it is clear that the fact China does not take a position on the internal affairs of individual states is regarded with great approval.

From Malaysia's point of view, another commentator has noted, there are reasons to be concerned as to what China might become in the future, but for the moment what is important is its benignity, and Malaysia 'would not support a containment policy against China'.<sup>58</sup> At the same time, and in the light of China's economic and political power China, in terms used by several observers, has to be 'a factor' in all foreign policy decision making.

A recent and revealing example of the deference Malaysia is ready to show China emerged in relation to the strip search of a woman in police custody that occurred in Kuala Lumpur in November 2005. The strip search was captured on a video taken by a mobile telephone and showed

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a woman being required to squat while naked—the person who took the video has not been identified. The video was subsequently leaked to the local media where it received considerable coverage, particularly in the press catering for Malaysia's ethnic Chinese. This occurred at a time when there were already allegations of frequent police mistreatment of Chinese nationals who were visiting Malaysia as tourists. Although there are still a number of matters associated with this incident that remain unresolved, the implications for Malaysia's relations with China appear quite clear in terms of the events that followed immediately on release of the video.

Press coverage of the incident brought a sharp reaction from Beijing followed by a swift Malaysian apology. On 29 November a spokesman for the Chinese Foreign Ministry said, 'China will continue to urge Malaysia to take effective measures to, on the one hand, find out the truth and punish the perpetrators and, on the other hand, ensure the personal dignity and safety of Chinese citizens in Malaysia'. In response to the expressions of Chinese concern the Malaysian government set up a special panel to investigate the incident and to look at allegations that the police engaged in racial profiling. At the same time, home affairs minister, Azmi Khalid, flew to Beijing and apologised for the incident. Although Azmi Kalid's travel to Beijing had already been scheduled before the incident, it is clear that the visit now became vitally linked to what had happened and a necessary opportunity for the Malaysian government to satisfy the Chinese authorities that its police forces were not serial abusers of Chinese, particularly Chinese women. Only in mid-December did it become apparent that the government panel set up to investigate the incident had established that the woman who appeared in the video was, in fact, an ethnic Malay, a fact that again appears to have been publicised as the result of a leak to the media.<sup>59</sup>

### **The Philippines**

As is still the case so far as the formulation of Philippine foreign policy is concerned, the establishment of diplomatic relations between the Philippines and China in 1975 depended on developments

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involving its former colonial power, the United States. Having been closely allied with the United States, participating in both the Korean and the Vietnam Wars, and recognising Taiwan rather than Beijing, the Philippines was forced to reassess its position in the light of President Nixon's visit to Beijing in 1971. At the same time, as pointed out by Rodolpho C. Severino, a former ASEAN Secretary-General, the Marcos regime had its own bilateral reasons for seeking to deal with China.<sup>60</sup> The Philippines needed guaranteed supplies of oil following the 1973 'Oil Shock', was concerned about the progress of the New People's Army, which it believed was supported by China, and was involved in contested claims to the Spratlys. When President Marcos visited Beijing to discuss these issues he was rewarded with a Chinese agreement to supply oil at 'friendship prices'. The Beijing authorities stated that China had already indicated it would not support the Communist insurgency in the Philippines. And China stated that issues relating to the Spratlys could be put aside, while in the future there would be opportunities for joint development.

These agreements set the background for the essential pattern of relations between Manila and Beijing in succeeding years. Economic relations between the two countries have continued to grow, with the balance of trade now either in the Philippines' favour, or only involving a small deficit. Nevertheless, and hand in hand with political instability, there are suggestions that the Philippine business community is concerned that China's economic weight will work to its disadvantage. This feeling is cited as one reason why Manila was slow in taking up the 'early harvest' proposals, not agreeing to participate until January 2005.

Nevertheless, South China Sea issues remained and, as already noted, flared into importance with the occupation of Mischief Reef. But with the 'Declaration of Conduct' concluded in 2002 there has been a notable change in the attitude of the Philippines to this matter. As it was put to me in Manila, China's actions in the South China Sea are no longer seen as a 'litmus test' for its overall intentions towards the Philippines and the Southeast Asian region as a whole. It was even suggested to me that the Philippines had more reason to be concerned about Malaysia's intentions in the South China Sea than those of China. In April 2005

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China indicated its readiness to go ahead with joint development in the South China Sea when it entered into an agreement for such development with the Philippines and Vietnam. This is not necessarily welcomed in the Philippines, one well-informed observer noted, since there is a feeling that such development would be dominated by China as the much larger partner in any enterprise.

China's chief concern in relation to the Philippines is to minimise, indeed if possible neutralise, Manila's long-established economic ties with Taiwan—there remains a small active pro-Taiwan lobby in the Philippines, essentially composed of the unassimilated ethnic Chinese community. Although Philippine officials spoke of how China 'understood' Manila's links with Taiwan, it is clear that China regularly makes representations seeking to downgrade those ties. Suggestions in the past that the Philippines might buy fighter aircraft from Taiwan brought a sharp response from China and the purchase did not proceed. More recently China made clear its displeasure when former President Ramos visited Taipei, particularly as Ramos had been courted by China as one of the founding members of the Boao Forum for Asia.

For the moment Philippine policy towards China is very much determined by President Arroyo, who has long established links with China as the result of private visits. Her enthusiasm for China should not disguise the fact that it is very much the case that China is making the running in the relationship. As one senior official put it, China has mapped out a policy program, not the Philippines. The visit to Manila of President Hu Jintao in April 2005, which was described in the official communiqué as a 'golden moment' in relations between the two countries has set the seal, for the moment at least, on an era of Philippines–China good feeling.

There are still groups in the Philippines who hold doubts about this relationship. Apart from the pro-Taiwan lobby already mentioned, the Philippine military represents the most important group within the country that questions the desirability of such a close relationship and harbours a desire to go back to the kind of relationship with the United States that characterised the 'old days'. Since this is so, the very recent decision by the Chinese government to provide Manila with engineering

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equipment to a value of US\$1.2 million for use in the fight against the New People's Army appears as a particularly shrewd decision.<sup>61</sup>

Whatever the past importance of China to the Philippine 'left', a group difficult to quantify, it is now split in its attitudes to the country on which it once placed so much importance. For the remaining Maoists, the current leadership in China is 'deviationist', while the non-Maoist left condemns that leadership for its human rights abuses.

### **Singapore**

Singapore, particularly during the prime ministership of Lee Kuan Yew, has never hidden its concerns about China, only shifting slowly from outright condemnation of Beijing's policies in the 1960s and 1970s to a more measured assessment as Chinese policies changed following the death of Mao Zedong and the accession to power of Deng Xiaoping. For many years the Singapore government restricted visits to China by its citizens. While it would be wrong to suggest that Singapore's policies should only be explained in terms of decisions made by its long-serving prime minister, Lee Kuan Yew, it nevertheless seems proper to suggest that no single Southeast Asian leader has given more thought to China's role in the region, both as it affects Singapore directly and as a region-wide issue. Tellingly, in his memoirs, Lee notes that he 'visited China almost every year in the 1980s and 1990s to better understand its leaders' motivations and ambitions'.<sup>62</sup>

In immediately contemporary terms, Singapore is ready to make clear its concern to ensure there is a continuing United States presence in the Southeast Asian region at the same time as it seizes opportunities to develop close trading relations with China. So while Singapore is China's fifth largest trading partner, and seventh largest investor, it has close ties with the United States, providing port facilities for the United States at the Changi Naval Base and concluding a 'Framework Agreement for the Promotion of a Strategic Partnership in Defence and Security' at the time of President Bush's visit to Singapore in 2003.<sup>63</sup>

Although for the most part Singapore's relations with China in recent years have proceeded with a minimum of difficulties, there have been

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a few bumpy spots along the road. The government's backing of the Suzhou industrial park, originally intended as a contribution to China's development using Singapore models of state capitalism proved to be an economic embarrassment, but it was a rare example of hopes exceeding expectations.<sup>64</sup> More recently and dramatically, the 2004 visit to Taiwan by Lee Hsien Loong, shortly before he became prime minister, briefly appeared to threaten the otherwise cordial relationship and brought a very sharp reaction from China with an official statement denouncing the visit as hurting 'the core interests of China and the feelings of 1.3 billion people'. An interesting side effect of this spat was the fact that following China's sharp reaction to the Lee visit the Malaysian deputy prime minister stated that no ministers from his government would visit Taiwan.<sup>65</sup>

Given Singapore's long reiterated 'One China' policy, and the fact that other Singaporean ministers, including Lee Kuan Yew, have visited Taiwan over many years, the strength of China's reactions, which included cancellation of a number of planned bilateral visits, was puzzling. Some commentators have suggested that what was really at issue in the manner in which the Chinese reacted to the younger Lee's visit was a perception that Singapore was moving too closely into the United States camp. Singapore had, for instance, indicated its readiness to back the United States suggestion of American naval vessels taking part in anti-piracy patrols in the Malacca Straits. With Singapore reaffirming the importance it placed on its ties with China and making clear that if conflict eventuated over Taiwan it would be that entity's fault, relations returned to an even keel quite quickly. But China's feathers were ruffled again by Lee Hsien Loong's statement made in June 2005 while visiting Tokyo that Singapore would be ready to support Japan's becoming a permanent member of the United Nations Security Council. Once again a critical Chinese response was followed by a return to calm in the relationship and Lee made a successful visit to Beijing in October 2005.<sup>66</sup>

Former prime minister and now minister mentor, Lee Kuan Yew continues to comment frequently on China's growing economic power, essentially from a positive point of view. In Lee's view China's

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'rise' is indeed peaceful, since he judges that the Beijing leadership recognises that any armed confrontation with the United States would be resolved in the latter's favour. He is, however, ready to voice his reservations. In particular he expresses concern that the next generation of Chinese leaders might not 'stay the course'—that is to say that they might not restrict the competition with the United States to the economic sphere.<sup>67</sup>

### **Thailand**

Of all the member states of ASEAN, none—Burma included—currently has a closer relationship with China than Thailand. At the official level it is a relationship based on a solid background of 30 years of interaction that began when Prime Minister Kukrit turned to China in 1975 as a bulwark against the Khmer Rouge in Cambodia and in the face of the Communist victory in a now-unified Vietnam. Much more recently the relationship has been given fresh impetus through the enthusiastic embrace of China under former Prime Minister Thaksin Shinawatra, himself the grandson of Chinese immigrants. He repeatedly emphasised this family connection, as for instance by visiting his grandmother's tomb in China. In 2005 he visited China twice, with the high point being the celebration in the Great Hall of the People of the 30th anniversary of the establishment of diplomatic relations between the two countries.

Thaksin's pro-China policies deserve emphasis, but of equal importance is the extent to which Chinese immigration into Thailand has led to the prominence of families with Chinese ancestry in the upper ranks of Thai business. This ethnic prominence now extends to the membership of Thailand's parliament, where at least 60% of Thai MPs have Chinese ancestry—some estimates place the figure as high as 90%. Increasingly, and to the concern of some conservative commentators, placing emphasis on one's Chinese ancestry has become commonplace. In a telling comment, Pasuk Pongpaichit and Chris Baker observe in their biography of former Prime Minister Thaksin that historically 'Chinese had become "Thai" but they were also changing

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what “Thai” meant’. Pride in Chinese ancestry is now widely expressed at all levels of society.<sup>68</sup> The importance of China has been recognised by Thailand’s royal family and the scholarly Crown Princess, Maha Chakri Sirindhorn, who is fluent in Mandarin, has visited every Chinese province. As recently as August 2005 the Thai deputy prime minister and minister of commerce, Somkid Jatusripitak, captured one widely held view among those who supported the Thaksin Government in stating that ‘Thailand views China not as a business partner but as a life partner’.<sup>69</sup>

Trade with China is certainly important, despite the imbalance in China’s favour. The Thai–China FTA implemented 1 October 2003 has increased two way trade, with vegetable and fruit exports increasing: vegetables 81.2 % and fruit 118 %.<sup>70</sup> But these figures mask the fact that under the ‘early harvest’ arrangements Chinese agricultural imports into Thailand have grown rapidly and, sell at a much lower cost than the same goods produced in Thailand. This has led to considerable discontent in northern Thailand where, according to one senior Thai source, Chinese garlic landed in northern Thailand sells for a tenth of the price asked by local growers.<sup>71</sup>

One feature of contemporary developments which has received remarkably little attention outside Thailand itself is the extent to which northern Thailand has become a major centre for Chinese immigration, both legal and otherwise.<sup>72</sup> In Chiang Rai, Chiang Mai and Chiang Saen, Chinese businessmen are capitalising on existing trade using the Mekong River and in anticipation of the increased overland trade that will eventuate with the completion of a major highway between Kunming and, eventually, Chiang Khong, through Laos. There is an expectation that a bridge over the Mekong between the Huay Xai and Chiang Khong will be built in the near future.

