

Perceptions of China within the US body politic: Facts and Misconceptions

Following is Part 1 of the transcript of the 19 June 2021 “Asian Peace Talks” podcast hosted by the Asian Peace Programme of the Asia Research Institute at the National University of Singapore. Two former Singaporean foreign officials, former UN Ambassador Kishore Mahbubani and former Foreign Minister George Yeo, discuss their country’s perspective on the geopolitical concerns about China that are influencing foreign policy in the USA, as well as in Australia. Given the close ties between Australia and Singapore, Australians should ask what our nation can learn from this Singaporean perspective on China, which differs so dramatically from the prevailing perspective in Australia, where senior politicians casually talk of the drumbeats of war. Part 2 follows in next week’s Almanac. While not necessarily endorsing all the views expressed in this podcast, AAS is publishing this transcript so this important perspective can contribute to Australia’s China debate.

Kishore Mahbubani: Hello and welcome to the Asian Peace Talks. This is a podcast series launched by the Asian Peace Programme of the Asia Research Institute at the National University of Singapore. The goal of the Asian Peace Programme is a noble one: to try to preserve and strengthen peace in Asia. With our limited resources, we have to take a modest approach; nonetheless, just as a small acupuncture needle can make a big difference; we hope that our monthly policy essays, and this new podcast series, will make a big difference, and strengthen the peace regimes in Asia. I’m Kishore Mahbubani, the host of the Asian Peace Talks. For the fourth episode of this podcast series, we are delighted to interview Singapore’s former Foreign Minister Mr George Yeo.

George Yeo has had a distinguished career in the government, and in the private sector. He served 23 years as a minister in the Singapore government, during which he held many key positions such as minister for foreign affairs, and minister for trade and industry. He worked with Amartya Sen and others to revive the ancient Buddhist university, Nalanda University, in Bihar, India, and became its second chancellor. After leaving government in 2011, he joined the private sector. From 2013 to 2020 he was also appointed by Pope Francis to various committees overseeing improvements in the Vatican’s financial administration. George Yeo is a keen student of global politics, especially that of the United States and China. During his time in government he helped to drive a number of policies, including deepening Singapore’s ties with both the USA and China. We are therefore very happy to have him with us today. Thank you, George, for joining us today.

George Yeo: Oh, thank you, Kishore. I am waiting to be needed.

Mahbubani: No, this is a *friendly* podcast!

Okay, George, as you know the main goal of the Asian Peace Program is to preserve or strengthen peace in Asia. To do this, we have to address the main challenges to peace in Asia; and clearly, the biggest challenge to peace in Asia today is the growing geopolitical contest between the USA and China. I hope that in this podcast with you, we will help our listeners understand better the deeper sources of this geopolitical contest; and at the same time, suggest ways and means of either managing it or diminishing it, to ensure that it doesn’t disrupt too many lives in this region. Given your long experience and understanding of both countries, the USA and China, I have no doubt that our listeners will benefit a lot from your views and



Left: Former Singapore Ambassador to the United Nations Kishore Mahbubani. Right: Former Singapore Foreign Minister George Yeo. Photos: Wikipedia

perspectives on all the dimensions of this contest, including the economic, political, military, and perhaps even the cultural dimension. So I am going to begin by asking you about the economic dimension.

Many Americans see the rise of the Chinese economy as a major threat to the USA. Indeed, President Biden himself confirmed this when he said China has an overall goal to become the leading country in the world, the wealthiest country in the world, and the most powerful country in the world; and then he added, “That’s not going to happen on my watch!” Now, Biden seemed to imply that the main goal of the Chinese in growing their economy was to surpass the USA. But what China is actually trying to do is to improve the wellbeing and standard of living of its own people, whose *per capita* income is still around US\$10,000 [a year], around one sixth of the USA. And if China succeeds in improving the wellbeing of its people, if its *per capita* income goes up to say around US\$17,000, China will have a bigger GNP [gross national product] than the USA. So my first question to you, therefore, is this: Is it wise for the Americans to suggest that they should oppose China’s efforts at economic growth? Which means that they will also be opposing China’s efforts to improve the wellbeing of its people. How do you respond to this?

Yeo: Whether justified or not, this sentiment is real, and has reached a certain febrile state in the last few years. It’s not as if China’s re-emergence on the global stage was an explosion; it has been continuing for many years now. But like the litmus suddenly changing colour upon the last few drops of acid, for some reason in the last few years a qualitative change has taken place in the USA, and to some extent in the entire West, about the rise of China and its comprehensive re-emergence in all fields. Economically, I think in total terms it has probably already surpassed the USA. PPPs [purchasing power parity] is a better measure of that than nominal GDP. But even in nominal GDP, short of

