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**CHINA'S FOREIGN POLICY
IN THE MID-1990s**

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China's Foreign Policy in the Mid-1990s*

I. Introduction

Significant changes took place in the international system in 1989 when China's foreign relations, especially those with the Western world, suffered severe setbacks in the aftermath of the Tiananmen Incident. Despite the purge of Zhao Ziyang and his supporters, who were accused of advocating "Complete Westernization", the Chinese leadership declared in the communique of the fourth plenum of the Thirteenth Central Committee of the Chinese Communist Party (CCP) released on June 24, 1989 that the policies of reform and opening to the outside world "will continue to be steadfastly carried out as before" and that China "will never go back to the old closed-door path".¹

* In November 1995, I visited the Chinese Academy of Social Sciences, Beijing University, the Central Party School, the China Institute for International Strategic Studies as well as the Shanghai Institute of International Studies. I held extensive discussions with over 50 academics and research workers on Chinese foreign policy. To facilitate exchange of ideas, they will not be quoted directly. Instead, their views will be summarized and presented as those of the Chinese research community on China's foreign policy.

The communique of the fourth plenum also reaffirmed that China's independent, self-reliant and peaceful foreign policy would not change, and China would, on the basis of the Five Principles of Peaceful Co-existence, continue to develop friendly relations with other countries.² The Chinese leadership appeared to be just as eager to attract foreign investment, too. The authorities concerned were more willing to concede to reach agreements because they felt their bargaining position had been weakened. The official mass media, too, continued to churn out success stories of foreign business ventures in China.

main

The CCP Political Bureau made the following three observations on the world situation after the Tiananmen Incident : (a) the Party Central Committee had not changed its basic views on the global situation, the trends of detente between East and West had not changed, and likewise the triangular relationship among the U.S., the Soviet Union, and China; (b) China would continue to improve relations with the Soviet Union and the Eastern European countries, but this improvement in relations could not surpass China's relations with the U.S., Japan and the Western countries; (c) China in the past had been too close to the West and the rich countries, and had neglected the Third World and the old friends in Africa. China therefore should strive to resume and develop relations with these old friends.³ Like the rest of the world, the Chinese leaders had not anticipated the significant changes that ended the Cold War and completely altered the international balance.

In the following two to three years, Germany reunified; the former East European satellites of the Soviet Union abandoned socialism and opted for independence; and, finally, the Soviet Union disintegrated. These developments, plus the impressive victory of the Western countries in the Gulf War, seemed to indicate that the U.S. had become the sole superpower in the world. There was a view in China in these years that as the remaining major socialist country, China would become the next main target for the "peaceful evolution" strategy of the West. Reports in the Western media about the Pope and the Reagan administration supporting Solidarity in Poland in the past obviously lent support to such a view. One of the notable proponents of this view was He Xin, a researcher of the Chinese Academy of Social Sciences and member of the Chinese People's Political Consultative Conference. In an article entitled "The Gulf War and China", he warned that after the Gulf War, the U.S. planned to shift its forces eastward to dominate Japan and China and establish an Asian-Pacific empire.⁴

Further, after the Tiananmen Incident, the demise of socialism in the Soviet Union and Eastern Europe, the collapse of the Communist regimes in these countries, and the general trend of abandoning socialism and opting for capitalism in the Third World all exacerbated the sense of insecurity among Chinese leaders. They had to be given credit for not responding to the domestic and international turmoil by resorting to radical or isolationist strategies. Under the guidance of Deng Xiaoping, the Chinese leaders refused to assume leadership of the international communist movement and take up the responsibility of the former Soviet Union. They were very critical of the attempts by the United States and, to a lesser extent, by other Western countries to impose their systems and values on other countries, but they consistently pursued their efforts of improving relations with the West

after the Tiananmen Incident. They did not abandon their open-door policy and revert to a policy of isolation and autarky.

Instead, Chinese leaders adopted a pragmatic and realistic approach to foreign relations. They wanted to maintain a peaceful international environment to concentrate on China's modernization. They considered that international competition in the coming decades would be on the basis of "comprehensive national power", and that China had wasted much precious time already. In the first place, China would have to make sure that its economic, scientific and technological gap with the advanced Western countries should be narrowing, and not widening. In terms of per capita GNP, China would like to catch up with the NIEs in East Asia too. Further, China had to maintain a respectable growth rate in order to compete with the ASEAN countries such as Thailand, Malaysia and Indonesia. Finally, if the East European countries were successful in their economic reforms, they could make good use of their economic and technological base and could experience an impressive economic take-off.⁵

The breakup of the Soviet Union implied the disappearance of the strategic triangle. In strategic terms, this meant that China could no longer exploit the differences between the two superpowers and play one off against the other. Thus, China's strategic value, in the eyes of the Western countries, would be much depreciated when compared with that in the late 1970s, when Soviet military power reached its peak. Hence the Western countries would be less inhibited in criticizing and exerting pressures on China regarding issues ranging from weapons proliferation to trade, human rights, etc. Such criticisms and pressures were worsened by the fact that the newly-independent republics of the former Soviet Union all

turned to the West for aid and guidance, and that the Western media's perceptions of China were turned one hundred and eighty degrees by the Tiananmen Incident.

