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Intereconomics

*Suggested Citation:* Draguhn, Werner (1974) : Relations with the People's Republic of China, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 09, Iss. 6, pp. 173-177, <https://doi.org/10.1007/BF02929074>

This Version is available at:

<https://hdl.handle.net/10419/139027>

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### Relations with the People's Republic of China

by Dr Werner Draguhn, Hamburg \*

**The Association of South East Asian Nations (ASEAN) has, from the point of view of the big powers, become an important factor in the balance of power struggle. Political as well as economic reasons seem to suggest closer relations with the People's Republic of China.**

**T**he five South East Asian countries which, in August 1967, founded the Association of South East Asian Nations for closer cooperation in cultural and economic affairs did in fact not have too much in common. While Thailand had never in its history suffered under colonial rule, British influence on Malaysia and Singapore was strong, Indonesia had been under the Dutch and the Philippines experienced Spanish, and later American, supremacy. Besides the Malay element there were different ethnic groups, languages, and religions, border disputes (between Malaysia and Indonesia in Sarawak), and territorial claims (the Philippines on Sabah). One wellknown and even profitable common economic enterprise, the Malaysian Singapore Airlines, split up several years ago.

#### **ASEAN and Big Powers**

The main common basis of the five nations seems to have been the fact that all of them were politically relatively weak countries enclosed between India in the West and People's China and Japan in the East. And in fact, as a result of more or less regular meetings of Ministers and high government officials of the five countries in the field of foreign policy, economic development, education, etc., ASEAN gradually became an important institution for the exchange of ideas and, from the viewpoint of the big powers, a group of states representing an increasing weight in the balance of power struggle.

Whereas the United Kingdom pulled out of the region East of Suez, thereby initiating a five-power defence agreement between Australia, New Zealand, and the UK to protect Malaysia and Singapore, Japan's economic interests in this region, where it can buy its raw materials and find customers for its products, are considerable. Apart from the aspect of the Overseas Chinese in South East Asia, which will be discussed later on, the significance of the ASEAN countries for the People's Republic of China is mainly deter-

mined by the political role the United States and the Soviet Union intend to play in the area<sup>1</sup>.

Despite the Nixon Doctrine of 1969, the long-term object of which is to "Asianize" the problems of the continent and to withdraw entirely from Vietnam, the United States still regard South East Asia as an important factor in the maintenance of the balance of power in Asia. Therefore, they consider it necessary to enhance the stabilization of this region in the economic, social, political, and military fields so as to suppress, as far as possible, communist influence, be it from Peking or from Moscow.

From the American point of view, relations with the Philippines have traditionally been, and still are, good. This is also substantially true of relations with Thailand, which was economically supported by the US during the Vietnam war. To the Indonesia of President Suharto, Washington is again a partner welcome as an assistant in the development of the country, while under Sukarno, who lent more towards Peking and Indonesian Communist Party, it had been the enemy No. 1. Peking is a careful observer of the diminution of American presence in South East Asia which started in the early seventies. While opposing a strong American influence in this region, China is sure that a complete retreat of the USA would open the path for the USSR, which would be only too glad to fill the gap.

#### **Inclusion in the Chinese Sphere of Interest**

By propagating the Breshnev Doctrine, Moscow has been trying since 1969 to build up a collective security system in Asia which to some extent comes close to Malaysia's proposal to neutralize South East Asia. However, while Malaysia's objective is to prevent the region from becoming

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<sup>1</sup> For an extensive up-to-date analysis of the different aspects of the relations between the various South East Asian countries and with the big powers, especially the People's Republic of China see Oskar Weggel, China und Südostasien nach dem Waffenstillstand in Vietnam (China and South East Asia after the Armistice in Vietnam), in: CHINA aktuell, ed. Institut für Asienkunde (Institute of Asian Affairs), Hamburg 1973, Nos. 1-9.

the scene of a permanent struggle between the big powers to secure more influence, the USSR may see a chance to fill the vacuum left by the British and also — to some extent — by the United States, at the same time trying to increase its own influence and possibly contain China.