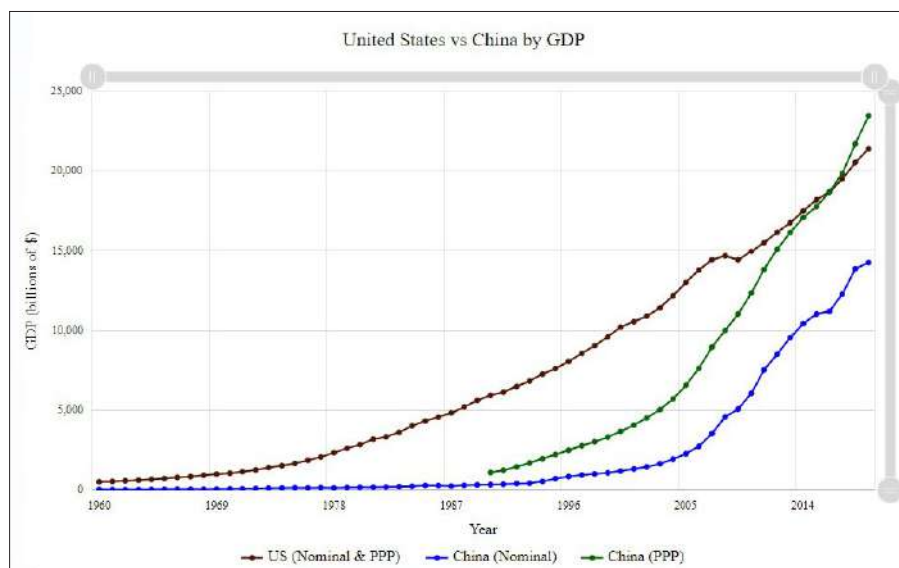
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nuclear war China *will* overtake the USA within ten years. But China's per capita [GDP] will still be much less than that of the USA for many years to come, and in many dimensions the USA will continue to lead the world—in technology, in financial markets, in the sophistication of its economy and systems, in entertainment, software and so on. China frightens the USA not because it threatens the USA, but because it threatens US *dominance* in the world. So in areas where the USA in the past had full flexibility to do what it wanted, increasingly it has got to take China into account, and to exercise more self-restraint. So we must expect that it will take time for the USA to adjust to this new balance in the world. In the nature of things, it must be preceded by a period of resistance, and that's what we are seeing today. I would say that is the reason why President Biden made that particular remark.

Mahubani: I completely agree with you that there will be resistance. But at the same time, many Americans actually believe that in one way or another, a larger Chinese economy will disrupt and in some ways be harmful to their livelihoods. I don't see that happening. So how do you explain to the average, ordinary "American Joe"—how do you explain to him that a larger economy for China doesn't mean that American livelihoods will be disrupted?

Yeo: The economics of trade, the benefits of trade—these are known to everybody. I mean, this is Economics 101. But that's not what is bothering the USA. What's bothering the USA is that in a number of fields, particularly those touching on national security, China is catching up and, in some areas, maybe even overtaking the USA, and therefore constricting US freedom of action. That's difficult for the USA to accept. Take for example what Edward Snowden revealed to the world about the PRISM project, which enabled the USA to tap virtually any conversation, anywhere in the world. With the emergence of Huawei, suddenly many drawers can no longer be opened by the USA. And that is very uncomfortable. But this is something we've all got to live with! It is going to become a multipolar world, sooner or later. And we can't have big powers accessing all drawers. In the case of Singapore, little as we are, we have to accept that everybody will want to surveil us, and we just have got to do what we can to protect ourselves.

Mahubani: I completely agree with you. It's about the loss of domination, that is the critical factor here. But I'm glad that you began by mentioning trade. That was going to be my second area of questions, which is about the trade war that has been launched by the USA against China. And what's interesting is that during the election campaign, President Biden himself said that [then-President Donald] Trump's trade war against China had not worked. He said in 2019, "President Trump may think he's being tough on China. All that he's delivered as a consequence of that, is America's farmers, manufacturers and consumers are losing and paying more. His economic decision-making is so shortsighted, and as shortsighted as the rest



China's economy has already overtaken the USA's in purchasing power parity. Source: statisticstimes.com

of his foreign policy." Biden said that the trade war didn't achieve anything, in fact it harmed Americans; and yet when he took office, he couldn't reverse course. So how would you then try to persuade the Americans that maybe, in this area, Joe Biden is right; that he should actually stop the trade war with China, and stop all these tariffs and sanctions on China? How would you persuade the Biden Administration to do that?

Yeo: Well to me the trade imbalances, which is the reason given for some of the actions the USA is taking against China on the trade front, is the result of profound changes which have been taking place in the US economy in the last few decades, and the hollowing out of manufacturing. Morris Chang of TSMC [Taiwan Semiconductor Manufacturing Company] said recently that the USA has lost its manufacturing culture. If I were an American—

Mahubani: That's a very strong statement!

Yeo: If I were an American, I would be alarmed. The USA is very strong in software, in finance, in entertainment, in agriculture. But when it comes to manufacturing—they used to be the best in the world. General Motors; General Electric. But one by one, they've been hollowed out. Perhaps the free trade agenda was too unthinkingly applied; and there has always been an aversion to industrial planning in the USA. But without *some* planning, without some state direction, you can easily lose that manufacturing. If you compare Singapore to Hong Kong: We have maintained a manufacturing core in Singapore, and that is because the government has been actively working on it. Hong Kong did not, and now Hong Kong can no longer make things. And it may not affect Hong Kong very much; but for the USA, your comprehensive capability—and [especially] in times of crisis, like COVID—depends upon your strength in manufacturing. And certainly in the national security field, in rocketry, in military weaponry, you *cannot afford* to lose your manufacturing capability. The difficulties faced by Boeing recently, is to me very troubling. And I have been talking about this to my American friends. But how do you reverse this? It is not easy. It will take time. And it is this insecurity about itself, about its own capability, which accounts for part of the reason why China is being viewed as such a threat.