Since the beginning of diplomatic relations between Thailand and China there has been a steady flow of official visits by senior politicians and officials between the two countries. The already noted frequency of visits by Thaksin built on a well-established pattern of interchanges at the highest level, even if his emphasis on family ties did set him apart from his prime ministerial predecessors.



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### **Vietnam**

Discussions of relations with China with Vietnamese officials routinely begin with reference to the seventeen occasions on which China has invaded Vietnam, with the most recent invasion having taken place in 1979. Yet whatever the record of the past, officials now speak of a steady improvement in relations since normalisation in 1991. One official interviewed in November 2005 went so far as to state that there were those among the Vietnamese leadership who looked on China as ‘a big [elder] brother’, a view he quickly noted was not held by other senior figures.

An important feature of improved relations was the success the two countries had achieved in settling their land border disputes. Unlike issues associated with maritime boundaries—where there are unresolved issues associated both with the Gulf of Tonkin area and the South China Sea—the two sides now expect to conclude the demarcation of their land borders by 2008.<sup>73</sup> As an insight into the extent to which the unresolved issues associated with the South China Sea remain a concern for Hanoi, an official was ready to suggest that he would not be surprised if the Chinese government acted to occupy all currently uninhabited locations in that maritime region, and to do so for political rather than military reasons. The importance of the unresolved issues associated with the South China Sea was also underlined by reference to the concern that Vietnam had felt when the Chinese National Overseas Oil Company made a bid to buy UNOCAL. The point being that UNOCAL has ‘three or four’ projects offshore of southern Vietnam in areas claimed by Hanoi.

The visit to Hanoi by President Hu Jintao in October–November 2005 has been hailed as an important step forward in bilateral relations, marked as it was by China’s announcing it would be lending Vietnam US\$1 billion for a range of economic projects, including power stations and the modernisation of the country’s railway system.<sup>74</sup> According to an official, the visit exemplified the ‘Four Goods’ that Vietnam is pursuing in its relations with its great northern neighbour: these are ‘Good Neighbours’, ‘Good Friends’, ‘Good Comrades’, and ‘Good

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Partners'. More practically, the visit focused on raising the level of trade between the two countries to US\$10 billion annually by 2010 and, among other general references to increased co-operation, looked to increasing youth exchanges between the two countries. Intriguingly, it did not prove possible to gain a firm indication from officials of the number of Vietnamese studying in Chinese institutions of higher learning. Acknowledging that some students went to China without government authorisation, there was an estimate that the total number was of the order of 8-10,000.

Hu's visit to Hanoi followed the visit to the United States earlier in the year of the Vietnamese prime minister, Phan Van Khai. Hanoi-based observers have suggested that this visit was undertaken with some nervousness on the part of the Vietnamese in terms of the likely reactions to the first visit to Washington of such a senior Vietnamese official. Recalling the actions of Vietnamese governments in historical times, Phan Van Khai's visit in June 2005 was quickly followed by a visit to Beijing by the state president, Tran Duc Luong. In the event Beijing did not criticise the Phan Van Khai visit and Vietnamese officials were at pains to argue that Hanoi is not seeking to follow a policy that 'balances' relations between China and the United States. China's attitudes were even described as 'pragmatic' in relation to Vietnam's dealings with China, a considerable contrast, one official observed, with what was the case ten years ago, when China was critical of Vietnam's normalising of relations with the United States and joining ASEAN.

In addition to the unresolved issues associated with the South China Sea, another important unresolved area of differences between China and Vietnam highlighted by Vietnamese officials, is the problem of property once owned by ethnic Chinese who left Vietnam in the years immediately after the Communist victory in 1975. China is pressing the Vietnamese either to return the property or to compensate the former owners and, at least for the moment, the Vietnamese government is not prepared to accede to this request.

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### **Dealing with China and the United States—the strategic dimension: bandwagoning, balancing and hedging.**

The above terms, often with complex qualifications, have been used by analysts in an effort to identify the essential characteristics of the foreign policies of individual Southeast Asian states as they deal with external powers—in particular with China and the United States, and to a lesser degree with Japan. ‘Bandwagoning’ implies an ‘all the way’ approach to dealings with a single larger power. The most obvious example being Burma’s current relations with China. ‘Balancing’ implies an effort to follow policies that prevent a state from being firmly linked to one larger power rather than another. Overall, the term seems applicable to all the other Southeast Asian states in varying degrees, but with the essential qualification that the characteristics of the balancing policy can change with time and circumstances. The problem about the use of these definitions is just that: the fact that they are very time sensitive, and so in need of regular readjustment and redefinition. Probably more insight into the essentials of the current policies of Southeast Asian countries in relation to China and the United States is the fact that, as Evelyn Goh argues in *Betwixt and Between*, Southeast Asian states, Burma excepted, have adopted a policy of ‘hedging’: ‘The two key common elements in their hedging strategies are strong engagement with China, and the facilitation of a continuing U.S. strategic presence in the region to act as a counterweight or balance against rising Chinese power.’<sup>75</sup>

In her analysis, Goh sees a three-way division among the countries of Southeast Asia in terms of the characteristics of their hedging strategies. The Philippines and Singapore fall into the first group by making clear, in various ways, their continuing strategic reliance on United States. Indonesia and Malaysia fall into Goh’s second group as countries seeking a ‘middle course’ in relations between China and the United States. Cambodia, Laos, Thailand and Vietnam make up the third grouping as the result of ‘being constrained by China strategically, for different reasons.’<sup>76</sup> Burma, as already noted, falls outside this analysis, as does Brunei.

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Yet there are grounds for argument or qualification in almost every hedging classification ascribed to the individual countries of Southeast Asia. To take the Philippines as an example, and despite the long-term and continuing links with the United States, that country's place in the first group of 'hedgers' has to be placed against the speed with which Philippine forces were withdrawn from Iraq when a Filipino worker was taken hostage and in the light of the apparent warmth of Hu Jintao's visit in April 2005. Or, to take another example, it is difficult to develop a detailed argument for the proposition that Laos has much opportunity to pursue policies that make the United States a counterweight to China.

In assessing the nature of Southeast Asian approaches to dealing with China, note has to be taken of the measure of uncertainty felt by the individual countries as to how the United States views China's relations with the region and how Washington formulates its policies towards China. As the journalist Ian Bremmer has recently argued, in relation to the latter point, this uncertainty is a reflection of the fact that it is not always clear to an external observer whether United States policy is directed by the 'panda huggers' or the 'dragon slayers'—the first group arguing that China is, essentially a force for stability, the second that China is pursuing policies that threaten American interests.<sup>77</sup> The existence of 'dragon slayers' has been apparent enough in the attitudes that were expressed in Congress at the time of the Chinese bid to take over Unocal, in June 2005, as well as by those who are lodged on the wilder shores of some evangelical Christian groups. But Bremmer's comments stem, at least in part, from what has been the widely perceived differences in approach to China on the part of the United States Department of Defense, on the one hand, and the State Department, on the other. The former, as exemplified in the statements of the Secretary of Defense, Donald Rumsfeld, has consistently questioned the *raison d'être* for China's growing defence expenditure. Although it would be inaccurate simply to classify Rumsfeld as a 'dragon slayer', he certainly qualifies as a 'dragon doubter'. For instance, in a commentary on this issue at a conference sponsored by the International Institute for Strategic Studies, in Singapore in June 2005, Secretary Rumsfeld noted that

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Chinese defence expenditure was ‘much higher than Chinese officials have published’, and asked the following questions, ‘Since no nation threatens China, one must wonder: Why this growing investment? Why these continuing large and expanding arms purchases? Why these continuing robust deployments?’<sup>78</sup>

Until recently, the most authoritative statement on policy towards China as viewed by the State Department was to be found in the speech made by the Deputy Secretary of State, Robert Zoellick, in September 2005. While in that speech Zoellick spoke of uncertainties about Beijing’s policies on the part of ‘many Americans’, for whom, ‘There is a cauldron of anxiety about China’, his overall message was much less sceptical than the views expressed by Defense Secretary Rumsfeld. In sum his message should have been reassuring for China. For although critical of China’s lack of democracy, Zoellick spoke of the possibility of co-operation and of the United States and China working together ‘within a large framework where the parties recognise a shared interest in sustaining political, economic, and security systems that provide common benefits’.<sup>79</sup>

Against this background, Secretary of State Condoleezza Rice has recently injected a new degree of uncertainty about the thrust of United States policy towards China. In remarks delivered in Washington, in March 2006, before travelling to Australia to take part in trilateral talks with Australia and Japan, she appeared to move closer to the position of the Defense Department. Two key sentences in Secretary Rice’s remarks, as reported in the Australian media, have attracted attention. In referring to China’s rise, Secretary Rice said, in part, ‘We together [that is the United States, Japan and Australia] need to try to recognise that China is going to build up its military, but to make sure that China’s military build-up is not outside China’s regional ambitions and interests.’<sup>80</sup> Equally pointed was her view that, ‘those of us who are long-standing allies, have responsibility to try and produce conditions in which the rise of China will be a positive force in international politics, and not a negative force’.<sup>81</sup>

Whether intended or not—and Secretary Rice has explicitly denied that the United States has a policy of ‘containment against China’<sup>82</sup>—her

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comments will almost certainly be interpreted in those terms in some, if not all, Southeast Asian capitals, particularly as she subsequently echoed Defense Secretary Rumsfeld's comments about China's lack of transparency in relation to its military expenditure.<sup>83</sup> To this extent the remarks will be counterproductive and likely to reinforce the view that the United States fails to understand the interests of Southeast Asian countries which now see their current and future prosperity closely linked to China's rise, however much they continue to welcome an American presence in the region.

Certainly, as already noted in relation to Malaysian views of China and the United States, many Southeast Asian policy makers and commentators remain concerned that a zero-sum outlook prevails in the United States which sees any Chinese advance as an American loss. The view of many in the region is that scepticism about American policies goes hand in hand with the firm adoption by all Southeast Asian countries of a 'One China' policy and its attendant distancing from the American stance on Taiwan. The Taiwan issue complicates any discussion of United States policy towards China and Southeast Asians note that, explicitly, or otherwise, it forms a basis for the development of scenarios that give serious contemplation to the possibility of hostilities between Washington and Beijing.<sup>84</sup> Even more reserved assessments of the future invoke the possibility of China challenging the United States' position in the Southeast Asian region.<sup>85</sup> Such attitudes are seen as worrying at best in Southeast Asia.

So while it is undoubtedly correct to argue that Southeast Asian countries hedge their foreign policies to a greater or lesser extent and regard the continuing presence of the United States in the region as desirable, they have already adopted a firm position contrary to United States' wishes on one vital issue. In doing so there is reason for thinking that overall the countries of the region take a relatively sanguine view of China's future intentions. In accordance with this view they have opted, with national variations, for engagement with China

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### **Engagement and paramountcy**

Without minimising the importance of the considerable amount of work that has been undertaken by analysts concerned with the issues discussed immediately above, it seems appropriate to argue that the most important feature of the policies being pursued towards China by all the countries of Southeast Asia is that of *engagement*, however much this may vary from country to country. As outlined earlier, the current fact of engagement is very different to what was the case even ten years ago. So if engagement is the essential characteristic of both ASEAN's and the individual countries' approach, how, then, should we describe China's relationship with the region?

