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## **Friends or foes?**

*As the US presidential race hots up, the candidates have started to articulate their thinking on Asia and how the United States should deal with the region. Our US bureau chief Derwin Pereira takes a reading.*

WASHINGTON – In the race to the White House, Asia is getting more than a mention these days.

As the presidential candidates look at issues in the region that affect American interests, they have raised questions about US ties with China, India and Japan, and the North Korean nuclear problem.

During a recent debate among Democrat presidential hopefuls, Senator Barack Obama indicated the importance of Asia when he said: 'We also have to look East because increasingly, the centre of gravity in this world is shifting to Asia.'

China, naturally, has dominated the discussion about the rise of Asia and its impact on the United States and is likely to be a campaign topic next year, unlike in 2004.

The candidates have, in varying degrees, spoken of cooperation and competition with Beijing.

Republican Senator John McCain, 70, who did combat duty in Vietnam and was a prisoner of war for 5 1/2 years, gave his take on China during a speech in Seattle in February.

America and the world have benefited from China's economic growth, he said. But Beijing's rising economic power has also raised expectations that it behave like a 'responsible economic partner'.

He noted several concerns with China: the weak yuan that gives it an unfair trade advantage, and its dealings with rogue regimes such as Iran and Sudan in its bid to secure energy supplies.

In addition, Beijing's declaration of its 'peaceful rise' does not square with its military buildup and its attempts to exclude the US from forums in the region such as the East Asia Summit.

He said: 'This is not to say that China and the United States are destined to be adversaries. On the contrary, we should take every step to manage our relations and look for areas of overlapping interests.'

Mr McCain's ties to Asia go beyond his Vietnam war experience. His foreign policy aides are veteran Asia hands: Mr Robert Zoellick and Mr Richard Armitage.

Mr Zoellick, who coined the term 'responsible stakeholder' to describe how China should behave, still wields considerable clout in Washington, given his links to the elite in Beijing and the region.

Mr Obama, who spent four years of his childhood in Indonesia, has also turned to an Asia veteran for advice: Mr Jeffrey Bader, a former Clinton White House aide, who heads the China programme at Brookings Institution.

Mr Obama's experience in the Senate Foreign Relations panel and in the sub-committee on East Asia and Pacific Affairs has given him insights into regional issues such as bird flu, nuclear non-proliferation, Asean and China.

The 45-year-old Illinois senator, in the recent Democrat debate, said Beijing was 'neither our enemy nor our friend'.

'China is rising and it's not going away,' he said. 'They're competitors. But we have to make sure that we have enough military-to-military contact, and forge enough of a relationship with them that we can stabilise the region.'

If Mr Obama or Mr McCain is elected, pragmatism is likely to underscore the US relationship with Beijing.

But although Mr Obama prefers to speak in general terms about the role of Asia in the future, Democratic constituencies, as well as some Republican ones, will push him to take a more aggressive posture.

Mrs Hillary Clinton presents a different proposition.

She declared on CNBC in March that the US was undergoing 'a slow erosion of our own economic sovereignty'.

Last month's 9 per cent slide in the Shanghai and Shenzhen stock index, which helped set off a plunge in US equity markets, gave her a fresh opportunity to argue that America's economic well-being has become too dependent on what happens in China.

Sources said the Democrat Senator from New York sent a hard-hitting letter to Treasury Secretary Henry Paulson and Federal Reserve chairman Ben Bernanke in which she said: 'This underscores the exposure of our economy to economic developments in countries like China. As we have been running trade and budget deficits, they have been buying our debt and in essence becoming our banker.'

The US trade deficit with China soared to US\$232.5 billion (\$353 billion) last year.

Mrs Clinton's view of China is coloured by traditional Democrats' concern about human rights. In her autobiography, Living History, she recounts how in 1995, she almost cancelled her trip to Beijing after the Chinese jailed a prominent human rights activist.

She eventually made the trip and chastised Beijing for limiting freedom.

In November 2005, she sent President George W. Bush a letter before his trip to China, urging him to raise, among other things, women's rights, Tibet and freedom of religion.

When her husband Bill Clinton ran for the presidency in 1990, he attacked Mr Bush senior for 'coddling dictators'. But he changed his tone after taking office.

Recognising the importance of economic ties with Beijing, he renewed China's most favoured nation trading status despite stiff congressional opposition and paved the way for China's entry to the World Trade Organisation.

Will Mrs Clinton follow his path?

Her foreign policy advisers - Mr Richard Holbrooke and Mr Sandy Berger - served in the Clinton administration and are known for their hawkish views on China.