Mahubani: You know, I am glad that you emphasised what Morris Chang of TSMC said, that America is losing its manufacturing culture, or ethos. And it points to a critical fact in the US-China relationship which the Americans don't take into account: that the imbalance today within China and the USA, let's say, in manufacturing, is the result of deliberate policies that have been made by China; and is a result also of the lack of attention the United States has paid to these manufacturing issues. So the problems, therefore, that the United States has, are not [only] a result of what China has done, but also of what the United States has failed to do domestically in terms of adapting and adjusting its economy to deal with the new challenges that are coming. So in some ways, many of the problems of the United States today are home-grown, and the United States should therefore do a bit of self-reflection on what it can do to strengthen itself, its own society and its own economy.

I want to add an additional note here, that you spent time with the Harvard Business School, with some of the best minds in the United States. If you were sitting around talking to them, what advice or suggestions would you give to them on what America can do to strengthen itself in dealing with China, and not just focus on beating up China?

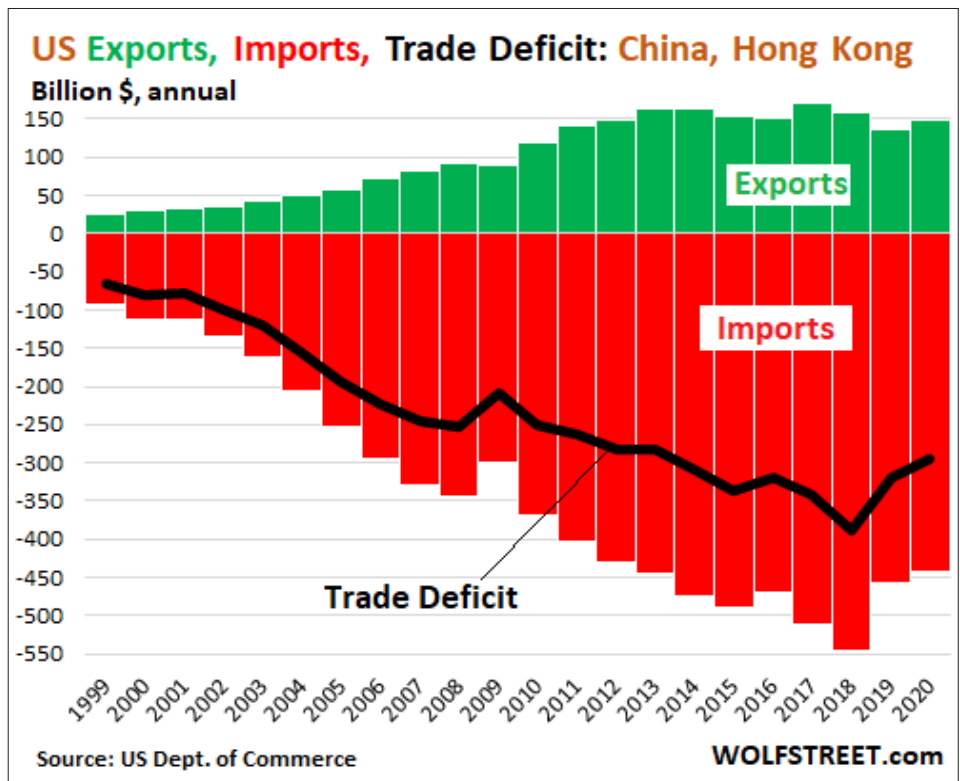
Yeo: To go back to your earlier point, I don't think you can take China out from the equation. I was in Doha when China was admitted to the World Trade Organisation (WTO) in November 2001. There was great celebration. But the Chinese, at the time, felt bruised by the negotiating process. The USA, working in concert with the Europeans and the Japanese, extracted the maximum from China. And I remember a few years later suggesting to China that they join the TPP [Trans-Pacific Partnership]; the commerce minister held up his hands and said, "We have given in so much, we can't afford to do this." No-one expected that from 2001 to the end of 2019, before COVID, that the Chinese economy would grow *seven times* in PPP terms; *nine times* in renminbi terms, and *11 times* in US dollar terms. And the growth—

Mahubani: Could you please repeat that? One more time, please.

Yeo: Seven times in real terms; nine times in renminbi; and 11 times, in US dollars.

Mahubani: Wow.

Yeo: *No-one* expected it. Not the Chinese themselves! And it has caused the economic division of labour in the world to be changed dramatically. And China became the most important trading partner for the majority of countries in the world, and certainly for all of us in Southeast Asia. And they've become the most vertically integrated economy, which is how they are able now to talk about a "dual-circulation economy", and an internal circulation



The USA's huge trade deficit with China. George Yeo observes that because the USA didn't manage the growth in its trade with China, its manufacturing was hollowed out. Photo: Wolfstreet.com

which can be largely self-sufficient in times of crisis. No other country comes close to China in terms of the extent of this vertical integration.

The USA has to decide: What are its strengths, and weaknesses? Its greatest strength is in its institutions, especially in the entire ecosystem for tech start-ups; in software; in bioengineering; in biomedical sciences. In its efficient allocation of capital; in its financial markets. And in its protection of property, which made it easy for people to invest, buy, and sell. But most importantly, until recently, was in its ability to trawl the entire world for talent. When you watch NASA's control room when they have a successful space mission, and you scan the faces, they represent the United Nations. When *Ingenuity*, the little helicopter, flew for the first time on Mars? The lady who led that program came from Myanmar. And when you watch an equivalent scene in China, they're all Chinese faces. [The late Singaporean Prime Minister] Lee Kuan Yew used to tell visiting American dignitaries that the USA's greatest strength was that while China could draw on one billion-plus people for talent, the USA drew from *seven billion* people. But that, increasingly, is not what it's becoming; and that will be the greatest self-injury that the USA can inflict on itself.