All definitions and descriptions are subject to debate and qualification, just as Humpty Dumpty observed to Alice that a 'word ... means just what I choose it to mean'. One way to describe the nature of China's currently good relations with the countries of Southeast Asia lies in the extent to which China has been able to assume a position of regional paramountcy. I use the term 'paramountcy', to distinguish it from other descriptive terms that might be applied to the relationship, such as 'dominance' or 'hegemony', since it allows for a variable range of relationships between the paramount power and its less powerful neighbours and does not, as is the case with the original sense of the term 'hegemony', involve a sense of command. Moreover, the concept of paramountcy does not mean there is, at least in current terms, an effort to assert a policy of unipolarity on China's part. A few brief examples underline this point. If, as I suggest, China is *the* paramount regional power, this does not mean that its relations with each and every Southeast Asian country are the same in character. Singapore, for instance, pays close attention to China's interests, but is ready to weather complaints from Beijing about the decision of Lee Hsien Loong to visit Taiwan shortly before he became prime minister or Singapore's support for Japan's gaining a seat on the United Nations Security Council. And it has close relations with the United States at the military level. It is difficult to imagine other Southeast Asian countries acting towards Taiwan as Singapore has done. Myanmar, on the other hand relies so heavily on China in both

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political and military matters that it is difficult to imagine it embarking on any action that would seriously upset Beijing.

Moreover, while it is clear that China will resolutely defend what it sees as its core interests, this does not mean that it seeks exclusive interest and influence in each Southeast Asian country. The recent history of Cambodia makes this point clear. Vietnam's unchallenged influence in Cambodia throughout much of the 1980s was what was so offensive to Chinese interests and led to its support of the coalition forces seeking the expulsion of the Vietnamese military from Cambodia and the implementation of a political settlement that opened Cambodia to its influence. More generally, and in contrast to what was once the case, China has been essentially moderate in its approach to the continuing presence of the United States in the Southeast Asian region in recent years.

Earlier in this paper I asked the further question as to whether China's current foreign policy might be usefully viewed as a reflection of its traditional concept of itself as the 'Middle Kingdom' and the suzerain which granted, or withheld, tributary status from other countries. In some ways this is an appealing way of trying to define China's contemporary foreign policy, since there is no doubt that there is among China's leaders a persistent sense of the country's unique character as the world's oldest civilisation. Moreover, as already acknowledged, there is more than a hint of a preoccupation with past historical patterns in its relations with the countries of mainland Southeast Asia, particularly Vietnam. To dwell too much on these historical relationships would, nevertheless, be a mistake, for to do so would be to fail to take account of the dramatic changes in power relationships and economic development that have taken place over the past several hundred years. These changes make any simple invocation of the past to provide an understanding of the present and future an exercise in futility. China may, indeed, continue to regard Southeast Asia as its 'own backyard', but it is a very different backyard from that which existed two hundred years ago.

A consistent theme in the discussions I held in Southeast Asia in November 2005 was the perceived failure of the current United States



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administration to recognise that its foreign policy preoccupation with Iraq, the Middle East more generally, and the 'war on terror' did not trump local preoccupation with economic advancement, for which close relations with China were essential. This is not to argue that issues associated with Islamist terror are disregarded, particularly in Indonesia, Malaysia, the Philippines or Thailand, but rather that these are problems to be viewed in their local context rather than within a global framework. So, too, the elevation of the Taiwan issue to its place of prominence in American foreign policy is understood by Southeast Asian governments, but with all committed to a 'One China' policy there is no sympathy for the presumed American commitment to intervene on Taiwan's behalf in any armed confrontation with China. The hard-nosed view expressed by Singapore's Lee Hsien Loong, and noted earlier in this paper, that if hostilities were to occur it would be as a result of Taiwan's policies, is clear testimony to this fact.

At least as important as any other factor in Southeast Asian countries' views of China and the United States is their reluctance, or refusal, to criticise China for its internal and external policies as these affect human rights issues. These are matters viewed with a considerable degree of sophistication, and some degree of self-service, by countries that confront internal challenges of their own and which, in any event, have elements of authoritarianism, to a greater or lesser degree, in their own political systems. Whatever China's sins of commission, as viewed by Western observers, in relation to the suppression of internal dissent and the control of Tibet, these are simply not issues that attract other than the most limited minority interest in Southeast Asia. Equally, the fact that China deals with regimes such as Sudan and Iran in its endless quest for energy security is far less important, for Indonesia as an example, than the opportunity that country also has to sell oil and coal to China. In criticising what he sees as Washington's many missteps, Singapore's Kishore Mahbubani, one of the least sentimental Southeast Asian observers, has argued that American conviction 'that democracy is the best possible form of government anytime, anywhere' leads to a Chinese sense that the United States is ready to follow policies and make pronouncements that 'could threaten China's political stability'.<sup>86</sup>

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From their perspective, the countries of Southeast Asia feel no need to construe their policies on a basis of moral absolutes.

Meanwhile, and away from issues of grand strategy, China's soft power is growing through its support in Southeast Asia, and elsewhere, of a large number of Confucius Institutes. Supported by the Chinese government and overseen by the China National Office for Teaching Chinese as a Foreign Language, a branch of the Ministry of Education, the institutes 'will promote Chinese language and culture and support local Chinese teaching'.<sup>87</sup> The first Confucius Institute was established in Seoul, South Korea, at the end of 2004, and as of March 2006 there are now no fewer than forty-one institutes in twenty-eight different countries.<sup>88</sup> So far, Confucius Institutes have been established, or are in the process of being so, in Cambodia, Indonesia, Malaysia, Singapore and Vietnam. The establishment of Confucius Institutes goes hand in hand with a surge in the teaching of Chinese, both in schools for the ethnic Chinese members of the populations of the various Southeast Asian countries, and in a range of private language institutions. As pointed out, and celebrated by an official Chinese 'Culture and Science' web site, there has been a sharp increase in the number of people learning Chinese in the countries of Southeast Asia. The distinctive contemporary aspect to this development is the fact that in most cases the promotion of Chinese language is being given support by governments. This contrasts with the previous situation in which there were restrictions on the teaching and the promotion of the Chinese language. These restrictions that have now been removed, in the late 1990s, in Thailand, Malaysia, Singapore, the Philippines and Laos. Former Prime Minister Thaksin of Thailand is quoted for his observation that, 'China is certain to play an important role in world economy, so Chinese will be a major foreign language for Thais to learn'.<sup>89</sup>

In contrast to the rapid spread of institutions teaching and promoting Chinese language and culture, the number of Southeast Asian students who have gone to China to study is quite small. According to the *China Daily*, the number of foreign students expected to enrol in Chinese universities at the end of 2004, was 'more than 60,000' of whom 35,000 were from South Korea, 16,000 from Japan, and the balance from

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Southeast Asia, or about 11,000 students.<sup>90</sup> At first glance, this number seems too small, since Vietnamese officials, as noted earlier, spoke of their country's student numbers in China being of the order of 8-10,000. The explanation for the apparently small number of Southeast Asian students may lie in the difficulties faced by students who go to China without either a Chinese language capacity or possessing a language with linguistic links to Chinese—Vietnamese, for example, has a very high number of Chinese loan words. It is also worth noting that there are difficulties in interpreting the raw figures given of foreign students in China. So, for instance, although there were 4,000 foreign students studying at Beijing University (Beida), in 2004, only 1,800 of these were studying full-time. And of these, 1,400 were studying standard university courses while the remainder were in language courses.<sup>91</sup> It therefore appears that, while the combination of the Chinese language being promoted through Confucius institutes and other teaching programs is advancing the study of Chinese as never before in Southeast Asia itself, China has not yet embarked on a major promotion of study for Southeast Asian students in China, with the exception of those coming from Vietnam.

In another development associated with cultural links between China and Southeast Asia there are reports that in November 2005 ASEAN took steps to establish a Centre for Contemporary Chinese Studies, based in Hanoi. Details about the centre are so far limited, but it is reported that it will provide the opportunity to encourage links between ASEAN experts on China.<sup>92</sup>

### **China and Southeast Asia: a challenge for Australia?**

What are the implications for Australia of China's increasing influence in Southeast Asia at a time when Australia's economic prosperity is so closely linked to trade with China?

There seems little reason to suggest that Chinese influence in the countries of Southeast Asia has been exercised in a manner seriously contrary to Australian interests, or indeed is likely to be so in the near to medium future. That said, growing Chinese interest and influence

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in the Southeast Asian region is likely to mean an ongoing increase in the ways that governments of the various countries frame their policies in ways that are in tune with Chinese policies. This will be so however much those governments are concerned to see a continuing United States presence in the region. This could mean that there will be occasions when Australia may find that aspects of its foreign policy will not be supported in Southeast Asia because of Chinese views. Australian support for Japan's gaining a permanent seat on the Security Council—supported only by Singapore among the ASEAN countries—is one such example. On the broader issue of regional security, there is little to suggest increased Chinese influence in Southeast Asia works to Australia's detriment. In relation to terrorism, Chinese relations with Southeast Asia seem likely to be benign.

The fact that all of the countries of Southeast Asia have adopted a 'One China' policy is not the basis for an argument that this collective position presents a problem for Australia. After all, Australia, too, supports the principle of 'One China', and if the governments hold concerns about hostilities arising over Taiwan, this too is an Australian concern. And along with Australia several of the countries of Southeast Asia have important trade links with Taiwan.

Two broad points are worth making in relation to Taiwan. Conflict over Taiwan is not a certain future development. The provocative statements hinting at a declaration of independence made by Taiwan's president, Chen Shui-bian, are increasingly seen by outside observers as the 'last hurrah' of a politician who has lost popularity with his own constituency at a time when Beijing is increasing its contacts with Taiwanese legislators, business groups and the general population. That said, President Chen continues to take actions that seem certain to further antagonise Beijing, as is the case with his decision in February 2006 to announce that Taiwan's National Unification Council 'ceases to function'. Even if it is correct to observe that Chen's provocative actions are essentially directed towards his domestic audience, this does not detract from their capacity to excite Beijing's resentment.<sup>93</sup> Taiwan remains, as Harlan Ullman aptly observed in a 2005 Sydney Institute lecture, a 'neuralgic issue' for China, but this does not translate into a

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certainty, let alone a likelihood, that the government in Beijing is about to try and reclaim Taiwan by force. This judgment gains weight by the generally accepted assessment that China could not, at the moment or for some time to come, deploy ground troops to Taiwan. Whatever damage it could inflict through missiles and air attack, would be at a heavy cost in the face of American defence of the island.

As to Australia's posture in relation to the Taiwan issue, there is good reason to start from the observation made by Professor Ross Garnaut in response to some of the criticism levelled at foreign minister Alexander Downer in 2004, and subsequently. Having noted that the possibility of conflict over Taiwan is 'low but not a zero possibility', Garnaut went on to say,

While he [Downer] could have chosen more appropriate words in indicating that Australia would not automatically follow the United States into war over Taiwan, he was indicating that we would be exercising independent judgment.<sup>94</sup>

Australia must deal with the issue of Taiwan on a different basis from that of the countries of Southeast Asia because of our close alliance with the United States. Whether this currently has any practical significance is another matter. At a different, attitudinal, level it probably is the case that because of the warmth now existing between Southeast Asian countries and China there will be times when Australia's freedom of press and expression will receive an unsympathetic response among our neighbours as the result of criticism of China. It would be wrong to elevate this possibility to too high a level. But there will be no easy escape from this issue, not least because there is much that is open to criticism in China, from its imperfect respect for the rule of law, to its treatment of minorities and its readiness to place self-interest above adherence to proclaimed Western norms in its dealings with various 'rogue' governments.

Focus on China's moral failings, as some would see them, unfortunately too often goes hand in hand with a failure on the part of

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critics to recognise that those who govern China have, over the past two decades, presided over a remarkable transformation that has dramatically reduced the poverty levels of the population. In my November interviews in Southeast Asia this point was made repeatedly by my interlocutors. That the point requires emphasis in Australia is a reflection, in part, of the readiness of the media to give wide coverage to matters such as the imprisonment of James Peng or the defection of Chen Yonglin, the problems of Tibet or the more recondite disadvantages of the Uighurs. With the possible exception of the Thai press, it is difficult to imagine the same kind of coverage of sensitive issues relating to China in the Southeast Asian media.

### **Southeast Asia's Chinese future**

Charting the future course of China's relations with Southeast Asia is beset by more than the usual difficulties in forecasting. But starting from the proposition that China has already assumed the status of the region's paramount power, it is worth returning briefly to a question raised very early in this paper: should China's actions in relation to the Mekong River be taken as a guide for its general policies in Southeast Asia? Is the extent to which China has ignored, and continues to ignore the interests of the Mekong countries downstream of China, so far as environmental issues are concerned, a reflection of its likely future dealings with Southeast Asia as a whole?

