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Subject: An interview with George Yeo

See his analysis of where we are on EAS but also on the US, Japan, and Chinese urbanization and trade patterns.. Nothing that new, but valuable coming from him.

The Australian - 19 Jun 10

Embracing everyone from the US to India Greg Sheridan, Foreign editor

GEORGE Yeo, Singapore's Foreign Minister, is one of the most dazzlingly clever people you could meet in Southeast Asia. Singapore is a society that notoriously produces hardheads in its strategic outlook. But Yeo combines Singapore's characteristic hard-headedness with a depth of historical understanding and context, as well as a lively human sympathy for the diversity of the region that surrounds him, which I, at any event, find almost unique. I remember interviewing him at the height of the East Asian economic crisis in 1997 and asking whether this crisis shattered the idea of Asia as the growing centre of the global economy, as numerous foolishly triumphalist Western commentators were then suggesting. "No it doesn't," Yeo told me. "At the most it might put back the forecasts by five or 10 years." It moved the graph a little to the right, it didn't change the trends. On that, Yeo was absolutely right.

But it is also Yeo's ability to apply the insights of history to the real problems of Asia today which make him formidable. This week, Yeo spent a few days in Australia and I caught up with him for one of those slightly mesmerising historical tour de force conversations in which he specialises.

It is no secret Singapore had the most serious reservations about Kevin Rudd's proposal to establish an Asia-Pacific Community. The Prime Minister wanted the US, India and Russia included in a regional body which could deal with strategic issues as well as trade and economics. Singapore's hesitation over the Rudd proposal came because it thought that the Association of Southeast Asian Nations, of which it is a key member, could be sidelined. I asked Yeo whether the region was now clear on what it wanted its organisations to accomplish. "We still need a lot more discussion," he said. "The vision is going to change dramatically, with the emergence of China and India on the global stage. The configuration is evolving much faster than most of us would have preferred. But that's the reality we've got to work with.

We need a regional architecture which is able to accommodate the stresses. The single most important relationship is between the US and China. Increasingly, the relationship between India and China is becoming more important. I think eventually a triangular relationship will decide the big issues of war and peace in Asia this century - the triangle consisting of the US, China and India."

Yeo saw Rudd and Foreign Minister Stephen Smith in Canberra and now describes Canberra and Singapore as being in harmony on the evolution of regional organisations. This is how he saw it having played out: "When Prime Minister Rudd proposed the APC, Dick Woolcott (Rudd's envoy) went round the region. He did not visit all countries. He made it quite plain to some that only the big countries of ASEAN need to be involved. We talked among ourselves and quite soon the conclusion was reached that ASEAN was going to be sidelined. So there was an immediate blowback from the region. "To PM Rudd's credit he quickly clarified this, that ASEAN is central to his conception of the APC and that that was his vision from the very beginning. I said, 'All of us in the region are very relieved to hear that'.

"Separately we had (former Japanese) prime minister (Yukio) Hatoyama articulating his view of an East Asian region apparently centred on China, Japan and Korea. It created, as you would expect, a natural reaction in Southeast Asia. That got us all thinking in the region. How to keep Russia and the US in the region in a way that's comfortable. For a long time

we've been thinking about China, more recently about India." Yeo pointed out that earlier regional organisations also evolved slowly, in particular the East Asia Summit, which includes Australia and New Zealand, as well as ASEAN, China, Japan, South Korea and India. He said: "It took us a long time to create the EAS structure. Some preferred it to be based on the ASEAN plus three (China, Japan, Korea), harking back to (former Malaysian prime minister) Mahathir (Mohamad)'s East Asian caucus. "Others felt that's too limiting. If it's just ASEAN plus three, that may be a little lop-sided because of the economic weight of the plus three. So we thought if we have India on one side, and Australia and New Zealand to the south, there's a certain natural equipoise.

"Then it took many discussions. The Russians wanted to join the EAS but we felt this should not be rushed. Russia is too important a country. There was some unhappiness from the Russians that we did not accommodate them in the EAS at that time. (Former US) President (George W.) Bush did not want to join the EAS but he worried that the EAS might exclude the US from the region. We told our American friends that it could not be purely an Asian thing because Australia and New Zealand were in it. In any case, countries like Singapore would never want an EAS to be exclusive. What would threaten us most is if the world developed into blocs."