Mahubani: You know, I'm so glad that you began your response by talking about how beaten the Chinese felt in Doha, about the number of concessions they had to make to join the WTO. And while initially it was clearly painful for the Chinese, it turned out to be a huge gift. And in some ways President Xi Jinping confirmed this in a speech he gave in Doha in January 2017, when he said: "When we plunged into the ocean of globalisation, we struggled to swim; we drank a lot of water; but we became stronger." And so China's economic strength today is therefore the result of a fairly monumental struggle to compete in

the world. And so for the last question on the economic dimension, before we turn to the political dimension: Do you think that the United States itself may today have to go through a painful process, in some ways, of reinventing itself, to make it once again competitive in areas where it has clearly lost its competitiveness?

Yeo: Well, the USA in its history has reinvented itself many times; it has gone through deep holes, but crawled out of those holes and performed spectacularly. So those of us who have an affection for the USA feel in our bones that they have this spirit in them. Before [Barack] Obama was elected [in 2008], no-one believed a black man could be elected as president of the USA. He became president—and for two terms! The USA is always full of surprises. So while, yes, there are deep problems in the USA, and one worries a lot for it, there is a certain hope that given the youthfulness of the culture, that somehow it can correct itself. But you can never be sure. One can take bets on this.

Mahbubani: Yes. I agree with you. But as you know, the tragic sequel to the eight years of Obama was that we got four years of Trump! Which was, in some ways, a tragedy, and we can discuss that later. But I want to turn now to the political dimensions of the US-China contest, because many American leaders, when they talk about China, state either explicitly or imply in their remarks that the communist ideology of the Chinese government is a direct threat to the United States. Yet at the same time, we in Southeast Asia know that China stopped exporting communism since Deng Xiaoping visited Southeast Asia [in 1978]; and especially since our former Prime Minister Mr Lee Kuan Yew told Mr Deng Xiaoping, “How can we become your friend if you continue to support communist parties in Southeast Asia?” So China has now stopped exporting communism for probably over 40 years now. How do we persuade the United States, therefore, that China, while it poses challenges in many areas—including the economic dimension that we spoke about—does not pose an ideological threat to the USA? How do we explain that to the Americans?

Yeo: I would say that China is more “Chinese” than “communist”; and that if communism has taken root in China, it is because its tenets are in alignment with Chinese history, tradition and philosophy. So, the colour red has always been important in Chinese culture. Dialectical materialism is nothing surprising to the Chinese; that has always been the way they look at history—

Mahbubani: It’s part of Chinese philosophy.

Yeo: —in Taoism. So China is Chinese. And the reason why China is China, is because it has a long tradition of centralised rule, run by a continental-sized bureaucracy, the “mandarins”. In fact it was China that invented examinations, and invented the civil service—institutions which are now universal. So in a sense we can see China’s future, a lot of it, in its past. And this hope that somehow the West can influence China to become “more Western” is ahistorical and illusory.

But more than that: Imagine if China were to become another advanced Western country. Imagine if it would begin to deploy gunboats in different parts of the world; and

South China Morning Post

How Lee Kuan Yew crafted Singapore into a role model for China

Statesman's influence was felt and appreciated on both sides of the Taiwan Strait, and the Pacific



Cory Huang

FOLLOW

Published: 1:11pm, 24 Mar 2015



Lee Kuan Yew (left) with vice-chairman Deng Xiaoping in China in November 1978. Photo: Kinhua

This *South China Morning Post* tribute to Singapore leader Lee Kuan Yew on his death in 2015 acknowledged Lee’s influence on the opening up of China under Deng Xiaoping. When Lee told Deng to stop supporting the communist parties that were trying to overthrow governments in southeast Asia, Deng did. Photo: Screenshot

to adopt muscular diplomacy; and to begin judging others by its own templates. Imagine if China became like the USA, believing in its own historical exceptionalism, and its own “manifest destiny”. I think there would be a titanic struggle between these two superpowers. It is a happy circumstance that China is *not* like the USA! Because we can only afford one superpower in the world with a manifest destiny. To have two must mean a clash.

China is too old, too wise, has seen too much of life, to want to think that others can be like themselves. They are like a big family, full of troubles within; and when they meet another family, they say, “All the best to you.” Not for them, to say, “Look, let me tell you how to run your family, [when] I can’t even run *mine* properly.” And [if] someone else comes to your house and says, “Look, let me solve your problems for you”, you invite him down for a drink, and then send him off—listening politely to all his advice, but finding that none is of value to you. That is China today. I don’t think it has any wish to export its model, or its ideology, or its philosophy.

But coupled to that is a certain cultural arrogance. It’s almost akin to Jewishness: the Chinese don’t believe that if you are not born a Chinese, that you can ever become Chinese. You can say “Oh, I can speak your language; I like your history; I enjoy your food.” They look at you, they’ll be very pleased, and they’ll say “Thank you.” But in their hearts, they know you are not Chinese. And there is no need for you to become Chinese. So this, this is very deep. It’s not only among members of the elite; it is among ordinary Chinese. And the way they deal with non-Chinese is with a certain mix of condescension, and fear. So they’ll ply you with courtesy, with good food, and then they’ll send you off. And they will not let you into their inner chambers, because that is for themselves.