This, and especially the fact that the ASEAN countries' geographical position is closer to China than to any other of the big powers, practically forces Peking to include South East Asia in its own sphere of interest. All fears that People's China might invade countries of South East Asia have, however, proved unjustified. On the other hand, the attempts to secure influence in the ASEAN countries by supporting the local communist movements have on the whole been doomed to failure. Indonesia, whose relations with Peking had been close during the last years of President Sukarno's rule, has turned against People's China since September 30, 1965. As Peking may well fear that any support of the revolutionary movements in the various countries of the region might induce the governments in power in the ASEAN countries to seek closer relations with the USA or the USSR, its interest in good official relations with those countries is growing steadily and prospects are bright for China's establishing (or — in the case of Indonesia — resuming) diplomatic relations with the five South East Asian countries. The fact that they have so far hesitated to take this step may be attributed to their fear of Chinese communism and also — to some extent — to their insecurity regarding the reactions of the Overseas Chinese in the various countries, who might well take a chauvinistic attitude.

#### **The Role of Chinese Minorities**

There is one link between China and the countries of the region, which exists with no other big power: each of the five South East Asian countries has a more or less substantial number of residents of Chinese origin. The local distribution of the Overseas Chinese in South East Asia varies considerably from country to country. Here are some estimates from the sixties<sup>2</sup>. At that time, Thailand accounted for 2.6 mn Overseas Chinese (8.5 p.c. of its total population). The figures for Indonesia then were between 2.6 and 2.75 mn (2.6 p.c.) and for the Philippines, between 0.18 and 0.45 mn (about 1.4 p.c. of the total population). In Singapore and Malaysia the Overseas Chinese are by far the largest ethnic group, with between 1.25 and 1.4 mn and between 2.89 and 3.3 mn respectively, the proportion in the total population being about 75 p.c. and 35 p.c. respectively.

The Overseas Chinese in South East Asia have, however, a far greater importance than the bare

figures would suggest, because economically they are the most active part of the population. This has aroused the antagonism of the other ethnic groups. A good example of this is Indonesia where Chinese immigration took place in the 19th and 20th centuries. Not allowed to acquire land, the immigrants turned to commercial and industrial activities and because of their ability and special position became intermediaries between the colonial rulers and the native population. This added to their being regarded as foreigners even after having lived in the country for two generations and becoming Indonesian citizens.

Peking took a natural interest in the question of citizenship and in 1960 permitted those who preferred Chinese to Indonesian citizenship to return to Mainland China. This led to an exodus from Indonesia of more than 100,000 Chinese during the sixties. However, the problem was not solved. When Indonesia turned strictly anti-communist and anti-Peking after September 30, 1965, the Indonesian government took steps against the resident Chinese. They were widely regarded as communist sympathizers, because they had been backed by the Indonesian Communist Party during the periods of discrimination.

#### **Discrimination against Overseas Chinese**

This is an illustration of the dislike and suspicion to which the Overseas Chinese are generally exposed in South East Asia and which tends to increase whenever problems arise. As far as the Indonesian Communist Party is concerned, it should be noted, however, that it was founded as early as 1920 and totalled about 3 million members in 1964, which makes it the largest communist party outside the socialist countries. The vast majority of its members were, of course, not Chinese.

It is quite natural that Peking opposes all discrimination against Overseas Chinese in South East Asia, so we cannot be surprised that the various countries are under the impression that China interferes with their domestic affairs.

It has often been suggested that the Overseas Chinese might be used by the Chinese Communist Party (CCP) as a political instrument for subversive actions in the respective countries. Stephen Fitzgerald seems to have come to a plausible answer to this:

"... it was precisely because of their special relationship with China and their position in the countries of residence that the Overseas Chinese were both a liability in establishing or developing

<sup>2</sup> Stephen Fitzgerald, *China and the Overseas Chinese, A Study of Peking's Changing Policy 1949-1970*, Cambridge 1972, p. 196.

friendly relations with South East Asia, and an unsuitable instrument for the pursuit of more covert objectives. Cultural separateness, economic domination, racial arrogance, and political attachment to China made the Overseas Chinese a suspect minority in South East Asia and an unlikely channel for effective influence for the CCP. Ironically, the Overseas Chinese who were best placed to serve China were those who had already achieved, or who were moving towards, integration or identification with the countries of residence, the least likely to respond to appeals or instructions from Peking"<sup>3</sup>.