China has so far approached the issue of the environmental issues associated with Mekong from the position that it has every right to do what it wishes on a river that flows through its own territory. It is therefore interesting that there is now uncertainty over what China will do in relation to another transnational river, the Salween, or Nu Jiang, as it is known in China. This river rises close to the Mekong's source in Tibet and eventually flows out of China into Burma, at one point briefly forming the border between Burma and Thailand. Plans to build up to thirteen dams on the Salween are currently on hold following an unprecedented campaign from environmentalists in China and from opponents of the dams in Thailand—protests from Burmese

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groups have only been from expatriates. There are now suggestions that instead of thirteen only four dams are being contemplated. The possibility has even been mooted that the scheme to build the dams may be totally discarded.<sup>95</sup>

Should the planned dams not be built, or should their number be sharply reduced, this will reflect a slowly growing awareness within China itself that environmental issues are indeed important. In the view of Elizabeth Economy, in her important book, *The River Runs Black*, this is a possibility, but far from a certainty.<sup>96</sup> But a decision not to proceed or to scale down plans for dams on the Salween may also be, in part at least, the beginning of a recognition by China that the concerns of downstream countries do have some worth. Perhaps, therefore, what has happened with the Mekong in the past does not provide a straightforward insight into contemporary Chinese policy.

Begun in the 1980s, there is every reason to think that at the time of its conception the plans to dam the Mekong were a reflection of a lack of Chinese concern for its neighbours and that this attitude continued through the 1990s, particularly as China refused to join the Mekong River Commission. In many ways, this example of Chinese policy arrogance had its parallel in the attitudes China displayed in relation to the South China Sea during the same period. Counterbalancing this disregard has been the increasing effort made by the Chinese to deal positively with the downstream countries, particularly from the mid-1990s onwards, now culminating in the warm relations already described—with relations with Vietnam probably best described as less than warm, but more than correct. So, too, China's changed policies in relation to the South China Sea have included both a scaling back of its military, or quasi-military actions, and the pursuit of warmer relations with the other claimants to the maritime area.

Taking the lessons to be drawn from the Mekong experience and extending them to a broader assessment of China's policies towards the rest of Southeast Asia, it is possible to reach the following conclusions. First, China will be resolute in pursuing what it sees as its own interests. Secondly, this resolute self-interest can be accompanied by policies that

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have increasingly been on show in the last decade and which clearly indicate China's wish to deal with a prosperous Southeast Asia. Whether Beijing fully appreciates all of the factors that ensure that prosperity may be open to question, but it is difficult to avoid the conclusion that increasingly the evidence suggests it does.

As China seeks to reinforce the position it believes it rightly occupies in relation to Southeast Asia, we may expect that it will continue to do so through a pattern of policies that are already clearly established. Foremost among these will be the regular exchanges of visits at the highest level between Beijing and the capitals of Southeast Asia and the steady promotion of its position through the soft power policies of aid, the promotion of Chinese language and culture, with the latter now closely linked to its Confucius Institutes. At the same time it will maintain its position of non-interference in the internal policies of its neighbours. The one important qualification in relation to this last issue is the fact that Beijing is ready to express its displeasure when it appears that the rights of Chinese individuals, whether citizens of China or not, are involved. As noted earlier, this was the case as recently as November 2005 in connection with an apparent act of discrimination in Malaysia.

Just as China's policies towards the countries of Southeast Asia have evolved, particularly over the past decade, it is important to recognise the extent to which the individual countries of the region have also changed and adapted their relationship with Beijing. It is quite wrong to analyse the policies of the countries of Southeast Asia as being simply as reactive—a corollary, or consequence of Chinese actions. Such an analysis casts the states of Southeast Asia in the role of merely passive respondents to their much more powerful neighbour. There are variations, of course, in the manner in which the various Southeast Asian states have shaped their policies. Burma and Laos, in their various ways, have less freedom of action in determining their international policies than stronger powers, such as Thailand and Indonesia. In all cases there are undoubtedly strong elements of self-interest in the policies that Southeast Asian countries have followed, and it scarcely should be expected that it would be otherwise. Overall,



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and in accepting that China is, indeed, the paramount regional power, the countries of Southeast Asia are not merely accepting, but just as importantly judging, that this is the reality of the international environment in which they operate.

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# Appendix

## China–Brunei Relations

- 1991**                      **30 September**  
Formal establishment of diplomatic relations
- 1999**                      **23–26 August**  
Who: Chinese President **Jiang Zemin**; Brunei Sultan **Hassanal Bolkiah**  
Purpose of visit: Working visit to China; also met with Chinese Premier **Zhu Rongji**  
Signed: Joint communiqué in which the two sides agreed to maintain high-level contacts, continue to facilitate and promote trade and investment between the two countries and expand bilateral co-operation; and a MOU on cultural co-operation.
- 2000**                      **14–18 November**  
Who: Chinese President **Jiang Zemin**; Brunei Sultan **Hassanal Bolkiah**  
Purpose of visit: To attend an APEC meeting; then a state visit to Brunei. Jiang is the first Chinese head of state to visit Brunei.  
Said: Jiang said it is China's set policy to develop long-term

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and stable relationship of friendly co-operation and good-neighbourliness under the principles of peaceful coexistence with Brunei.

Signed: An agreement on encouraging and protecting investment, a long-term contract regarding China's purchasing of crude oil from oil-rich Brunei, and a memorandum on tourism.

**2001                      15 May**

Who: Chinese President **Jiang Zemin**; Brunei Sultan **Hassanal Bolkiah**

Purpose of visit: To jointly officiate with Jiang the APEC High-Level Meeting on Human Capacity Building in China (15–16 May)

Said: Jiang said, 'Relations between China and Brunei have been developing in political, economic, cultural and other sectors since the two countries established diplomatic relationship ten years ago'.

**2003                      6 October**

Who: Chinese Premier **Wen Jiabao**; Brunei Sultan **Hassanal Bolkiah**

Purpose of visit: To attend ASEAN summits in Bali (7–9 October)

Said: During his meeting with Sultan Bolkiah, Wen said China highly appreciated the growth of Sino–Bruneian relations of friendship, good-neighbourliness and co-operation. He said China is willing to import more petroleum from Brunei, take part in Brunei's oil and gas development and infrastructure construction such as harbor and telecommunications. It is also willing to promote bilateral co-operation in the fields including education and culture, he added.

## APPENDIX

- 2004**                      **22 September**
- Who: Chinese President **Hu Jintao**; Brunei Sultan **Hassanal Bolkiah**
- Purpose of visit: State visit to China
- Said: China expects to strengthen co-operation in trade and investment with Brunei — especially in the field of oil and gas exploitation and infrastructure construction. The good relationship between China and Brunei shows that countries with different cultural backgrounds and ideologies can get along well with each other and achieve common prosperity.
- Signed: Brunei announced its recognition of China's market economy status in a joint communiqué. The two sides also pledged to enhance trade exchange and expand mutual investment to make bilateral trade volume reach \$US one billion by 2010. The communiqué says a memorandum on trade, investment and economic co-operation would be conducive to strengthening co-operation in agriculture, energy, tourism, transportation, telecommunication and infrastructure.
- 
- 2005**                      **20–21 April**
- Who: Chinese President **Hu Jintao**; Brunei Sultan **Hassanal Bolkiah**
- Purpose of visit: State visit (Hu's first to Brunei)
- Said: Hu offered a six-point proposal to strengthen co-operation with Brunei in areas of economy, energy, tourism and military. Hu proposed that China and Brunei hold celebrations next year to commemorate the 15th anniversary of full diplomatic ties; expand economic co-operation in human resources, market, technology, capital and resources; step up co-operation in the area of oil trade; and increase exchange between military personnel and co-operation in military training. The Sultan agreed with Hu's proposals.

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Signed: The two sides issued a joint press statement at the end of Hu's visit which called for the expansion of all-round co-operation between the two countries. An Exchange of Notes on Mutual Visa Exemption for Diplomatic, Official and Service Passport Holders and a Plan of Action on Health Co-operation were also signed.

### **Cambodia–China Relations**

**1958**                      **19 July**

Formal establishment of diplomatic relations

**1999**                      **8–12 February**

Who: Chinese Premier **Zhu Rongji**; Chinese President **Jiang Zemin**; Cambodian Prime Minister **Hun Sen**

Purpose of visit: Official visit to China by Hun Sen

Signed: Agreement on Economic and Technological Co-operation and the Framework Agreement on the Chinese Government's Preferential Loans to the Cambodian Government. China agreed to provide Cambodia with a low interest loan of 150 million yuan and a grant aid of 40 million yuan. China also agreed to grant Cambodia commercial loans of 200 million yuan for agriculture and infrastructure projects. Co-operation agreements in the fields of culture, tourism, and other areas as well as an extradition pact were also signed.

**2000**                      **13–14 November**

Who: Chinese President **Jiang Zemin**; Cambodian King **Norodom Sihanouk**, Prime Minister **Hun Sen**

Purpose of visit: State visit by Jiang (first Chinese Head of State to visit the Cambodia since 1963)

Said: Zemin made a four-point proposal to Hun: (1) Exchanges between the two countries should be

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continued and maintained at all levels. (2) The economic and trade co-operation between the two countries should be put 'in a more important position'. (3) Bilateral co-operation in personnel training should be strengthened. (4) The two countries should enhance co-operation in regional and international affairs.

King Sihanouk said the Cambodian people will never forget the 'sincere and selfless assistance' from China 'either in our fight for defending sovereignty or in the years of reconstruction'. He extended the 'deepest gratitude' to China.

Signed: China–Cambodia Joint Statement on the Framework of Bilateral Co-operation in which the two sides agreed to further strengthen bilateral co-operation in various fields, including increasing political and economic exchanges and coordinating efforts in the fight against cross-border crimes like drug-trafficking; Two inter-governmental agreements on bilateral economic and technological co-operation and on the formation of a China–Cambodian economic and trade co-operation committee; and a MOU for agricultural co-operation.

**2001**                      **24 December**  
Who: Chinese Ambassador to Cambodia **Ning Fukui**;  
Cambodian Foreign Minister **Hor Namhong**  
Signed: An Agreement on Economic and Technical Co-operation, under which China will provide the Royal government with an interest-free loan of 80 million yuan from 1 January, 2002 to 31 December, 2006.

**2002**                      **1–4 November**  
Who: Chinese Premier **Zhu Rongji**; Cambodian Prime Minister **Hun Sen**  
Purpose of visit: Official visit to Cambodia by Zhu, during which he

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- attended ASEAN summits and the Greater Mekong Subregion Economic Co-operation Summit
- Said: Zhu made a four-point proposal on promoting friendly ties between China and Cambodia. He proposed: (1) that both China and Cambodia keep high-level contacts and exchange of visits; (2) that both sides strengthen the mutually-beneficial co-operation in the fields of economy and trade. China will attach no political conditions to its assistance to Cambodia; (3) that China and Cambodia focus their co-operation in agriculture, human resources and infrastructure; (4) that both countries enhance coordination in international and regional affairs.
- Signed: Zhu announced that the Chinese government has decided to write off all Cambodian debts to China that have matured. The two sides also signed two agreements on economic and technological co-operation and exchanged two documents on material assistance and the construction of a Cambodian highway by the Chinese government.

### **2003**

#### **27 November**

- Who: Chinese Ambassador to Cambodia **Ning Fukui**; Cambodian Prime Minister **Hun Sen**
- Signed: Two agreements on economic and technical co-operation. Under the first agreement, China will grant of 50 million yuan to the Cambodian government. The second agreement stated that China will provide 200 million yuan in interest-free loans for the rehabilitation project of National Road No. 7.

### **2004**

#### **19–23 March**

- Who: Chinese Vice-Premier **Wu Yi**; Cambodian Prime Minister **Hun Sen**; Cambodian Deputy Prime Minister **Sar Kheng**
- Purpose of visit: Official visit to Cambodia by Wu



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Said: Wu said she hopes the two governments will make efforts to boost annual bilateral trade volume from US\$300 million in 2003 to US\$500 million in 2005. She said that Chinese government will encourage its enterprises to invest in Cambodia.

Signed: Five exchanges of notes, three MOUs and an agreement.

### **22–27 June**

Who: Chinese Premier **Wen Jiabao**; Cambodian Prime Minister **Hun Sen**

Purpose of visit: To attend the Boao Forum for Asia Annual Conference in China

Said: China supports Cambodia in its endeavor to maintain stability, promote national unity and develop its economy.