Continued next week

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Following is Part 2 of the transcript of the 19 June 2021 “Asian Peace Talks” podcast hosted by the Asian Peace Programme of the Asia Research Institute at the National University of Singapore. Two former Singaporean foreign officials, former UN Ambassador Kishore Mahbubani and former Foreign Minister George Yeo, discuss their country’s perspective on the geopolitical concerns about China that are influencing foreign policy in the USA, as well as in Australia. Given the close ties between Australia and Singapore, Australians should ask what our nation can learn from this Singaporean perspective on China, which differs so dramatically from the prevailing perspective in Australia, where senior politicians casually talk of the drumbeats of war. While not necessarily endorsing all the views expressed in this podcast, AAS is publishing this transcript so this important perspective can contribute to Australia’s China debate.

Mahbubani: You know I am so glad that you explained that so clearly, that China essentially will be Chinese. Because, you know, in the American narrative—and what shocks me about the United States is that it is a country that as you know is very diverse in opinions, and divided on everything. But the only thing that the Americans seem to agree on about China—and I’m not even exaggerating, it has been put in an article by our friend [US National Security Council Coordinator for the Indo-Pacific] Kurt Campbell in *Foreign Affairs*—is that China has “disappointed” America by not becoming “democratic”! And you know, I think it was Graham Allison, the Harvard professor, whom you know, who said: Be careful what you wish for! Because seriously speaking, if China had a liberal, open, democratic system, it would become far more nationalist, I think, in many ways; become like a Western power, sending out gunboats around the world, and so on and so forth, as you said.

So in some ways, therefore, when the United States keeps pressing China to *change* its political system—and as you know, Biden just said at the G7 meeting, “This is a contest between democracies and autocracies”, implying that democracies are good and autocracies are bad. But actually, Chinese autocracy has succeeded in creating a responsible government, that takes care of its people and makes sure that China doesn’t disrupt the global order. If you are, again, sitting in a room full of Americans, how do you persuade them that actually, it is in America’s national interests to see the *continuation* of the current government in China, rather than the *removal* of the current government in China?

Yeo: The question is, whatever the nature of government in China, would the USA prefer to see a stronger China, or a weaker China? And by “strength” I refer not only to economics, but also to technology and military capability. I think the US concern is not with the type of government in China, but how strong China is and to what extent it challenges America’s dominance in the world. Can America weaken China? It can try. I don’t think it will succeed. Because China’s growth now is organic and self-sustaining.

China’s strengths are also its weaknesses. When it is well organised, its achievements are awesome. When it is disorganised, its failures are also awesome. And this is the story of the long cycle of Chinese history.

Mahbubani: Yes.

Yeo: So one day, China will go into decline. Corruption will bring it into decline quickly. This is what Xi Jinping succeeded in reversing in China. It was already in decline. Can Xi Jinping succeed, to keep this reversal continuing? Well,



Left: Former Singapore Ambassador to the United Nations Kishore Mahbubani. Right: Former Singapore Foreign Minister George Yeo. Photos: Wikipedia

let us see. But China’s history has a deep internal dynamic, which outsiders can rarely affect in a major way.

In the same way, whether the USA is strong or weak depends not on China, but depends principally on itself. Which is why I advise my Chinese friends, I say, “Look, one important reason why the USA takes this attitude towards China is because of its own insecurity; and it is in China’s interest to help the USA resolve some of its problems.” Not in an interfering way, but just by being not unhelpful. Without taking sides. Because a USA which is more self-confident will interact with China in a more balanced, comprehensive manner. And then we are more likely to achieve the goal of a multipolar world in the nearer term, without the punctuation of war and crisis.

Mahbubani: Yes, I completely agree with you there, that it’s actually in the interests of China, and frankly in the interests of the whole world, to see a strong, self-confident America, rather than the somewhat insecure America that we are seeing today. I mean, the American people are deeply troubled. All the surveys and data show that very clearly. And because of that sense of insecurity, it’s also likely to do things that might end up being dangerous. And here I want to bring up the most dangerous issue in the US-China relationship, which of course is Taiwan.

One reason why there has been relative stability between the USA and China on the Taiwan issue is that since the days of [US National Security Advisor Henry] Kissinger and [President Richard] Nixon, and especially since the days of the establishment of diplomatic relations in 1979, the understanding was that Washington, DC would deal officially with Beijing and unofficially with Taiwan. And that held the peace for a long time. The Trump administration tried to change that; [Secretary of State Michael] Pompeo wanted to send officials from the Trump administration to Taiwan. And some people in the Biden administration may also be tempted to do that. So on the question of Taiwan, how do you explain—again,

to an American audience—that it is actually a very dangerous issue, and that the United States should be very careful about shifting away from an understanding that has held the peace on Taiwan for so long?

Yeo: Kissinger has repeatedly recounted his conversations with [Chinese Premier] Zhou Enlai on US-China relations, and how whenever they explored other areas, Zhou Enlai came back to Taiwan. And there was agreement only because the USA accepted that there was “one China”. So that is bedrock. It is not a card. If you play the bedrock as if it is a card, then the structure upon which an edifice is built can rapidly collapse. Now, it may be that subsequent administrations have forgotten, or have changed their minds. So from China’s perspective, there must be no ambiguity. They have made it very clear that even if it means war, so be it.