Mrs Clinton is not the only candidate who has voiced concern about China.

Former Massachusetts governor Mitt Romney, a Republican, fears an economic challenge not just from China, but from Asia as a whole.

'Asia is not content with making our Christmas tree ornaments,' he told the Boston Globe last year. 'They are planning for the innovation and technical capital of the world to move from America to Asia.'

But the general view among the candidates is that the rise of Asia is an opportunity, not a threat.

Mr Obama told The Sunday Times: 'Much of the history of the 21st century will be written in Asia. It is difficult to overstate Asia's strategic importance to the United States. When I am president, America's relationship with our partners in Asia will reflect that reality.'

Mr McCain holds the same view. A strong advocate of free trade, he has argued that in the face of competition from China, the US should conclude free trade deals with Thailand and Malaysia.

While Republicans have generally supported free trade pacts, Democrats have long opposed bilateral FTAs. They see them as a small component - just 12 per cent - of overall trade.

The Democrats are also concerned about environmental and labour issues.

Mr John Edwards, the former Democrat nominee for vice-president in 2004, said 'no' to a FTA with Singapore. He also voted against free trade with the developing world.

Mr Obama's and Mrs Clinton's voting records on free trade are more mixed.

While Mrs Clinton supported the free trade pact with Singapore and voted to restore Vietnam's normal trade status, she saw little merit in implementing a Central American Free Trade Agreement (Cafta).

Mr Obama too voted against Cafta but has approved other agreements. He has said he would consider FTAs on a 'case-by-case basis'.

If there is somewhat a Republican-Democrat divide on trade, there is a consensus on the need to engage the region's other major power, India.

India watcher Lisa Curtis of the Heritage Foundation explained: 'While China's strategic direction is somewhat uncertain and likely to draw varied positions, both Democratic and Republican candidates feel comfortable with India's rising power status and increasingly see it playing a stabilising role in Asia and beyond.'

Mrs Clinton has taken the lead in wooing an economically resurgent India.

As early as February 2005, she travelled to New Delhi to meet Prime Minister Manmohan Singh and Congress Party leader Sonia Gandhi.

Domestic factors might also be at play.

There are more than two million Indians in the United States. Their economic power could translate into campaign funds - a fact that was not lost on Mr Clinton when he was president.

There are also security considerations. India can act as a counterweight to China.

Japan is also seen as a key player.

Mr McCain has expressed support for Tokyo's bid to win a permanent seat on the UN Security Council, a view shared by only one other candidate, New Mexico Governor Bill Richardson.

He and the other front runners see the value of forging closer links with Japan and India - and letting these countries play a larger role in Asia.

As for the North Korean nuclear problem, presidential candidates who have raised the issue want the US to deal directly with Pyongyang.

In a foreign policy speech last October, Mrs Clinton said: 'Right now, we seem to be relying - too much for my taste - on China's goodwill to restrain North Korea.'

While the focus is on diplomacy, Mrs Clinton and the other candidates have not dismissed the military option.

So far, South-east Asia has figured little in the public pronouncements of the candidates. With the exception of Mr Obama and Mr McCain, there has been nary a mention of Asean by any of the other candidates.

Indonesia, being the world's most populous Muslim nation, has commanded the most attention. The McCain team sees value in forging a 'new economic partnership' with Jakarta.

Mr Obama, who says in his memoirs that most Americans cannot find Indonesia on the map, views Jakarta as a strategic ally.

'Obama can deliver 'tough love' to Indonesia,' said one of his foreign policy advisers. 'He will be able to talk about sensitive issues such as human rights and corruption because he has a grasp of Indonesia and Asia generally.'

While the candidates have been voluble on the subject of China and India, what is not being said is equally important. Asean is a case in point.

Prime Minister Lee Hsien Loong was among the foreign leaders who met Mr Obama and Mrs Clinton recently. Their meetings might well increase awareness of the region.

China is certainly grabbing the Asia spotlight. But significantly, not a single candidate has touched on Taiwan, by far the most contentious issue in US-China ties. Does silence mean support for the one-China policy?

There is no doubt that Asia - particularly the huge US trade imbalance with China - will figure in the presidential race.

Candidates can neither afford to ignore a Democrat-controlled Congress in a protectionist mood, nor can they brush aside the anger and frustration of Americans who are losing jobs to cheaper workers in China, India and Vietnam.

Domestic politics will ensure that Asia remains on the radar screen of the candidates in this presidential race.