

Singapore Perspectives 2019 conference

US-China trade talks likely to succeed, says George Yeo

Beijing knows time is on its side, but rivalry with Washington will go on: Former minister

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Talks to resolve a bitter trade war between the United States and China are likely to succeed, because China "will go 80 per cent to meet US demands", former foreign minister George Yeo said yesterday.

"It's not because they are afraid or generous, but because they know time is on their side," he told 1,200 participants at the Singapore Perspectives 2019 conference organised by the Institute of Policy Studies. "They know in every field they are advancing slowly, feeling their own strength."

Regardless, the rivalry between the two nations will continue until "the US is convinced that China's nature is different from that of the US, and that of the Soviet Union".

Meanwhile, China must assure the world that its "statecraft is principally defensive", Mr Yeo said.

Turning to the Trans-Pacific Partnership (TPP) trade pact, he noted that the US had supported the deal, "but as an anti-China coalition", which he regarded as a mistake.

US President Donald Trump later pulled out of the TPP, and the remaining 11 nations have since negotiated a new deal - the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Countries such as Singapore and Japan should persuade China to join the TPP, Mr Yeo said, but prolong the negotiations so as to prompt the US to take part. "If there's a TPP including China, it would be a problem for the US," he said. "But we must do this artfully, coordinate the negotiations so they join at the same time. Whatever China is prepared to give to the US, give it to the TPP."

Mr Yeo was speaking at a panel chaired by Ambassador-at-large Tommy Koh about Singapore's place in the world, which focused on the US-China relationship, and whether war between both powers is inevitable, among other things.

War would be madness, said Mr Yeo, who is chairman of Kerry Logistics Network.

"Every Chinese leader reads and re-reads Sun Tzu's Art Of War (because) you have to understand war and be prepared for war. But you're a fool to go into war lightly because once war begins, it will exhaust you and lead to consequences you cannot foresee."

Professor Koh asked if the rise of China has instilled fear in the US, just as the rise of Athens did in Sparta, resulting in the Peloponnesian War of 431BC.

Panellist and historian Wang Gungwu said it was hard to see how the US feels threatened, given the fact that it is located so far away from other nations as to not have any real enemies.

One interpretation for the Trump administration's recent reactions, he said, is that its members see themselves as "masters of the world, responsible for world peace and prosperity... Anyone who disturbs it must be put down".

During the session, Prof Koh also challenged Mr Yeo's "benign view" of China, given that it has invaded countries such as Korea and Vietnam. In his prepared remarks, Mr Yeo had said "it is not in China's nature to be a missionary or colonising power".

Replying, Mr Yeo said: "You have to distinguish between those who are sometimes Chinese from those who are further. Ask yourself: Why does every Chinese dynasty seek to extend its borders but stops so its population remains homogeneous?"

He added: "The Chinese find it inconvenient to incorporate non-Han (Chinese)."

Prof Koh responded that the Uighurs and Tibetans are not Han Chinese, but China has "incorporated these into its sovereignty".

Mr Yeo paused, before replying with a slight smile: "I'm not here to defend the Chinese position."

Another area of discussion was whether China had any soft power - such as economic or cultural influence - and how it would wield it to exert its position.

Prof Wang said China does not possess soft power as the Americans understand it, such as popular entertainment. But China would probably define soft power as anything that does not require military or political might, he added, citing peaceful commercial relationships as one example.

Mr Yeo said the consummate Chinese leader would achieve his objective without having to engage in war. "When you face China, they are very slow to threaten directly. They will use rhetoric, they'll know all the acupuncture points... They'll prescribe bitter herbs, look at you again, then they adjust the treatment. They will try to avoid surgery at all costs," he said.

"You call that soft power or hard power? That's Chinese power."

Both panellists emphasised the importance of Chinese history in understanding China today, with Prof Wang providing a succinct summary on the development of Chinese power over several millennia in his opening remarks.

Mr Yeo also urged Singaporeans to immerse themselves in Chinese history to develop deep knowledge of the country. He cited how founding Prime Minister Lee Kuan Yew, knowing the US would matter most to Singapore, spent one term at Harvard University in 1968, where he got to know influential Americans such as diplomat Henry Kissinger.

"The more we understand China, the more useful we are, not only to China, but to Asean and the US," he said, adding that China also has to learn to adapt to other countries.