On the US side, they see advantage in strategic ambiguity—that “Oh, we will not say whether we will intervene or not intervene, if China were to intervene militarily in Taiwan, because that helps maintain the peace.” Yes. If one is absolutely unambiguous, and the other is ambiguous, then you can maintain that twilight zone for far longer. And that was how we got through many years of the 20th century. Now you have new administrations who are playing around. I think under Biden is an experienced crew—under Secretary [of State Tony] Blinken, and [National Security Advisor] Jake Sullivan, and others. I think they are more careful. And they said, “We have relaxed self-imposed restraints.” In other words, We’re not doing anything [in] breach [of what] we agreed to; we have relaxed *self-imposed* restraints. “And we have put in stronger guardrails.” Well when I read that, I thought “Oh, that’s very carefully constructed; very cunning.” And so long as those “guardrails” are forward of Chinese “red lines”, then we can breathe a sigh of relief.

Recently, just before the G7 summit, at Blinken’s request, he had a conversation with [director of China’s Central Foreign Affairs Commission] Yang Jiechi. And of course, both sides had to say what they had to say. But in the Chinese account, it ended with Blinken affirming the Shanghai Communiqué—the Shanghai agreement, and the three subsequent communiqués.¹ I read the Western media reports: not mentioned. But my conclusion, as an old professional in this area, is that the whole purpose of the conversation was to tell China, “We have not shifted from the Shanghai accord and the Three Communiqués.”

Now if that is really the case, then the danger of war is not high. And what we must now do is, on this basis, find a way to coordinate rules of engagement so that accidents don’t happen on the high seas. But if the USA departs from that core position, then all bets are off.

Mahbubani: Well I am really glad that you have given our listeners a little piece of good news! Because most of the time, when we discuss US-China relations, we talk about things getting worse, more difficult. But on Taiwan I completely agree with you that the Biden administration has re-committed itself to the Three Communiqués, and to the



US National Security Advisor Henry Kissinger and Chinese Premier Zhou Enlai meeting in 1971. China insisted that the basis of any agreement between the two countries must be the USA’s acceptance that Taiwan is part of “one China”, which Kissinger acknowledged. The USA’s recent diplomatic actions in relation to Taiwan risks destroying the bedrock of US-China relations. Photo: Screenshot

Shanghai joint statement. I think that is a very positive move, that I think will help to prevent the Taiwan issue from going off the rails. And that is very important.

But at the same time, the one constituency in Washington, DC that I know for a fact is deeply troubled by the rise of China, or the return of China, is the national security community, especially the Pentagon and the US military. Because they used to enjoy overwhelming military superiority over every other power in the world. But now when the Pentagon does its war games and scenarios in East Asia, they find themselves losing against the Chinese military. In fact a former Pentagon officer told me this, face-to-face. So I know this to be a fact!

So this constituency—and I ask you especially since you spent some time in the military yourself. How do you persuade the US military that China’s military build-up does not represent a threat to the US military?

Yeo: The Indo-Pacific Command, formerly the Pacific Command, have done their war games, and they know that without the use of nuclear weapons, it is not easy for them to prevail in the East or South China Seas. So one reason why they’ve broken off the intermediate ballistic missile agreement with Russia is so that they can deploy these in East Asia; maybe on Guam, and in countries which are prepared to let them—although I’m not sure that any country would allow them. Even Australia. Because if you allow the deployment of nuclear weapons to hit China, then you must expect to be targeted. And if Australia decides to take this course of action, there must first be a full domestic discussion about whether that’s a move Australia would want to take.

It is for this reason that about one to two months ago, Xi Jinping went to Hainan to launch three ships. Three naval ships. It is not as if he had a lot of time to spare. They were chosen for their symbolism. One was a helicopter carrier, which was a signal to the Taiwanese that “We can land forces deep into Taiwan”, which is mountainous. The second was a destroyer—or a cruiser, I can’t remember now. And that is to extend the reach of the Chinese navy deep into the Pacific. But the real signal was in the third, which was the launch of a new submarine, which carries submarine-launched intercontinental ballistic missiles with multiple, separately targeted warheads which can reach the entire continental USA. And it is a very quiet diesel submarine, which can spend a long time underwater in the deep Pacific. So this gives the Chinese a counter-strike capability, and therefore will put restraint on

1. The “Three (Joint) Communiqués”, issued 28 Feb. 1972 (after Nixon and Zhou opened dialogue between the USA and China earlier that month), 1 Jan. 1979 and 17 Aug. 1982, lay out the basic framework of US-China relations. The first, known as the Shanghai Communiqué, includes the USA’s acknowledgement that “on either side of the Taiwan Strait ... there is but one China”.

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the ability of the Americans to threaten nuclear escalation with China. And conveniently, in the pen nearby there were two similar submarines afloat for reporters to take note of.

So these are little signals that each side is sending to the other that “Look, if we go down this path, no-one wins. Everyone loses. And therefore, what we need is constraints.”

Mahubani: Well you know on the nuclear front, I’m actually very puzzled that the Americans accuse the Chinese of being belligerent on the nuclear weapons front. Because the Americans have about 6,000 nuclear warheads, and China has 250. I mean, that’s an amazing imbalance. And I don’t understand why the Americans don’t want to keep it that way, instead of encouraging a nuclear weapons race.

Yeo: It’s not numbers; it is China’s ability to have a second-strike capability that the USA is not happy with. And this was reflected in the statement made by the head of NATO, [Jens] Stoltenberg, before the [11-14 June NATO leaders] summit. He said, “China is increasing its production of nuclear warheads!” And as you’ve just said, China has very few, compared with the USA. But these new warheads have got great capabilities. And he also said China is attempting to have a triad—a “triad” meaning ballistic missiles launched from land, air and sea. Land and air ballistic missiles are easier to defeat. But sea-launched missiles are trickier. But I was quite surprised that the head of NATO spoke as if an objective of NATO is to deny China a triad capability.