So where do we end up today? "When I met PM Rudd I thanked him for helping to catalyse the thinking of ASEAN. So now there are two possibilities, either an EAS expanded for Russia and the US or a separate ASEAN plus eight (including the US and Russia) configuration. In fact I had a very interesting discussion with Prime Minister Rudd. I think in the end he's happy to let ASEAN members decide and he doesn't want to interfere in our regional discussion."

So you can describe what Yeo outlines as either a win or a loss for Rudd. Whatever evolves, nobody is going to call it the Asia-Pacific Community and no one is going to imagine that Rudd was its founder, as everyone accepts that Bob Hawke founded APEC in 1989. On the other hand, it does seem as though it's very much more than likely that there will finally be a regional organisation embracing everyone from the US to India, which is able to discuss security. That is pretty much Rudd's policy aim and, as Yeo constructively puts it, Rudd has influenced ASEAN thinking. Friends of Rudd can describe it as the embodiment of his vision and fulfilment of his initiative. His enemies can say the APC came to nothing and was a failure in Australian diplomacy. Certainly Yeo casts it in a constructive light. There is only space to give the smallest sampling of Yeo's prodigiously rich insights on other issues.

On the US, he said: "Both Australia and Singapore feel it in our bones that the US will remain a great power for many decades. It is a vast country always throwing up new ideas, always on the boil. It has a sunny disposition. We in Singapore and Australia feel it in our bones that one way or another they will get out of their current difficulties."

On China, I asked whether its political development was keeping pace with its growth in power, financial and military, so it could manage that new power in a way that was beneficial to everybody. Yeo stressed that he was sure Beijing's preoccupations were internal, and said: "China is the No 1 trading partner for Japan, Korea, Taiwan, Hong Kong, India and already No 2 for New Zealand, and for all the countries (in Asia) the graph points in the same direction. "

(The historical process) is high drama in China. It was historically because of the large rural peasantry that Maoism developed as a different ideology from Bolshevism. China was 20 per cent urban. It's now 40 per cent urban and will go to 80 per cent or 90 per cent. The urbanisation of Europe was languid by comparison, but look at Dickens or Victor Hugo. Look at the huge reaction in Europe to urbanisation and industrialisation. In China it's all compressed. If they succeed they will be the greatest nation on Earth. The Chinese know they have to learn new tricks. The skills which brought them to power won't keep them in power."

He recalled that early in China's economic modernisation program it was fascinated by how Singapore, as a mostly Chinese nation, ran its society in such an orderly and effective manner, combining rapid economic growth with social order and a respect for tradition. Then that interest seemed to wane. But now Chinese delegations are back again in large numbers, fascinated particularly with how Singapore manages the politics of being a big and booming city. Mainland Chinese are even sitting in on politicians' electoral clinics in Singapore, observing how real problems are recognised, integrated into the system and dealt with.

I asked Yeo too whether he thought Japan could sustain the stabilising role it has played in Asia these past 60 years. He replied: "Their politics now are a mess. Partly because they fit the pieces together so closely, reconfiguring the pieces is difficult. A lot of Japanese politics now is not about fitting the pieces together but pulling them apart.

"The DPJ came to power determined to pull the pieces apart, the Liberal Democratic Party from big business from the bureaucracy. Never write Japan off. It takes a long time for them to change but when they do change they do it with a fury and intensity that surprises everyone." Japan has gone through profound periods of change in the past - the Meiji Restoration of the 19th century, in which it decided to become a modern nation; or the pervasive change after World War II, in which it decided to embrace democracy and the role of the key US ally in the region. The fact that it is now grappling with change is no reason to think it cannot emerge again with a successful model.

Yeo is an old, old friend of Australia, and in a sense a long-term champion of Australia's involvement in Southeast Asia. He has been a minister in the Singapore government for more than 20 years. He embodies a great deal of institutional memory and strategic continuity, not just within Singapore but within the broader councils of the region.

It's just a pity he doesn't visit us a bit more often.