Signed: Ten co-operative documents

### **2005 4 July**

Who: Chinese Premier **Wen Jiabao**; Cambodian Prime Minister **Hun Sen**

Purpose of visit: To attend the 2<sup>nd</sup> summit of the Greater Mekong Subregion Economic Co-operation Program in China

Said: China will provide support for Cambodia's infrastructure projects in the form of cash and equipment. Hun Sen deemed the bilateral friendship 'eternal', saying China's contribution to Cambodia's development and economic reconstruction will not be forgotten.

### **10–14 August**

Who: Chinese President **Hu Jintao**; Cambodian King **Norodom Sihamoni**

Purpose of visit: State visit (King Sihamoni's first state visit to China)

Said: The two leaders hailed the Sino-Cambodian friendship, vowing to promote co-operation in agriculture, natural resources and education.

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### **28 December**

- Who: Chinese Ambassador to Cambodia **Hu Qianwen**, Cambodian Prime Minister **Hun Sen**; Cambodian Foreign Minister **Hor Namhong**
- Signed: Two agreements on economic and technical co-operation. Under the agreements, Chinese government will offer a grant aid of 50 million yuan and an interest-free loan of 50 million yuan to Cambodia.

## **China–Indonesia Relations**

**1990**

### **8 August**

Formal resumption of diplomatic ties between China–Indonesia

**1999**

### **1–3 December**

- Who: Chinese President **Jiang Zemin**; Indonesian President **Abdurrahman Wahid**
- Purpose of visit: State visit to China by Wahid (his first state visit since he assumed office)
- Said: Both sides agreed to develop a long-term, stable, good-neighbourly and trusting relationship that covers all forms of co-operation. The joint press communiqué issued on the 3 December hailed Wahid's visit to China as a 'complete success'.

**2000**

### **8 May**

- Who: Chinese Foreign Minister **Tang Jiaxuan**; Indonesian Foreign Minister **Alwi Shihab**
- Purpose of visit: Official visit to China by Shihab
- Signed: The two sides signed a joint statement on the future direction of bilateral co-operation, including a reaffirmation of their willingness to maintain frequent exchanges of high-level visits and contacts and co-operate in areas such as trade and investment; and

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a MOU on the establishment of the Joint Commission on Economy.

- 2001**                      **7–11 November**  
Who: Chinese Premier **Zhu Rongji**; Indonesian President **Megawati Soekarnoputri**  
Purpose of visit: Official visit to Indonesia by Rongji  
Signed: A number of accords including an agreement on cultural co-operation and an agreement on avoiding dual taxation and preventing tax evasion. The two countries also signed four MOUs on encouraging more Chinese travelers to Indonesia, agricultural co-operation, China's economic and technical assistance to Indonesia, as well as on the possibility for the Bank of China to open a branch in Indonesia.
- 2002**                      **24–28 March**  
Who: Chinese President **Jiang Zemin**; Chinese Vice-President **Hu Jintao**; Indonesian President **Megawati Soekarnoputri**  
Purpose of visit: State visit to China by Soekarnoputri  
Said: Jiang made a four-point proposal on boosting relations: (1) maintaining top-level contacts and exchange; (2) expanding trade and economic co-operation; (3) expanding co-operation in culture, education and tourism sectors; and (4) strengthening co-operation in the international arena.  
Signed: Jiang pledged US\$400 million of preferential loans to Indonesia to support Indonesia's economic development.
- 2003**                      **30 December**  
Who: Governor of the People's Bank of China **Zhou Xiaochuan**; Governor of Bank Indonesia (Indonesia's Central Bank) **Burhanuddin Abdullah**

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Signed: A bilateral currency swap agreement in which the People's Bank of China grants up to US\$1 billion credit to Bank Indonesia when necessary. This credit will help to balance Indonesia's international payment account and secure its financial stability.

### **2005 25–26 April**

Who: Chinese President **Hu Jintao**; Indonesian President **Susilo Bambang Yudhoyono**

Purpose of visit: State visit to Indonesia by Hu

Signed: A joint statement proclaiming the relationship between the two countries as 'strategic partners'. The strategic partnership will focus on strengthening political and security co-operation, deepening economic and development co-operation, enhancing socio-cultural co-operation, and expanding non-governmental exchanges. China and Indonesia also signed eight other documents, ranging from co-operation in areas of infrastructure building and natural resources development to co-operation in treasury, and agreements on preferential loans.

### **27–30 July**

Who: Chinese President **Hu Jintao**; Chinese Premier **Wen Jiabao**; Indonesian President **Susilo Bambang Yudhoyono**

Purpose of visit: Official visit to China by Yudhoyono

Said: Hu said, 'We appreciate the Indonesian government's adherence to the one-China policy, support Indonesia's strike on separatism and terrorism and efforts in maintaining national unity and stability and in economic building.'

Signed: Two MOUs: one on development in defence technological co-operation and the other on rebuilding in tsunami-hit areas funded by non-governmental

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donations from China. Three agreements: (1) an agreement on grant assistance; (2) a general loan agreement of US\$100 million; and (3) an agreement concerning Chinese language teaching. A joint statement was also issued after the talks.

### China–Laos Relations

- 1961**                      **25 April**  
Established diplomatic relations
- 1999**                      **24–31 January**  
Who: Chinese Premier **Zhu Rongji**; Chinese President **Jiang Zemin**; Lao Prime Minister **Sisavat Keobounphan**  
Purpose of visit: Official visit to Beijing by Sisavat  
Said: Jiang said that China–Lao relations were based on a ‘solid foundation’, noting the absence of outstanding disputes, as well as their common communist ideals. Sisavat reaffirmed Laos’ desire to develop relations with China and noted that Laos had always supported China’s domestic and foreign policies, including the ‘One China’ policy.  
Signed: Five agreements: (1) judicial assistance in civil and criminal areas; (2) avoidance of double taxation between the two governments; (3) a framework agreement on Chinese loans on favourable terms to Laos; (4) economic and technical co-operation between the two governments; (5) and the 1999–2001 co-operation plan between the two education ministries.
- 2000**                      **13–15 July**  
Who: Chinese Premier **Zhu Rongji**; Chinese President **Jiang Zemin**; Lao President **Khamtay Siphandone**  
Purpose of visit: State visit to China by Khamtay

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Said: Zhu said that China is willing to develop co-operative areas and projects beneficial to both China and Laos.

### **11–13 November**

Who: Chinese President **Jiang Zemin**; Lao President **Khamtay Siphandone**

Purpose of visit: State visit to Laos by Jiang (the first ever paid by a Chinese head-of-state to Laos)

Signed: Eleven documents, including a joint declaration on bilateral co-operation between China and Laos; and agreements on economic, technical, trade, mining and agricultural co-operation.

### **2002**

#### **3–7 February**

Who: Chinese Premier **Zhu Rongji**; Lao Prime Minister **Boungnang Vorachit**

Purpose of visit: Official visit to China by Boungnang; also met with Chinese President **Jiang Zemin**

Signed: Five documents: (1) a treaty of extradition; (2) an accord on economic and technological co-operation; (3) an agreement on China's soft loans to Laos; (4) an agreement on co-operation between the two central banks; (5) and an educational co-operation program for the years 2002 to 2005.

### **2003**

#### **13 June**

Who: Chinese President **Jiang Zemin**; Lao President **Khamtay Siphandone**

Purpose of visit: State visit to China by Khamtay

Said: Jiang expressed the hope that the two peoples would be good neighbours, friends, partners and comrades for generations to come.

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- 2004**                      **17–19 March**  
Who: Chinese Vice-Premier **Wu Yi**; Lao Deputy Prime Minister **Bouasone Bouphavanh**  
Purpose of visit: Official visit to Laos by Wu  
Signed: A package of eleven co-operation agreements pledging to double bilateral trade to US\$200 million before 2005. The Chinese government also agreed to provide 30 million yuan in assistance for a rubber plantation project in northern Laos and 200 million yuan in low-interest loans for electricity network construction in Laos. The agreements also laid down framework of co-operative projects in the fields of hydropower, chemical production and agriculture.
- Who: **28–30 November**  
Chinese Premier **Wen Jiabao**; Lao Prime Minister **Boungnang Vorachit**; Lao President **Khamtay Siphandone**  
Purpose of visit: To attend ASEAN summits and pay an official visit to Laos  
Signed: Five agreements, including deals on economic and technological co-operation as well as four exchanges of letters on helping Laos to build roads, survey mineral resources, draft plans for comprehensive development in the north and build power projects. A further seven proposals were adopted.

### **China–Malaysia Relations**

- 1974**                      **31 May**  
Formal establishment of diplomatic relations (first country out of the 5 founding members of ASEAN to establish diplomatic ties with China)

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- 1999**                      **30 May–3 June**  
Who: Chinese Premier **Zhu Rongji**; Chinese Foreign Minister **Tang Jiaxuan**; Malaysian Foreign Minister **Syed Hamid Albar**  
Purpose of visit: Official visit to China by Syed  
Signed: Joint Statement on the Framework for Future Bilateral Co-operation.
- Who: **18–20 August**  
Chinese Premier **Zhu Rongji**; Malaysian Prime Minister **Mahathir Mohamad**  
Purpose of visit: Working visit to China by Mahathir to celebrate the 25th anniversary of the establishment of diplomatic ties  
Said: Mahathir said Malaysia will continue to adhere to the ‘One-China’ policy. He thanked China for its responsible attitude during the Asian financial crisis and its decision to not devalue the Renminbi.
- Who: **22–26 November**  
Chinese Premier **Zhu Rongji**; Malaysian Prime Minister **Mahathir Mohamad**  
Purpose of visit: Official visit to Malaysia by Zhu  
Said: Zhu described the present Sino–Malaysian relations as being at the best stage since their diplomatic ties were established.  
Signed: A Cultural Agreement, a MOU between Bank Negara (State Bank) Malaysia and the People’s Bank of China, and an arrangement on the Exchange of Animals.
- 2001**                      **24 April**  
Who: Chinese President **Jiang Zemin**; Malaysian Supreme Head of State Sultan **Salahuddin Abdul Aziz Shah**  
Purpose of visit: State visit to China (the first of Salahuddin’s foreign visits outside ASEAN)  
Said: Jiang noted that although the two countries have



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different histories, traditions and political systems, they enjoy a deep friendship which will last forever. He also spoke highly of Malaysia's achievements in conquering the Asian financial crisis.

- 2002**                      **23–25 April**  
Who: Chinese Vice President **Hu Jintao**; Malaysian Prime Minister **Mahathir Mohamad**  
Purpose of visit: Official visit to Malaysia by Hu  
Said: Hu said, China and Malaysia share a broad consensus in resisting power politics, meeting the challenges of economic globalisation, safeguarding the interests of developing countries and enhancing co-operation among East Asian countries.
- Said:                      **16 September**  
The total bilateral trade value from January to July in 2002 stood at US\$7.4 billion. Malaysia had replaced Singapore as China's largest trading partner among the ASEAN countries.
- Signed:                      **10 October**  
The central banks of China and Malaysia signed a US\$1.5 billion currency swap agreement — a co-operative effort to ensure financial stability in the region.
- 2003**                      **14–18 September**  
Who: Chinese President **Hu Jintao**; Chinese Premier **Wen Jiabao**; Malaysian Deputy Prime Minister **Abdullah Ahmad Badawi**  
Purpose of visit: Official visit to China by Badawi (the first non-ASEAN country he visits since assuming office)  
Said: China appreciated Malaysia's adherence to the 'one-China' policy and its active role in promoting ties between China and ASEAN.

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Signed: Five agreements and MOUs between China and Malaysia on agriculture, aviation and tourism. Fifteen documents of mutual co-operation between the private sectors of the two countries.

**2004** (Sino–Malaysian Friendship Year)  
**27–31 May**

Who: Chinese President **Hu Jintao**; Malaysian Prime Minister **Abdullah Ahmad Badawi**

Purpose of visit: Official visit to China by Badawi to mark the 30th anniversary of the establishment of diplomatic relations

Signed: A joint communiqué announcing that Malaysia recognises the full market economy status of China (Malaysia is the 3<sup>rd</sup> country to do this). The two sides also agreed to strengthen co-operation in infrastructure construction, agriculture, transportation and finance.