#### **Fear of Communism in Malaysia ...**

Another aspect affecting the relations between the five South East Asian countries and the People's Republic of China is the fear of communism. One of the countries having special experience in this field is Malaya, later "Malaysia". Ever since 1948, when it was still under British colonial rule, it had to face a communist guerilla movement which led to about 12 years of guerilla warfare, known as the "Emergency". Resulting from local conditions, the insurgency was mainly Chinese. It got support from Moscow and nothing but verbal assistance from Peking<sup>4</sup>. The British managed systematically to destroy the guerilla forces. The favourable economic development and the policy of transferring power to an independent local government in 1957 have brought about a lasting victory in the country in general. Nevertheless, pockets of communist guerillas persist in the border area between Thailand and Malaysia as well as among the Chinese population in Sarawak, West Malaysia. Thailand and Malaysia have even come to an agreement that, in cases of hot pursuit of communist guerillas, forces of both countries may cross the common border for effective action. In Sarawak the territory is much more favourable for the communist guerillas.

As Malaysian communism is mainly a matter of the Overseas Chinese, it is quite obvious that any discrimination against this minority group will bring its members still closer to the communist movement. In this connection, the events of May 13, 1969, deserve special attention. A group of Overseas Chinese that had won a minor victory in the elections provoked angry reactions from Malays in Kuala Lumpur and this led to severe communal riots. Despite the fact that the situation has kept calm since, there are many causes for disagreement between the two ethnic groups in Malaysian society that may one day become the focus of new disturbances.

<sup>3</sup> Stephen Fitzgerald, op. cit., p. 186.

<sup>4</sup> Wolfgang Franke, China in Modern Southeast Asia, in: Southeast Asia in the Modern World, ed. Bernhard Grossmann, Wiesbaden 1972, p. 357.

#### **... the Philippines ...**

In the Philippines, the communist HUK movement grew out of discontent among the peasants. After many defeats this Moscow-oriented movement seemed to have been eradicated by 1954. A new movement, this time Peking-oriented, grew up instead to become the Communist Party of the Philippines (Marxist-Leninist), which pursues the line of armed revolution, while the Moscow-oriented Communist Party pleads for the parliamentary way. For the government the situation is aggravated by the disharmony between the Muslim minority and the Christians and by student unrest.

#### **... and Thailand**

Thailand also has its problems with communist insurgents. There are three main areas of unrest: in the North, the North East and the South. In Northern Thailand the government started to "persuade" the hill tribes, especially the Meos, to live in reservations, where opium-growing is impossible and the Meos are confronted with the economically more active Thais. Having family ties with various South East Asian countries and South China, the Meos, in their discontent with

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the Thai government, were particularly susceptible to communist agitation. This led the Communist Suppression Operations Command to adopt a policy of economically helping the Meos by teaching them animal husbandry and fruit cultivation. The second area of communist insurgency is in North Eastern Thailand, an area comprising about one third of the country, where people, neglected by the Bangkok government, live in poverty and where infiltration across the Thai-Laotian border is easily feasible. The third trouble spot, which is, however, of minor importance, is the Malaysian border in Southern Thailand, whence communist actions are partly directed against Kuala Lumpur.

Singapore, with its Chinese majority and its English-educated ruling class, is the only state within the ASEAN which has not had any considerable trouble with communist insurgency since independence, a fact which is mainly due to the powerful anti-communist People's Action Party under Premier Lee Kuan Yew.