In contrast to the 1970s and the early 1980s, Chinese leaders did not advocate for the broadest possible united front against the United States. They also did not identify the principal contradiction in current international relations. Analyses in the official mass media, however, tended to predict that the contradictions among the U.S., the European Union and Japan would be sharpening. Economic competition among the single European market, the North American market created by the North American Free Trade Agreement and a potential East Asian economic bloc would likely replace the military confrontation between NATO and the Warsaw Pact. Such analyses and commentaries also highlighted the differences in strategic interests between the U.S. and the Western European powers, those between the U.S. and Japan, and those among the major Western European countries. Chinese leaders probably appreciated that it would only be futile to appeal to the Western European countries and Japan to form a united front against the U.S. Their common interests still outweighed their contradictions, though the latter would reduce the U.S.'s capacity to dominate the world.

The Chinese leadership's world view continued to consider that Washington's strategic focus would remain in Europe and its flank, the Middle East. Though the U.S. emerged as the only superpower in the world after the Gulf War, it would not have the resources to play a more significant role in the Asia-Pacific region.⁶ The U.S. would also be handicapped by domestic problems which generated demands to reduce resources for its foreign policy. Chinese leaders also believed that the end of the Cold War would enhance instability and facilitated the re-emergence of various territorial disputes, ethnic contradictions and religious conflicts.

Some of these troubles would have an adverse impact on China, too, such as the demonstration effects of the rise of ethnic-nationalism and Islamic fundamentalism in the newly-independent Central Asian republics on the national minorities in Xinjiang and Inner Mongolia.

By 1992-93, Chinese leaders became more relaxed with both the domestic and international front. Deng Xiaoping toured southern China in early 1992 to generate new impetus for further reforms and opening to the outside world. Chinese leaders appreciated that the legitimacy of the communist regime would depend on its ability to deliver the goods. This would be the most important guarantee against a repetition of what had happened in Eastern Europe and the Soviet Union. In contrast to their counterparts in these countries, Chinese leaders' concentrated on economic reforms first and were able to significantly improve the people's living standards. Hence they were able to restore political stability soon after the Tiananmen Incident. Three years after the incident, in view of the developments in the former Soviet Union and Eastern Europe, most intellectuals in China were ready to accept the crackdown on the pro-democracy movement in the summer of 1989, though they obviously believed that it was gravely wrong to resort to the use of tanks and machine-guns. They were willing to admit that there would be no substitute for the communist regime. It seemed that a vast majority of the people accepted the status quo, for they had an interest at stake to avoid the chaos and turmoil that had emerged in Eastern Europe and the former Soviet Union.

Deng himself realized that history would be harsh on his role in the Tiananmen Incident, and he became impatient with the austerity programme and the balanced approach to economic development adopted after the political crackdown in 1989. While he rejected political

reforms which would erode the CCP's authority and control, he intended to further push China down the road of market economy. Economic reforms indeed rapidly picked up momentum after Deng's southern tour, and foreign investors were impressed by the fact that China regained its momentum for market transformation so soon after the Tiananmen crackdown. Apparently the Western media were willing to grant Deng a vote of confidence. The Financial Times of London named Deng "Man of the Year" for 1992, and it noted that in that year, "the flowering of Chinese capitalism that he fostered became irreversible".⁷