**2005** **28 February–6 March**

Who: Chinese President **Hu Jintao**; Malaysian Supreme Head of State **Tuanku Syed Sirajuddin**

Purpose of visit: State visit to China by Sirajuddin

Said: Hu spoke positively of Malaysia's contribution to the development of relations between China and ASEAN.

**30 November**

Who: Chinese Vice Foreign Minister **Wu Dawei**; Malaysian Ambassador to China **Syed Norulzaman**

Said: Wu summoned Syed to make stern representations over the matter that Chinese citizens have been successively humiliated and assaulted in Malaysia. China asked Malaysia to conduct an immediate investigation into the cases and take effective measures to prevent the reoccurrence of such incident. Norulzaman said the Malaysian government and its people were shocked by the cases, adding that Malaysian Prime Minister

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**Abdullah Ahmad Badawi** had instructed his government to conduct a serious investigation into the incident. The Malaysian government attaches great importance to Malaysia–China relations and hopes the incident will not affect bilateral friendly co-operation.

### **11–15 December**

- Who: Chinese Premier **Wen Jiabao**; Malaysian Prime Minister **Abdullah Ahmad Badawi**
- Purpose of visit: Official visit to Malaysia by Wen, as well as to attend ASEAN summits
- Signed: A joint communiqué, which said that the two sides will strengthen exchanges at all levels, draw up a plan of action for China–Malaysia strategic co-operation, strive to increase bilateral trade to US\$50 billion a year by 2010, conduct feasibility studies on a China–Malaysia Economic Partnership Agreement, further co-operate in the central bank currency swap and in other areas in the financial sector, further boost cultural exchanges of the two peoples, and promote tourism and human resource development co-operation between the two countries.

## **China–Myanmar/Burma Relations**

- 1950**                      **8 June**  
Formal establishment of diplomatic relations
- 2000**                      **5–11 June**  
Who: Chinese Vice-President **Hu Jintao**; Vice-Chairman of the Myanmar State Peace and Development Council General **Maung Aye**
- Purpose of visit: Goodwill visit to China by Maung Aye
- Signed: Joint Statement on the Framework of Future Bilateral

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Co-operation. The two sides agreed to maintain frequent exchanges at all levels; step up co-operation in trade, investment and agriculture; to promote stability and development in border areas; to intensify judicial co-operation and jointly crack down on drug trafficking.

### **16–18 July**

- Who: Chinese Vice-President **Hu Jintao**; Vice-Chairman of the Myanmar State Peace and Development Council  
General **Maung Aye**
- Purpose of visit: Official visit to Myanmar by Hu
- Said: Maung Aye said, '[2000] marks the 50<sup>th</sup> anniversary of the establishment of diplomatic relations between Myanmar and China and the Vice-President's visit to Myanmar on such an occasion will further deepen the *paukphaw* [fraternal] friendship between the two countries.' He said China is Myanmar's closest and friendliest neighbour.
- Signed: Three agreements on bilateral co-operation in the economic, scientific-technological and tourism spheres.

### **2001**

#### **12–15 December**

- Who: Chinese President **Jiang Zemin**; Chairman of the State Peace and Development Council of Myanmar  
Senior General **Than Shwe**
- Purpose of visit: State visit to Myanmar by Jiang
- Signed: Bilateral co-operation documents which cover frontier defence; economic and technological co-operation; encouragement, promotion and protection of investment; and petroleum.

### **2003**

#### **7–12 January**

- Who: Chinese President **Jiang Zemin**; Chairman of the State Peace and Development Council of Myanmar  
Senior General **Than Shwe**

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Purpose of visit: State visit to China by Than Shwe  
Said: China will offer US\$200 million in preferential loans to Myanmar to aid its economic development.  
Signed: Three agreements on economic and technological co-operation, co-operation in public health, and sport co-operation.

### **14–17 January**

Who: Chinese Vice-Premier **Li Lanqing**; Chairman of the State Peace and Development Council of Myanmar  
Senior General **Than Shwe**

Purpose of visit: Official visit to Myanmar by Li  
Said: Than Shwe repeatedly emphasised that China is the most important friend of Myanmar.  
Signed: Three documents: an agreement on partial debt relief for Myanmar and two MOUs.

### **17–22 August**

Who: State Councilor **Tang Jiaxuan**; Vice-chairman of the State Peace and Development Council of the Union of Myanmar  
**Maung Aye**

Purpose of visit: Official visit to China by Maung Aye  
Said: Tang said that China will not support foreign interference or sanctions against Myanmar. He said China believes that the Myanmar government and people are intelligent and capable enough to handle the relevant issues and maintain a stable and peaceful political situation.

### **2004**

### **23–27 March**

Who: Chinese Vice-Premier **Wu Yi**; Myanmar Prime Minister **Khin Nyunt**

Purpose of visit: Official visit to Myanmar by Wu  
Signed: A package of 21 agreements, aiming to enhance trade and economic co-operation between the two countries.

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**11–17 July**  
Who: Chinese Premier **Wen Jiabao**; Myanmar Prime Minister **Khin Nyunt**  
Purpose of visit: Official visit to China by Khin Nyunt  
Signed: Eleven documents on economic and technological co-operation mostly concerned with trade, energy and mineral exploration.

**2005**                      **4 July**  
Who: Chinese Premier **Wen Jiabao**; Myanmar Prime Minister **Soe Win**  
Purpose of visit: To attend the 2<sup>nd</sup> summit of the Greater Mekong Subregion Economic Co-operation Program in China  
Signed: A bilateral economic and technical co-operation agreement.

### **China–Philippines Relations**

**1975**                      **9 June**  
Establishment of diplomatic relations

**1999**                      **12 September**  
Who: Chinese President **Jiang Zemin**; Philippine President **Joseph Estrada**  
Purpose of visit: To attend an APEC forum in New Zealand  
Said: Jiang said relations between China and the Philippines are generally favourable and that great progress has been made in bilateral co-operation since the two countries established diplomatic relations.

**2000**                      **1 February**  
Said: Foreign Ministry spokesman **Zhu Bangzao** said the Philippines had recently disregarded China's sovereignty over Huangyan Island and randomly

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interfered with the normal fishing operations of Chinese seamen. Zhu reiterated that Huangyan Island is an integral part of the Chinese territory. 'It is a fact universally acknowledged by the international community', he stated.

### **16–20 May**

- Who: Chinese President **Jiang Zemin**; Philippine President **Joseph Estrada**
- Purpose of visit: State visit to China by Estrada; also marks the 25th anniversary of the establishment of diplomatic relations
- Signed: A Joint Statement on the Framework of Bilateral Co-operation in the 21<sup>st</sup> Century and four other documents (16 May). In the joint statement, the two sides agreed to maintain close and frequent high-level contacts; promote further exchanges and co-operation in the defense and military fields; optimise the use of existing frameworks for co-operation in the fields of trade, investment, science and technology, agriculture, education and culture, tourism, civil aviation, and taxation; and promote better bilateral trade and investment flows.

### **26 November**

- Who: Chinese Premier **Zhu Rongji**; Philippine President **Joseph Estrada**
- Purpose of visit: Official visit to the Philippines by Zhu
- Said: Estrada said his country is willing to expand the common ground between the two countries and not stress their differences. The Philippine side also pledged its strict adherence to the existing bilateral agreement on building mutual trust in the South China Sea.

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- 2001**                      **21 October**  
Who: Chinese President **Jiang Zemin**; Philippine President **Gloria Macapagal-Arroyo**  
Purpose of visit: To attend the 9<sup>th</sup> Economic Leaders Meeting of the APEC forum  
Said: Jiang expressed pleasure at the release of Chinese citizen Zhang Zhongyi after being held hostage for two months by a Philippine kidnapping gang and thanked the Philippine government, especially Arroyo herself, for their efforts in securing Zhang's release.
- Who: **29–31 October**  
Chinese President **Jiang Zemin**; Philippine President **Gloria Macapagal-Arroyo**  
Purpose of visit: State visit to China by Arroyo  
Said: Jiang proposed that the two countries deepen their co-operation in trade, agriculture, investment, poverty elimination, tourism and justice. As for the disputes remaining between the two countries, the two sides should calmly and properly deal with these issues, not allowing them to undermine the bilateral friendship of the two peoples.  
Signed: A treaty on extradition and seven other documents of co-operation; including MOUs on combating transnational crimes and illegal drug trafficking and agreements on boosting bilateral trade.
- 2002**                      **12–15 September**  
Who: Chairman of the Standing Committee of China's National People's Congress Li Peng; **Philippine** President **Gloria Macapagal-Arroyo**  
Purpose of visit: Official goodwill visit to the Philippines by Li  
Said: President Arroyo said trade between the two countries is growing and China is now one of the major trading partners of the Philippines.



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Signed: Four co-operation documents, including an agreement under which China will provide a loan of about US\$25 million to the Philippines. The two sides also signed a memorandum of agreement on China's assistance in the construction of railways in the Philippines.

**2003 30 August–2 September**

Who: Chinese top legislator Wu Bangguo; Philippine President **Gloria Macapagal-Arroyo**

Purpose of visit: Official goodwill visit to the Philippines by Wu

Signed: A US\$1 billion currency swap agreement, a memorandum regarding China's provision of a US\$400 million preferential loan for a Philippine railway project and a joint communiqué.

**2004 1–3 September**

Who: Chinese President **Hu Jintao**; Philippine President **Gloria Macapagal-Arroyo**

Purpose of visit: State visit to China by Arroyo

Said: Hu set forth four proposals for the promotion of the good-neighborly partnership between China and the Philippines. Hu suggested maintaining high-level contact, dialogue and exchange at all levels; enlarging bilateral economic and trade ties; strengthening exchange and co-operation in cultural, educational and tourism sectors; as well as improving co-operation in security and judicial areas to crack down on cross-border crimes. Arroyo fully agreed with Hu's proposals.

Signed: Five documents on bilateral co-operation, including MOUs on fishery and tourism co-operation.

**2005 14 March**

Signed: Oil companies of the Philippines, China and Vietnam signed in Manila the Tripartite Agreement for Joint

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Marine Seismic Undertaking in the Agreement Area in the South China Sea.

Said: Philippine President **Gloria Macapagal-Arroyo** said, 'This is a historic event because it is the first, it is the breakthrough in implementing the provisions of the code of conduct in the South China Sea among ASEAN and China to turn the South China Sea into an area of co-operation rather than an area of conflict.'

### **26–28 April**

Who: Chinese President **Hu Jintao**; Philippine President **Gloria Macapagal-Arroyo**

Purpose of visit: State visit to the Philippines by Hu

Said: Last year, bilateral trade amounted to more than US\$13 billion and the two countries are targeting annual trade of US\$30 billion by 2010.

Signed: A joint statement and 14 agreements, including documents on a low-interest loan of US\$500 million to Manila, mining projects, joint offshore exploration operations, telecommunications projects and youth affairs projects.

## **China–Singapore Relations**

**1990**

**3 October**

Diplomatic relations established

**1999**

**29 November–1 December**

Who: Chinese Premier **Zhu Rongji**; Singapore Prime Minister **Goh Chok Tong**

Purpose of visit: Official visit to Singapore by Rongji

Said: Goh thanked China for extending a helping hand to the region during the Asian financial crisis, with its sound economic performance and in particular its pledge not to devalue the Renminbi.

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- 2000**                    **9–20 April**
- Who:                    Chinese President **Jiang Zemin**, Chinese Premier **Zhu Rongji**, Singapore Prime Minister **Goh Chok Tong**
- Purpose of visit:      Official visit to China by Goh (2000 marks the 10<sup>th</sup> anniversary of the establishment of diplomatic relations)
- Signed:                A statement on bilateral co-operation agreeing to strengthen co-operation in political, economic and legal areas, defence, education, culture, environment, transport and info-communications.
- 11–15 June**
- Who:                    Chinese Premier **Zhu Rongji**; Chinese President **Jiang Zemin**; Singaporean Senior Minister **Lee Kuan Yew**
- Purpose of visit:      Working visit to China
- Said:                    Zhu said that China's entry into the WTO will be conducive to promoting global trade as well as China's economic and trade co-operation with other Asian countries.
- 14–21 October**
- Who:                    Chinese Vice-President **Hu Jintao**; Singaporean Deputy Prime Minister **Lee Hsien Loong**
- Purpose of visit:      Official visit to China by Lee and to attend the 5<sup>th</sup> China–Singapore Joint Steering Council of the Suzhou Industrial Park (SIP), Singapore and China's largest economic co-operation project.
- Said:                    Hu, pointing to the fact that Singapore is the 7<sup>th</sup> largest trading partner with China and the 5<sup>th</sup> largest investor, said that co-operation in the scientific, technological, educational and cultural areas will bring about tangible benefits for both sides.