#### Chinese Support of Revolutionary Movements

The fear of communism and the attitude of the five South East Asian countries towards the People's Republic of China are closely linked with each other, which seems to be justified in view of the relations China entertains with some of the revolutionary movements in the region<sup>5</sup>. With the exception of Singapore, all ASEAN countries have communist parties that might form the basis for close cooperation with the Chinese Communist Party, but their effectiveness is essentially limited by the fact that the Peking-oriented communist parties are illegal in these four countries.

In Indonesia under Sukarno, when the China-oriented Communist Party was still officially accepted, its activities were chiefly directed against the army and certain sections of the "establishment". China helped to build up a People's Militia to oppose the army and after 1965 still verbally supported the Indonesian Communist Party. During the "Confrontation" against Malaysia and when Indonesia withdrew from the United Nations early in 1965, it was backed by China. There was a considerable amount of economic aid (though no arms) from China and up to 1965 there was something like an alliance between China and Indonesia, also known as the "Peking-Djakarta Axis".

The Philippines which closely cooperated with the USA for historical reasons, were often verbally attacked by the Chinese who supported the founda-

tion of the Communist Party of the Philippines (Marxist-Leninist) and the New People's Army.

As far as Malaysia is concerned, there is a Malayan National Liberation League in China. The Malayan communists and the remnants of the former insurgents in the Malay-Thai border region receive verbal support, especially by the "Voice of Malayan Revolution", a radio station established in 1969. Singapore, as has been stated above, is substantially insusceptible to Communism and need not be mentioned here. Peking seems to have considered the Malaysian Communist Party to cover both Malaya and Singapore.

#### Double-edged Policy

The Thai communists, too, are verbally supported by radio stations which have been established with Chinese aid. In 1965 Peking supported the foundation of the Thai Independence Movement and the Thai Patriotic Front comprising refugees from Thailand and communist-oriented movements among hill tribes in Northern Thailand. There may even have been material support for these groups.

A threat to Thailand is the road the Chinese are building in Northern Laos in the direction of the Thai border. The road is reported to consist of an all-weather two-lane track and to have been completed up to some twenty miles from the North Eastern border of Thailand in October 1972<sup>6</sup>. The road causes the Thai government much concern because of its strategic value which means that the rebels in the North Eastern frontier region of Thailand might be easily supplied with all sorts of goods from China.

There was much space for speculation when Premier Chou En-lai welcomed a Thai table tennis delegation in Peking in October 1972. "Premier Chou's message was thought to be double-edged: while regretting the idea of interference, he had backed the policy of promoting insurgent activities in other countries"<sup>7</sup>. It is just this kind of policy which Peking has so far pursued, with locally different emphasis, in the five South East Asian countries, with the exception of Singapore.

#### The Taiwan Question and Economic Aspects

Another important aspect concerning relations between China and the countries of the ASEAN is the attitude of the latter towards Taiwan. Out of the five countries only Indonesia entered into diplomatic relations with People's China (which were suspended after 1965), but some of them (Thailand and the Philippines) do have such re-

<sup>5</sup> See Oskar Weggel, China und Südostasien nach dem Waffenstillstand in Vietnam, 9. Folge: Evolution oder Revolution (China and South East Asia after the Armistice in Vietnam, 9th sequel: Evolution or Revolution), in: CHINA aktuell, No. 9, 1973, p. 617, and especially p. 620.

<sup>6</sup> See Far Eastern Economic Review, Vol. 78, No. 42, Hong Kong 1972, p. 26.

<sup>7</sup> Ibidem.

lations with Taiwan<sup>8</sup>, which are considered a major hindrance in any rapprochement to Peking. Malaysia has only consular relations with Taiwan, the Consulate-General in Kuala Lumpur having been opened in 1964. Singapore has neither a Taiwanese diplomatic representation nor official relations with the People's Republic of China but some consider the Singapore branch of the People's Republic Bank of China as a semi-official Chinese representation.

