

US-China trade war talks likely to be resolved eventually: Ex-foreign minister George Yeo

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SINGAPORE - Talks to resolve a bitter trade war between the United States and China are likely to succeed because the Asian superpower "will go 80 per cent to meet US demands", former foreign minister George Yeo said on Monday (Jan 28).

"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 (IPS). "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", Mr Yeo said.

This will take time, and China must do its part to reassure its neighbours and other bigger powers that its "statecraft is principally defensive", he added.

He gave the example of the Trans-Pacific Partnership (TPP), which became defunct after American President Donald Trump pulled out. The remaining 11 nations have since negotiated a new trade agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Mr Yeo said countries like Singapore and Japan should persuade China to join the TPP but prolong the negotiations so as to "encourage, even force" 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 about Singapore's place in the world, chaired by Ambassador-at-large Tommy Koh, which focused on the relationship between China and the US, and whether war between the two powers is inevitable.

Mr Yeo said both sides are preparing for war, but to engage in it would be madness.

"Every Chinese leader reads and re-reads Sun Tzu's Art of War (because) you have to understand war and you have to be prepared for war," he said.

"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."

Prof Koh, noting that the Americans' relationship with the Chinese appears to have moved from one of cooperation to competition, asked if the rise of China has instilled fear in America, similar to how the rise of Athens did in Sparta, resulting in the Peloponnesian War of the 5th century BC.

Panellist and historian Wang Gungwu said it was hard to see how the US feels threatened, given its relative youth as well as the fact that it is located relatively 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 its members see themselves as "masters of the world responsible for world peace and prosperity".

"They are the people who created this world order and anyone who disturbs it must be put down," he offered.

During the question-and-answer session, Prof Koh challenged Mr Yeo's "benign view" of China, given that it has invaded neighbours like Japan, Korea and Vietnam in the past.

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

While China was unified under the Qin dynasty, it was very tough. So when the Han dynasty took over, it operated on a different basis, he said, adding: "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 their sovereignty".

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

Another area of debate during the panel was about whether China had any soft power - such as economic or cultural influence - and if it would yield it during these uncertain times to exert its position.

Prof Wang said that 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, referring to peaceful commercial relationships as one example.

Mr Yeo turned to Chinese military writer Sun Tzu once again, and 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 Mr Yeo and Prof Wang underscored the importance of knowing Chinese history to understand China as it is today, with Prof Wang's opening remarks a crash course on the development of Chinese power over several millennia.

Mr Yeo asked Singaporeans to immerse themselves in China's history so they know how to make the right decisions, just as Singapore's first prime minister Mr Lee Kuan Yew studied

labour politics while he was in Britain and spent a term in Harvard University, where he met American diplomat Henry Kissinger.

"In the same way, looking ahead, we have to immerse ourselves in China much more in order to understand its nature," he said.

China is defensive in its statecraft in general, but is "also entirely capable of bad behaviour", he said, referring to lessons he learned while he was foreign minister from 2004 to 2011.

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

The two panellists said Asean remains an important force, with Mr Yeo noting that Singapore is the most Aseanised country among its 10 members, with other member states having large communities here.

"A strong Asean gives us more room to manoeuvre" even as bigger nations engage in rivalry, he said, urging Indonesia to take the lead on this.

He also asked Singaporeans to examine what it means to be Singaporean.

"When I was an MP... handing out new ICs to new Singaporeans, I'd say, 'Wherever you come from, those links are important to us... There's only one requirement to be Singaporean: You open your mind and your heart to others, and be bigger than what you were.'"