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- 2001**                      **9 June**  
Who: Chinese President **Jiang Zemin**; Singaporean Senior Minister **Lee Kuan Yew**  
Purpose of visit: Official visit to China, during which Lee attended events celebrating the 7<sup>th</sup> anniversary of the establishment of the SIP.
- 12–22 September**  
Who: Chinese President **Jiang Zemin**; Chinese Vice-President **Hu Jintao**; Singaporean President **S.R. Nathan**  
Purpose of visit: State visit to China by Nathan  
Said: Nathan has described the current Singapore–China relations as ‘highly positive’ and ‘very close’, and expressed his belief that the complementarity of the two countries can be further developed.
- 2002**                      **26–27 April**  
Who: Chinese Vice-President **Hu Jintao**; Singaporean Prime Minister **Goh Chok Tong**  
Purpose of visit: Official visit to Singapore by Hu  
Said: Hu proposed greater co-operation in high technology areas, in the development of China’s western region and in China’s efforts to capitalise on business opportunities worldwide. Goh ‘strongly supported these proposals’.
- 2003**                      **18–23 November**  
Who: Chinese President **Hu Jintao**; Chinese Premier **Wen Jiabao**; Singapore Prime Minister **Goh Chok Tong**  
Purpose of visit: Working visit to China by Goh  
Signed: A MOU pledging to launch a joint council to promote political and economic co-operation. Three other MOUs will make for regular and structured exchange of senior officials, and start economic and trade councils with Zhejiang and Liaoning provinces.

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- 2004**                      **12–17 May**
- Who: Chinese Vice Premier **Wu Yi**; Singaporean Deputy Prime Minister **Lee Hsien Loong**
- Purpose of visit: To jointly preside with Wu over the 1<sup>st</sup> conference of the bilateral co-operation joint committee between the two countries and the 7<sup>th</sup> China–Singapore Joint Steering Council of the SIP.
- Said: The Chinese side is willing to co-operate with Singapore in promoting the establishment of a free trade zone between China and ASEAN, and to discuss ways to realise free trade between China and Singapore. During his meeting with Wen, Lee stated that Singapore has decided to recognise the full market economy status of China.
- Signed: Nine co-operative documents
- 19 June**
- Who: Chinese President **Hu Jintao**, Singapore senior minister **Lee Kuan Yew**
- Purpose of visit: Official visit to China by Lee
- Said: Lee said Singapore is ready to strengthen co-operation with China in all areas.
- 10–13 July**
- Who: Singaporean Deputy Prime Minister **Lee Hsien Loong**, Taiwan President **Chen Shui-bian**
- Purpose of visit: Singapore officials stressed that Lee’s visit to Taiwan was a ‘private and unofficial visit’
- Said: Foreign ministry spokeswoman Zhang Qiyue said Lee’s visit had severely violated Singapore’s commitment to the one-China policy and damaged the political base between China and Singapore. ‘Such a move will produce serious effects towards bilateral relations and co-operation, and the Singapore side should be responsible for all the damage’, she said.

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In response, Singapore reiterated that it adheres to the one-China policy, and does not support Taiwan's independence.

### **19 November**

Who: Chinese President **Hu Jintao**; Singapore Prime Minister **Lee Hsien Loong**

Purpose of visit: To attend an APEC forum.

Said: Hu said China is willing to make efforts to put Sino-Singaporean relations on track for sustainable development, taking note with appreciation of Singapore's repeated confirmation of its one-China policy. Lee said he realised that his trip to Taiwan in July has brought about difficulties to relations with China.

### **2005**

#### **24–30 October**

Who: Chinese Premier **Wen Jiabao**; Singapore Prime Minister **Lee Hsien Loong**

Purpose of visit: Official visit to China by Lee (2005 marks the 15th anniversary of the establishment of diplomatic relations)

Said: Lee reiterated that Singapore will firmly adhere to the one-China policy and oppose Taiwanese independence.

## **China–Thailand Relations**

### **1975**

#### **1 July**

Formal establishment of diplomatic ties

### **1999**

#### **5 February**

Who: Chinese Foreign Minister **Tang Jiaxuan**; Thai Foreign Minister **Surin Pitsuwan**

Purpose of visit: Official visit to Thailand by Tang

Signed: China–Thailand Joint Statement on Bilateral Co-operation (the first such agreement between an

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ASEAN country and China). The statement pledged that the two sides will maintain close contacts at all levels; expand their mutually beneficial co-operation in the fields of trade, investment, agriculture, industry, science and technology; respect each other's legal systems and further strengthen their co-operation in combating cross-border crimes, drug trafficking and smuggling.

### **27 April–3 May**

Who: Chinese Premier **Zhu Rongji**; Thai Prime Minister **Chuan Leekpai**  
Purpose of visit: Official visit to China by Chuan  
Said: 'Early this year, Thailand led the ASEAN member countries in issuing a joint statement with China', Zhu said, stressing that the next step is to take practical measures for its implementation.

### **2–6 September**

Who: Chinese President **Jiang Zemin**; Thai Prime Minister **Chuan Leekpai**  
Purpose of visit: State visit to Thailand by Jiang  
Said: Jiang said Thailand is one of China's closest partners of co-operation in the region. Chuan expressed his gratitude to China for its selfless assistance to Thailand during the Asian financial crisis.

### **2000 18–22 July**

Who: Chinese Vice-President **Hu Jintao**; Thai Prime Minister **Chuan Leekpai**  
Purpose of visit: Official visit to Thailand by Hu  
Said: Hu said China and Thailand have always enjoyed sound relations in international and regional affairs and have jointly made positive contributions to regional peace, stability and development.

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### **24 November**

Who: Chinese Premier **Zhu Rongji**; Thai Prime Minister **Chuan Leekpai**

Purpose of visit: To attend an ASEAN + 3 Summit

Said: Wen said Sino–Thai relations are entering a more mature phase, citing their good partnership in their anti-drug operations.

### **2001**

### **22–25 March**

Who: Chinese President **Jiang Zemin**; Thai Foreign Minister **Surakiat Sathirathai**

Purpose of visit: Official visit to China by Surakiat

Said: Surakait said Thailand will continue to adhere to the one-China policy and that he hopes the two countries will continue to support and co-operate with each other in international and regional affairs.

### **19–22 May**

Who: Chinese Premier **Zhu Rongji**; Thai Prime Minister **Thaksin Shinawatra**

Purpose of visit: Official visit to Thailand by Zhu

Said: Zhu said that ‘the Thais and the Chinese are brothers’, and that there are no outstanding issues between the two countries.

### **27–29 August**

Who: Chinese Premier **Zhu Rongji**; Thai Prime Minister **Thaksin Shinawatra**

Purpose of visit: Official visit to China by Thaksin

Signed: A joint communiqué and three documents: (1) an inter-governmental cultural co-operation agreement; (2) a MOU for the setting up of bilateral commercial councils; and (3) an investment pact.



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### **6 December**

Signed: An agreement on a mutual currency swap. According to the agreement, the PBOC will provide as much as US\$2 billion credit for the Thai central bank when necessary to supplement rescue funds by international financial institutions, in order to help Thailand solve international payment problems and protect its financial stability.

### **2003**

### **15–19 June**

Who: Chinese Premier **Wen Jiabao**; Thai Deputy Prime Minister **Somkid Jatusripitak**

Purpose of visit: Official visit to China by Somkid

Said: A new Sino–Thai agreement on tariff-free trade is an important step in setting up the China–ASEAN free trade area.

Signed: An agreement under which China and Thailand will offer mutual tariff-free treatment on 188 agricultural products from 1 October 2003.

### **17–21 October**

Who: Chinese President **Hu Jintao**; Thai Prime Minister **Thaksin Shinawatra**

Purpose of visit: State visit to Thailand by Hu

Said: Hu offered a five-point proposal to boost Sino–Thai relations: (1) increasing exchanges of high-level visits and views on important issues; (2) expanding economic and trade co-operation; (3) promoting co-operation in the fields of culture, education and security; (4) intensifying exchanges between legislatures, parties and non-governmental organisations; and (5) strengthening co-operation in international and regional affairs.

Signed: Five documents on bilateral co-operation, including an agreement on establishing a joint committee on trade, investment and economic co-operation.

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- 2004**                      **21 June**  
Who: Chinese Premier **Wen Jiabao**; Thai Prime Minister **Thaksin Shinawatra**  
Purpose of visit: To attend the 3<sup>rd</sup> foreign ministers' meeting of the Asian Co-operation Dialogue  
Said: Wen expressed his gratitude to the Thai government for its support and understanding on Taiwan, Tibet, human rights and other issues. Thaksin announced that Thailand recognises China's status as a full market economy.
- 2005**                      **30 June–2 July**  
Who: Thai Prime Minister **Thaksin Shinawatra**  
Purpose of visit: Official visit to China by Thaksin  
Signed: Ten agreements on bilateral economic co-operation in energy, mining, food, retailing and other fields.
- Who: **21–23 September**  
**Chinese Vice Premier Wu Yi**; Thai Prime Minister **Thaksin Shinawatra**  
Purpose of visit: Official visit to Thailand by Wu  
Said: China and Thailand on Thursday pledged to enhance bilateral strategic ties of co-operation on the occasion of the 30th anniversary of the establishment of diplomatic relations. Thaksin said he supports China's policy of peaceful development, adding China's development has helped boost regional and global economic growth. China and Thailand also agreed to raise their bilateral trade target to US\$50 billion, their bilateral investment target to US\$6.5 billion and a combined tourist target of four million visitors by 2010.

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### China–Vietnam Relations

- 1950**                      **18 January**  
Establishment of formal diplomatic relations
- 1991**                      **10 November**  
Normalisation of diplomatic relations
- 1999**                      **25 February–2 March**  
Who: Chinese President **Jiang Zemin**; General Secretary of the Communist Party of Vietnam Central Committee **Le Kha Phieu**  
Purpose of visit: Official visit to China by Phieu  
Signed: A joint statement was issued in which the two sides agreed to properly solve the existing border and territorial issues through peaceful negotiations on the basis of international laws. An agreement on economic and technological co-operation was also signed.
- Who: **1–4 December**  
Chinese Premier **Zhu Rongji**; Prime Minister **Phan Van Khai**; General Secretary of the Communist Party of Vietnam Central Committee **Le Kha Phieu**  
Purpose of visit: Official visit to Vietnam by Zhu  
Said: Phieu said the signing of a land boundary treaty later this month will be a key milestone in bilateral relations.
- Who: **30 December**  
Chinese Foreign Minister **Tang Jiaxuan**; Vietnamese Prime Minister **Phan Van Khai**  
Purpose of visit: Official visit to Vietnam by Tang  
Said: Tang said the treaty would contribute significantly to regional peace and stability.  
Signed: Treaty of Land Border between China and Vietnam (this treaty came into effect on 6 July 2000).

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- 2000**                      **25–29 September**  
Who: Chinese President **Jiang Zemin**; Chinese Premier **Zhu Rongji**; Vietnamese Prime Minister **Phan Van Khai**  
Purpose of visit: Official visit to China by Khai (2000 marks the 50<sup>th</sup> anniversary of the establishment of diplomatic relations)  
Said: Jiang said friendly Sino–Vietnamese relations are important for safeguarding regional and world peace and stability.
- Who: Chinese President **Jiang Zemin**; Vietnamese President **Tran Duc Luong**  
Purpose of visit: Official visit to China by Luong  
Signed: A joint statement for all-round co-operation in the 21st century, the Treaty on the Demarcation of the Bei Bu Gulf, the Agreement on Fishery Co-operation on the Bei Bu Gulf (these treaties came into effect on 30 July 2004), and two other co-operation agreements.
- 2001**                      **30 November–4 December**  
Who: Chinese President **Jiang Zemin**; General Secretary of the Communist Party of Vietnam Central Committee **Nong Duc Manh**  
Purpose of visit: Official visit to China by Manh  
Said: Manh said that the Vietnamese people will never forget the tremendous assistance given by China to Vietnam during its national liberation and economic construction.  
Signed: A joint statement and two agreements: an economic and technological pact and a Chinese preferential loan to Vietnam.
- 2002**                      **27 February–1 March**  
Who: Chinese President **Jiang Zemin**; Vietnamese President **Tran Duc Luong**

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Purpose of visit: Official visit to Vietnam by Jiang  
Said: Jiang suggested that the two sides should work together in the following five areas: high-level exchanges, trade and economic co-operation, education, bilateral co-operation on the issue of borders, and consultation between the parties and governments to strengthen co-operation in international issues.  
Signed: A framework agreement on the provision of preferential loans to Vietnam and an agreement on economic and technical co-operation.