While political aspects, as e.g. the wish to neutralize the influence of the USA and the USSR, seem to be the main reason for the five ASEAN countries to enter into closer relations with Peking, hopes for economic benefits also play an important part. This seems to be true particularly of those countries having a high proportion of Overseas Chinese residents, such as Singapore and Malaysia. For both countries, China has become an important trading partner and in both cases the imports from People's China by far exceed the exports to that country<sup>9</sup>. Otherwise, relations have not yet gone beyond the point of exchanging sports delegations and trading missions.

#### Conditions for Diplomatic Relations

It would definitely be a milestone in the relations between the People's Republic of China and the five ASEAN countries, if full diplomatic relations were taken up or, in the case of Indonesia, revived. A *conditio sine qua non* for such an important step from the point of view of the South East Asian Nations, would be for Peking to give up supporting communist movements in the various countries. All supplies to the various revolutionary movements, the training of insurgents, the giving of shelter to communist insurgents and political cadres would have to stop. China would also have to discontinue, or at least minimize, its verbal attacks on the ASEAN countries via local radio stations and the press.

Peking, on the other hand, will demand that Thailand, the Philippines and Malaysia sever their diplomatic relations with Taiwan, whereas Indonesia would have to improve the treatment of the resident Overseas Chinese.

Developments in recent months have led to speculations that the relations of the five South East Asian countries with the People's Republic of China may very soon become closer. Especially in Thailand and the Philippines, two countries having close contracts with the United States, President Nixon's visit to China in 1972 has set in motion thoughts about a change in the policy they had pursued towards China for the past two decades. Thailand's first step was to send a pingpong team to Peking in 1972. The team was

accompanied by as important a personage as a former Minister of Economic Affairs! On December 24, 1973, the first official Thai delegation, led by the Vice Minister of Foreign Affairs, returned from Peking. A delegation of the Thai Olympic Committee under the leadership of the Defence Minister visited Peking early in February this year. It was announced that the official restrictions concerning trade with China would be abandoned. Chou En-lai was reported to have said that China's support of terrorists in Thailand was a matter of the past<sup>10</sup>.

The Philippines had no official trade with China until 1971, but in that year the Chinese Red Cross sent them goods for the typhoon victims and one year later for the people hit by floods. Some initial trade followed. Recently, the Philippine Foreign Minister, P. Romulo, said that his country would follow the USA and Japan in normalizing relations with Peking but he added that the Taiwan question was not easy to solve.

#### Prospects

In Indonesia anti-communist tendencies and distrust of the Overseas Chinese are widespread and the strong ties which connect the country with the USA and the USSR suggest that some time will pass until the suspended diplomatic relations with Peking can be resumed. However, the fact that Peking has supplied Indonesia with 50,000 tons of badly needed rice and the indication that China has stopped its support of the communist rebels show the changes in the mutual attitudes<sup>11</sup>. Contacts between Malaysia and the People's Republic of China have developed to such a point that the Malaysian Prime Minister has been reported to plan a visit in the near future. There are speculations that, on this occasion, the two countries may enter into an agreement on the establishment of diplomatic relations and the exchange of ambassadors within six months after that event<sup>12</sup>.

If we may venture a forecast on the basis of the arguments put forward above regarding the prospects of relations between the People's Republic of China and the five countries of the ASEAN, we may expect Malaysia to be the first country of the region to have full diplomatic relations with China. It will presumably be followed by Thailand and/or the Philippines, then by Singapore, and finally by Indonesia.

<sup>8</sup> See Wolfgang Bartke, *The Diplomatic Service of the People's Republic of China* (as of June 1973), Hamburg 1973.

<sup>9</sup> *Mitteilungen der Bundesstelle für Außenhandelsinformation* (Notifications of the Federal Agency for Foreign Trade Information), 22nd year, No. 189.

<sup>10</sup> CHINA aktuell, No. 2, 1974, p. 74.

<sup>11</sup> CHINA aktuell, No. 8, 1973, p. 499, and No. 3, 1974, p. 150.

<sup>12</sup> See *Far Eastern Economic Review* of February 11, 1974, p. 12. — The planned visit of Tun Abdul Razak to China is scheduled from May 28 to June 2, 1974. "Die Welt" of May 21, 1974.