China's foreign relations were back in full swing too. The Chinese government worked hard at building or restoring its perceived rightful place in the world, and Chinese leaders should be satisfied with their achievements by 1993 or so.⁸ They were then in a better position to re-define their world view. With the disintegration of the Soviet Union and the fading away of bipolarity, Chinese leaders believed that a new pattern of international relations was in the process of emerging. By implication, the present power configuration of "one superpower, a number of major powers" was only transitional. This stage of evolution, however, might last for ten years and more. Unlike in the 1970s and 1980s, the Chinese leaders' authoritative statements on foreign policy did not comment on the danger of a world war. Silence on this topic might be construed as treating this as a non-pressing issue. Instead, in their view, China should concentrate on the intermediate and long-term competition in building "comprehensive national power", and it should not allow itself to fall behind in this fierce competition. At the same time, the view that China had become the major target of the U.S.'s "peaceful evolution" strategy was largely discredited, though it appeared to have secured the endorsement of Chinese leaders in mid-1991. Chinese leaders then were highly critical of the Bush administration's statements and efforts to spread the Western systems of liberal

democracy and market economy throughout the world. This position was seen to be reflecting the new arrogance and self-confidence of the U.S. as the only superpower in the world. Obviously, if the Bush administration was serious in imposing Western values on other countries, China would be a major target. While there had been considerable emphasis in the Chinese analyses on the sharpening contradictions among the U.S., Western Europe and Japan in 1991-92, this was toned down in the following years. As Chinese leaders felt more secure, there was no need to give prominent coverage to the contradictions among potential enemies. Arguably there were even more troubles in the European Union in recent years than in 1991-92, but much fewer commentaries on the difficulties in the Franco-German relationship, the squabblings between the United Kingdom and other European Union members, etc., appeared in the official media.

Chinese military leaders were very concerned with the evolving strategies and capabilities of the American conventional forces. They noted that the U.S. military planned to enhance its capability so that it could handle two regional conflicts simultaneously instead of one and a half.¹⁰ The Western countries' attempt to re-define the role of NATO, to strengthen the military role of the Western European Union and to rely more on international organizations such as the United Nations for peacekeeping operations were all closely monitored. As the People's Liberation Army (PLA) leaders discounted the threat of a world war or nuclear war, they found the maintenance of a forward military presence on the part of the U.S. in the Asia-Pacific region a potential menace. In November 1991, U.S. Secretary of State James Baker visited Beijing, and offered reassurances to the Chinese leadership. This paved the way for considerable improvement in Sino-American relations after the Tiananmen Incident.

Chinese and American leaders both adopted a pragmatic view to adjust their bilateral relationship in the more settled post-Cold War environment.

While Europe was in turmoil after the disintegration of the Soviet Union and Yugoslavia, the Asia-Pacific region was relatively peaceful. For China, the most significant military threat, from the former Soviet Union, had been much reduced. Tensions along China's frontiers, including the Cambodian conflict, the Afghanistan civil war, the confrontation in the Korean Peninsula, the Sino-Indian border disputes and the impasse between the two sides of the Taiwan Strait, had been eased considerably. In the early 1990s, the restoration of diplomatic ties with Indonesia was followed by the establishment of diplomatic relations with Singapore, Israel and South Korea. Emperor Akihito of Japan visited China in 1992. Hence, in terms of military security, China perhaps enjoyed a better position in the early 1990s than at any time since 1949.

HR policy

General
Main
Security

At the same time, economic contradictions among the U.S., the European Union and Japan were sharpening. They recognized China as an important market with great potential, and China believed it would benefit from this competition. Apparently neither the Bush administration nor the Clinton administration could focus on China after the collapse of the Soviet Union, problems in Europe and the Middle East seemed to remain Washington's strategic focal points. The American government had certainly been handicapped by domestic issues and lack of resources in assuming a significant role in the Asian-Pacific region. The economic difficulties and decline in living standards continued in the former Soviet Union and Eastern Europe in the early 1990s. This enhanced the acceptance of the

PLM

Chinese Communist regime by the Chinese people, and further reduced the significance of the Russian threat.

In sum, in the mid-1990s, the Chinese leadership considered that it had pursued a correct foreign policy line. China had recovered from the setback caused by the domestic turmoil in 1989, and it had adjusted well to the evolving post-Cold War international environment. Meanwhile, the economy continued to achieve respectable growth rates. The Chinese Academy of Social Sciences indicated that China would become the world's third largest economic power by 2010.¹¹ Its gross domestic product (GDP) was expected to grow at an average annual rate of 9% between 1995 and 2000; and the average annual growth rate would not be lower than 7.5% between 2001 and 2010.