Mahubani: I must say, I was very puzzled that NATO, which stands for “North Atlantic Treaty Organisation”, wants to change its name to North Pacific Treaty Organisation! That is the impact of what Stoltenberg was saying.

But since you mentioned Hainan—and Hainan, as you know, is in the South China Sea. In fact, Hainan was the place where an American spy plane had to land after it had a crash with a Chinese jet fighter [in April 2001]. So, the one area that we in Southeast Asia worry about is the South China Sea. And here, I must say, one source of confusion, as you know, has been the Chinese “Nine-Dash Line” in the South China Sea. How do you explain the Nine-Dash Line to the people around the world? What is the message that China is trying to send with the Nine-Dash Line?

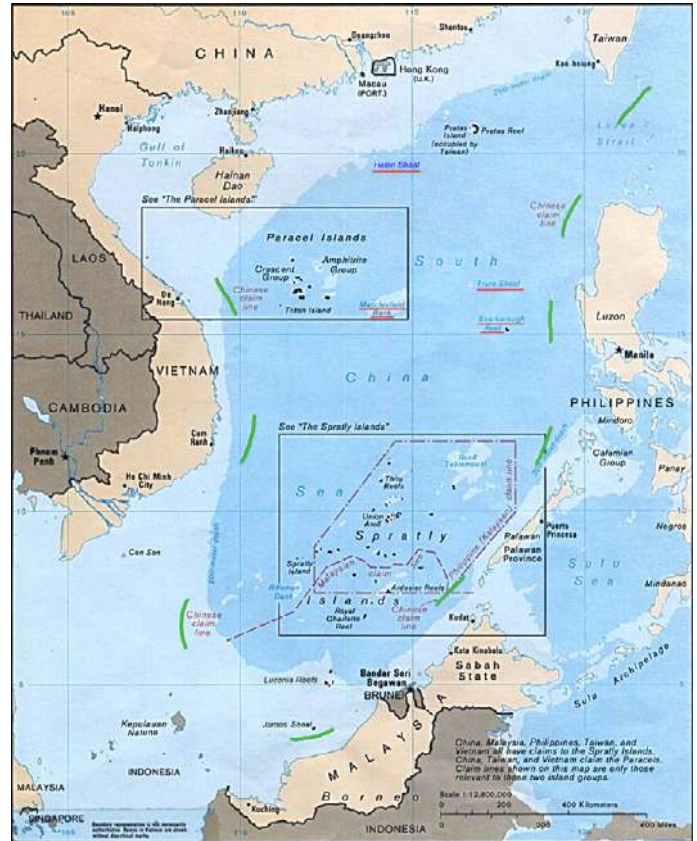
Yeo: The PRC [People’s Republic of China] inherited the Nine-Dash Line from the previous Kuomintang government [of the Republic of China]. It cannot disavow the claims which were made earlier, and formally made by the KMT government in 1947 after the end of the Second World War. But the claims in fact preceded that. China had already made similar claims in the 1930s, and when the Japanese invaded China in July 1937 it scooped up those islands as part of its conquest of China. And that’s years before Pearl Harbor. And after the end of WWII, when civil war broke out in China again, it was the USA which helped Taiwan occupy some of those islands.

Mahubani: Helped the Kuomintang government.

Yeo: Yes, helped the Kuomintang government. So the reason why Taiping Island is called Taiping Island, I read, is because the US ship which carried the KMT troops there was the USS *Pacific*, which [translated into Chinese] means “*Tàipíng*”.

Mahubani: I see! So it’s named after an American vessel.

Yeo: And I was told by Taiwanese friends that up till the 1960s, when US Navy ships conducted surveys in the South China Sea they sought permission from Taipei [Taiwan’s capital]. But of course if you are the Philippines, or Vietnam, or



The nine-dash line, which is the source of the tension over China’s claims in the South China Sea, pre-dates the People’s Republic of China. It was first defined by China’s Nationalist government after the end of WWII in 1945, and to this day Taiwan claims the same nine-dash line as China. Photo: Wikipedia

Malaysia, or Brunei, you say “Look, how can this be reasonable? How can China’s Nine-Dash Line come right up to our coast?” Just because we were not independent yet, and could not speak for ourselves, and our colonial predecessors took no notice! So China has to take regard of the fact that yes, it has inherited the Nine-Dash Line from the previous government, but that Southeast Asian countries abutting the South China Sea also have reasonable arguments. And in some ways—UNCLOS [the 1982 UN Convention of the Law of the Sea] was very clear that it doesn’t touch on territorial rights. But UNCLOS does say that you are entitled to an EEZ [Exclusive Economic Zone]. So if those islands are not really fully “islands”, they’re just “features”, then my EEZ should not be questioned.

Now, I don’t expect any country involved to say “Look, I give up my claims.” Because their domestic publics won’t accept it. So the only way is negotiation. So the Code of Conduct, which I hope will be concluded quickly, between ASEAN [the Association of Southeast Asian Nations] and China will at least regulate the rules of engagement, to prevent disputes from begetting crisis. And also to work on joint development of resources. Make it “win-win cooperation”. I believe there is sufficient incentive for all the parties to pursue a more peaceful course of action.

Mahubani: I share your hope that at the end of the day there will be some kind of negotiated, peaceful resolution of this issue.

Yeo: You see, the problem when we try to bring in the USA to try to help our case, is that very quickly you find that we’re just a pawn on the larger chessboard.