### **2003 10–17 October**

Who: Chinese Premier **Wen Jiabao**; Vietnamese Deputy Prime Minister **Nguyen Tan Dung**  
Purpose of visit: Official visit to China by Nguyen  
Said: Wen suggested that the two countries expand co-operation, further open their markets to each other, and promote two-way investment so as to bring about greater economic co-operation.

### **2004 20–24 May**

Who: Vietnamese Prime Minister **Phan Van Khai**  
Purpose of visit: Official visit to China by Khai  
Said: Wen put forward four proposals: (1) strengthening high-level contacts; (2) enhancing all-round trade and economic co-operation in all spheres to double trade volume by 2010; (3) expanding local and unofficial contacts; and (4) properly resolving problems existing in their relations.

### **5–9 October**

Who: Chinese Premier **Wen Jiabao**; Vietnamese Prime Minister **Phan Van Khai**  
Purpose of visit: Official visit to Vietnam by Wen; during which he will attend the 5<sup>th</sup> Asia–Europe Meeting summit

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Signed: A joint communiqué in which both countries vowed to honour their commitments to keep peace and stability in Beibu Bay and the South China Sea; and eight agreements ranging from trade and economic development to increased disease control at the border.

### **2005 18–22 July**

Who: Chinese President **Hu Jintao**; Vietnamese President **Tran Duc Luong**

Purpose of visit: State visit to China by Luong

Said: Hu put forward a four-point proposal to further Sino-Vietnamese ties: (1) the promotion of closer high-level contacts; (2) the further expansion of economic and trade co-operation; (3) the proper handling of the border issue; and (4) the enhancement of exchanges in non-governmental arena. Hu also hoped the co-operative agreement between China, Vietnam and the Philippines on the joint exploration of the South China Sea could be realised and score tangible results at an early date.

Signed: A joint communiqué and three documents including one on bilateral market access within the World Trade Organization.

### **31 October–2 November**

Who: Chinese President **Hu Jintao**; Vietnamese President **Tran Duc Luong**; Communist Party of Vietnam General Secretary **Nong Duc Manh**

Purpose of visit: Official visit to Vietnam by Hu (2005 marks the 55<sup>th</sup> anniversary of the establishment of diplomatic relations)

Said: Hu suggested that both sides work hard to achieve the stated target of US\$10 billion annual two-way trade earlier.

Signed: A joint statement which says considerable progress

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has been made on the survey of land borders and that the two sides will step up efforts to complete demarcation and reach an agreement by 2008; and a number of documents on economic and technological co-operation.

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## Notes

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- <sup>4</sup> Osborne, *River at Risk* and *The Mekong*; see also Evelyn Goh, 'China in the Mekong River Basin: The Regional Security Implications of Resource Development on the Lancang Jiang', in Mely Antony, Ralf Emmers and Amitav Acharya, *Non-Traditional Security in Asia: Dilemmas in Securitization*, London, 2006.
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- <sup>6</sup> September/October 2005, 'China's "Peaceful Rise" to Great Power Status', pp 18–24.
- <sup>7</sup> Bo Zhiyue, 'Elite Politics and "Peaceful Rise" of China', *EAI Bulletin: Newsletter of East Asia Institute*, 6, 2 November 2004, 1 and 10.

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- <sup>9</sup> See, for instance, Michael R. Chambers, 'China and Southeast Asia: Creating a "Win-Win" Neighbourhood', *Asia Program Special Report*, No. 126, January 2005, Woodrow Wilson International Centre for Scholars, and *Contending Perspectives: Southeast Asian and American Views of a Rising China*, a Report of a Conference Organised by the Institute of Defence and Strategic Studies (IDSS) and the National Bureau of Asian Research (NBR), Singapore, August 2005.
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- <sup>12</sup> Carolina G Hernandez, 'The New Security Environment in the Asia-Pacific', *The Indonesian Quarterly*, 33, 1, First Quarter 2005, pp 50–60.
- <sup>13</sup> 'Continuing Support for Tsunami Relief', <http://www.whitehouse.gov/infocus/tsunami/>
- <sup>14</sup> Tim Shorrock, 'Why Southeast Asia is turning from US to China', *Asia Times Online* 10 December 2005.
- <sup>15</sup> *ibid.*
- <sup>16</sup> For a discussion of this issue, see, Malcolm Cook and Craig Meer, *Balancing Act: Taiwan's Cross-Strait Challenge*, Lowy Institute paper 06, Sydney, 2005.
- <sup>17</sup> Denny Roy, 'Southeast Asia and China: Balancing or Bandwagoning?' *Contemporary Southeast Asia*, 27, August

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- 2005, 305–22; also Evelyn Goh, ed., ‘Introduction’, *Betwixt and Between: Southeast Asian Strategic Relations with China*, IDSS Monograph No. 7, Singapore 2005, 1–8. Subsequently cited as *Betwixt*.
- <sup>18</sup> Ho Khai Leong and Samuel C.Y. Ku, eds op. cit.; Saw Swee-Hock, Shen Lijun and Chin Kin Wah, eds, *ASEAN-China Relations: Realities and Prospects*, Singapore, ISEAS, 2005; Evelyn Goh, ed., *Betwixt*; S.D. Muni, *China’s Strategic Engagement with the New ASEAN: An Exploratory Study of China’s Post-Cold War Political, Strategic and Economic Relations with Myanmar, Laos, Cambodia and Vietnam*, IDSS Monograph No. 2, Singapore, 2002. *Contending Perspectives*, op. cit. Individual contributions by commentators publishing in the United States are noted elsewhere in the text.
- <sup>19</sup> An exception to the comment on the lack of Australian media treatment was the short article by Rowan Callick, ‘A diplomatic partner with economic muscle’, *The Australian Financial Review*, 1–2 October 2005, which relied to a considerable extent on quotations from Evelyn Goh, of IDSS, and Osborne, of the Lowy institute. Callick also addressed the issue of China and Southeast Asia, briefly, in his article, ‘Australia’s Chinese Future’, *Quadrant*, January–February 2006, p 12.
- <sup>20</sup> Martin Stuart-Fox, *A Short History of China and Southeast Asia: Tribute, Trade and Influence*, Sydney, 2003, p 225; see also Wang Gungwu in Ho Khai Leong et al; eds, op. cit.
- <sup>21</sup> In See Seng Tan and Amitav Acharya, eds, *Asia-Pacific Cooperation: National Interests and Regional Order*, New York, 2004, pp 53–70.
- <sup>22</sup> For a detailed account of this event, see, Shee Poon Kim, ‘The March 1988 Skirmish over the Spratly Islands and its Implications for Sino-Soviet Relations’, in R.D. Hill, Norman G. Owen and E.V. Roberts, eds, *Fishing in Troubled Waters*, Proceedings of an Academic Conference on Territorial Claims in the South China Sea, Centre for Asian Studies, University of Hong Kong, 1991, pp 177–91.

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- <sup>25</sup> 'ASEAN Secretary-general on Sino-ASEAN Relations', *Peoples Daily Online*, 19 August 2003.
- <sup>26</sup> Aileen S.P. Baviera, 'The South China Sea Disputes after the 2002 Declaration: Beyond Confidence Building', in Saw See-Hock, et al, eds, op. cit., pp 344-55.
- <sup>27</sup> Ian James Storey, 'Creeping Assertiveness: China, the Philippines and the South China Sea Dispute', *Contemporary Southeast Asia*, 21, 1, 1999, pp 108.
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- <sup>29</sup> For a detailed discussion of Vietnam's border disputes, see, Ramses Amer and Nguyen Hong Thao, 'The Management of Vietnam's Border Disputes: What Impact on Its Sovereignty and Regional Integration', *Contemporary Southeast Asia*, 27, 3, December 2005, pp 429-52.
- <sup>30</sup> Vincent Weicheng Wang, 'The Logic of China-ASEAN FTA: Economic Statecraft and "Peaceful Ascendancy"' in Ho Khai Leong and Samuel C.Y. Ku, eds, op. cit., p 17 et seq.
- <sup>31</sup> For some detailed discussion, see, Alice D. Ba, 'The Politics of Economics of "East Asia"' in Ho Khai Leong and Samuel C.Y. Ku, eds, op. cit., in particular pp 172-74.
- <sup>32</sup> 'The South China Sea Disputes after the 2002 Declaration', in Saw Swee-Hock, et al, op. cit., pp 34-55.
- <sup>33</sup> Osborne, *River at Risk*, pp 6-7.

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- <sup>34</sup> Hisane Masaki, 'Mekong Summits show Japan's influence giving way to China's', *The Straits Times*, 24 November 2005.
- <sup>35</sup> *The Straits Times*, 5 November 2005.
- <sup>36</sup> 'East Asian Diplomacy: Dead on Arrival', *The Economist*, 17 December 2005; For a marginally more optimistic assessment, see, Yang Razali Kassim, 'The Rise of East Asia? ASEAN's driver role key to ties between Japan and China', *IDSS Commentaries*, 22 December 2005.
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- <sup>38</sup> Muni, op. cit. pp 28–9, pp 77–88 for all of the above.
- <sup>39</sup> Aung Zaw, 'The Chinese Conundrum', *Irrawaddy*, 30 October 2005.
- <sup>40</sup> David Steinberg, 'Burma: Feel-Good US Sanctions Wrongheaded', *Yale Global Online*, 19 May 2004.
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- <sup>42</sup> Michael Vatikiotis, 'Only a global campaign will change Myanmar', *International Herald Tribune*, 8 December 2005
- <sup>43</sup> Aung Zaw, 'The Chinese Conundrum', op. cit.
- <sup>44</sup> Seth Mydans, 'China woos Myanmar as Asean seeks a way to deal with its leaders', *International Herald Tribune*, 28 July 2005; Ralph A. Cossa, 'You are judged by the company you keep', *International Herald Tribune*, 6 September 2005.
- <sup>45</sup> Rowan Callick, 'Chinese heat on Rangoon', *The Australian*, 16 February 2006.
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- <sup>49</sup> Communiqué of the Foreign Ministry, People's Republic of China, 'Premier Wen Jiabao holds talks with Cambodian Prime Minister Hun Sen', 22 April 2004.

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- <sup>51</sup> See Leo Suryadinata, 'China and Ethnic Chinese in ASEAN: Post-Cold War Development', in Saw Swee-Hock et al, op. cit., pp 361–62.
- <sup>52</sup> Irman G. Lanti, in Evelyn Goh, ed., *Betwixt*, p 34. On China's energy needs and the pursuit of opportunities in the Southeast Asian region, see, Andrew Symon, 'CNOOC's Bid For US Oil Giant UNOCAL; Asia will feel the biggest impact', *Viewpoints*, Institute of Southeast Asian Studies, prepared for *The Straits Times*, 30 June 2005.
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- <sup>54</sup> 'Indonesia, China to co-operate on missiles: Report', <http://www.defensenews.com/story> quoting *Agence France Presse*, 18 May 2005. See also Shawn Donnan and Mure Dickie, 'Jakarta in missile deal with Beijing', *Financial Times*, 31 July 2005.
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- <sup>58</sup> Lee Poh Ping, quoted in *Contending Perspectives*, op. cit., p 12.
- <sup>59</sup> Wayne Arnold, 'Video sets off furore in 2 countries', *International Herald Tribune*, 9 December 2005. See, also, 'Nude video of woman in police custody sparks uproar in Malaysia', *The China Post Online*, 25 November 2005; 'Scandal "claims" Malaysia editors', <http://news.bbc.co.uk/2/hi/asia-pacific/4581788.stm>, 4 January 2006.
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- <sup>67</sup> *Der Spiegel*, 32/2005, 8 August 2005.
- <sup>68</sup> *Thaksin: The Business of Politics in Thailand*, Chiang Mai, 2004, pp 11–12.
- <sup>69</sup> *Bangkok Post*, 25 August 2005.
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