Mahbubani: I completely agree with you. It would be a mistake to get other powers involved. But we have, I think, George, if you don't mind, another five minutes or so. In five minutes I just want to touch briefly on the cultural dimension. In some ways, actually, you have done so already. You have described how the Chinese believe that only the Chinese can "be Chinese". And the Chinese don't have the kind of universalising, Messianic vision that the Americans have to "make everyone an American", kind of thing. So in that sense, since the Chinese have no desire to export Chinese civilisation in the way that Americans try to export the American identity to the world, there should be no "Clash of Civilisations", in a sense. And yet, many Americans, in their gut, feel very threatened by the resurgence of Chinese civilisation. Can you say just a little bit more, let's say to an American, and say that even as Chinese civilisation becomes strong, it's not going to change America. It's not going to try and change the world. How do you explain that?

Yeo: Some of my Western friends say that it's hard to understand China. My reply to them is that China is in fact quite predictable, because it is too embedded in its own history. You can have conversations about a low-carbon economy, or about water control, or about COVID; very quickly, the Chinese go back to historical experiences. I was listening to a lecture given by the head of traditional Chinese medicine on the way to handle COVID in Wuhan, and he said, "In the last 3,500 years, we have recorded (I think) 250 pandemics, or epidemics, in China." Every one has been recorded!

Mahbubani: Wow!

Yeo: The nature of every epidemic, and the response to it, has been recorded. So he said, "Yes, every epidemic is new; and we do not know, we cannot predict, its course. But the symptoms are similar, and we have symptomatic treatments."

There are people who say China should not be damming its rivers to generate electricity, or transferring water from the south to the north, or from the west to the east, or whatever. They have been doing it from way, way back. So there is great self-confidence that this can be done. And the reason why they have been able to do it, is because they had paper! For centuries, they had paper, and they kept it a secret. And paper enables you to keep more information, over a longer period of time, across a vast distance, than anybody else. So they kept records of floods; of comets; of eclipses; of pandemics.

We say, in Singapore, we are familiar with Shakespeare, and with British writers; but if you say well what about Dostoevsky, or Tolstoy, or Victor Hugo, or Schiller, it's "Oh, we've got to read that in translation." China has a bigger literature than *all of Europe combined!* And it is accessible to all Chinese people, in the original language. This makes a civilisation very conservative. It is very difficult for anyone governing China to escape China's history; and therefore, China should not be a mystery to those who are observing what is happening there.

Mahbubani: You know, I am glad you said that, because in some ways the Europeans have a better sense of history than the Americans do, because I guess they've been around a bit longer than the United States. But even they, today, surprisingly, have begun to share some of the American concerns about China. If you were to give a separate, specific message to the Europeans, what would you say to them, about "Hey, you've been around as long as China, you know what China is or isn't."

Yeo: The Europeans are practitioners of *realpolitik*. And interestingly there is a criticism which has been levelled against Kissinger, among many Americans, that he is "too much of a European". The Europeans did not become *realpolitik* practitioners by choice, but by bitter historical experience. So they know that there are limits to power, and that nothing is forever. And you look around, manage the risks.

The Americans want there to be a "Western alliance" against China; and this banner of "democracies versus autocracies" may look very grand. It is not a practical guide to action. The British and Americans and the other "Three Eyes" [of the Five Eyes spying alliance, namely Canada, Australia and New Zealand] may have much more in common, and they have shed blood together in many wars. But the French, the Germans, the Italians, the Spanish—they have different instincts. And instincts which the Chinese will exploit fully. Because what they want is a Europe that is separate from the Americans; which cannot be *separated* from the Americans, because they are one civilisation, but which acts to some extent autonomously, as a separate pole.

And I tell my European friends that Europe's role in keeping peace in the world is decisive. Europe is a great balancer; the great stabiliser. If Europe shifts a little one way, as against the other, it can maintain peace. If it shifts the other way, it can help precipitate war. And this role, Europe *must* play; and as an old civilisation I think it has the capability, the wisdom, to play it well.

Mahbubani: I agree with you. Now in the two minutes we have left, I want to briefly ask you a question on Singapore. Because many of the people listening to this podcast, I grant to you, will be our fellow Singaporeans. And of course what makes Singapore unique is that we are one of the few countries that are both comfortable in the Western club, and also comfortable being members of Asian civilisations. So we can in some ways sort of bridge the East and West in ways that very few societies can. So how do you think Singaporeans can make a contribution in helping to minimise the growing misunderstanding between the USA and China, or between China and the West? If you were to give a small suggestion for our fellow Singaporeans, what would you say?

Yeo: We should be very alert to the cross-currents, and position ourselves carefully. It's not for us to determine the course of these currents, or how they interact; these are forces way, way too big for us. Our job is to position ourselves safely, so that three and a half million Singaporeans' welfare is protected. And we do this best by being a part of ASEAN. ASEAN must always be the first circle of our diplomacy. And ASEAN gives us room to manoeuvre; gives us some influence in the region; and enables us to avoid being caught in between, because there is a larger raft, to which we are only a part.

Mahbubani: Thank you very much. That's a very optimistic note on which to end a fascinating discussion! And I have absolutely no doubt, George, that especially for the listeners of this podcast—and we've got actually quite a few listeners now to our podcast from the United States and Europe. I know that they'll get fascinating new insights on how to view the biggest geopolitical contest of our time, the USA and China. And I do believe that if our listeners, especially the policy-makers, heed your advice, that we may have made a small but perhaps important contribution to helping to keep peace in the world. And that's what the Asian Peace Programme is about. Thank you very much, George.