II. Continuities in Chinese Foreign-Policy

Given the success of Chinese foreign policy in the first half of the 1990s, continuity will likely be maintained in the foreseeable future. The Chinese leadership will still work hard to secure a peaceful international environment to promote economic development. It believes that the danger for a world war or wars among major powers involving China will be relatively insignificant, and international competition will mainly be that of "comprehensive national power". This means that economic diplomacy will occupy a prominent role; and it will involve the following aspects. In the first place, development of good political relationships is considered essential to the guarantee and promotion of foreign economic relations. Second, an important objective of China's diplomacy is to protect its economic interests, and to remove the obstacles in its foreign economic relations. Third, China will rely

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Econ diplomacy
Eco.
Main Policy

more on economic means to realize its foreign policy objectives. Finally, diplomatic work will increasingly include bilateral and multilateral economic co-operation. China not only wants to maintain a peaceful international environment, it wants to create a favourable environment in support of its economic modernization.¹²

Chinese leaders have a realistic assessment of the country's economic potential. While they normally express considerable optimism concerning China's economic outlook, they are aware of China's weaknesses. They do not want to play up various forecasts that China will become the leading economic power some time in the next century. Obviously, in per capita terms, China's GDP in the foreseeable future will remain at the level of a developing country. China is still receiving aid from the developed countries and wants to continue to enjoy trade and other privileges as a developing country. Further, Chinese leaders intend to avoid encouraging any talk of a "China threat".

In the mid-1990s, foreign policy analysts in China consider that the trend towards multipolarity remains unchanged. In fact, it is probably progressing even more rapidly. They note in particular that Germany's international status has been improving and that the relationship between Russia and the U.S. has cooled somewhat. The leftist forces in Russia have to some extent recovered their strength, and conflicts between Moscow and Washington, D.C. have increased. It seems that co-operation and competition will characterize this bilateral relationship in the future. While the political situation in Russia appears to be stabilizing, Chinese analysts believe that the contradictions and crises cannot be resolved in a fundamental manner in the near future. According to their observations, the Clinton administration has failed to come up with an effective strategy for the post-Cold War era; and

its attempts to guide a new Pacific community, too, have encountered much resistance. In sum, Chinese foreign policy experts consider that the global configuration of “one superpower, several major powers” is moving towards multipolarity, and they welcome such developments.¹³

In the aftermath of the Tiananmen Incident, Deng Xiaoping released a number of guidelines for Chinese foreign policy. It appears that these guidelines are still respected by Chinese leaders, and they are often quoted by Chinese foreign policy researchers in the official think-tanks. In a talk with leading members of the Party Central Committee on September 4, 1989, Deng stated : “In short, my views about the international situation can be summed up in three sentences. First, we should observe the situation coolly. Second, we should hold our ground. Third, we should act calmly. Don’t be impatient, it is no good to be impatient.”¹⁴ Earlier in the talk, Deng had explained what he meant by “hold our ground”. He said: “If, while these countries (Eastern Europe and the Soviet Union) are in turmoil, China doubles its GNP in real terms for the second time, according to plan, that will be a success for socialism. If we have basically realized modernization by the middle of the next century, we shall have further reason to say that socialism has succeeded. Of course we should not boast.”¹⁵

Deng recommended caution and a low profile too. He said: “Of course, that will put the developed countries all the more on guard against us. Notwithstanding, we should maintain friendly exchanges with them. We should keep them as friends but also have a clear understanding of what they are doing. We should not criticize or condemn other countries without good reason or go to extremes in our words and deeds”.¹⁶ Later, in another talk with leading members of the Party Central Committee, Deng further stated : “Some developing

countries would like China to become the leader of the Third World. But we absolutely cannot do that. This is one of our basic state policies. We can't afford to do it and, besides, we aren't strong enough. There is nothing to be gained by playing that role; we would only lose most of our initiative."¹⁷

Similarly, China had no intention of assuming leadership of the socialist camp after the abandonment of Marxism - Leninism by Mikhail Gorbachev and the break-up of the Soviet Union. Though Deng played a crucial role in the polemics between the two communist parties in the early 1960s, he took a very different position in 1990. Deng commented on March 3, 1990 : "Whatever changes take place in the Soviet Union, we should steadily expand relations with it, including political relations, on the basis of the Five Principles of Peaceful Co-existence and refrain from arguing over ideological differences".¹⁸ This was in accord with the Chinese foreign policy line since 1982 not to define a bilateral relationship in terms of ideology.

Main Policy

Presumably the Chinese leadership today can also endorse another statement by Deng in the same talk. Deng said : "As for the two great issues of peace and development, the first has not yet been resolved, and the second is even more pressing than before".¹⁹ Since the early 1980s, and especially after 1989, China has been trying to improve its relations with its neighbours to secure a peaceful environment for economic development. Deng's self-restraint certainly facilitated a rapprochement with Russia soon after the coup in August 1991, during which the Chinese leaders adopted a highly ambiguous stand. Boris Yeltsin visited China in December 1992; and in the joint statement issued, both countries declared that they would develop good-neighbourly, friendly relations of mutual benefit and co-

Neighbour Policy

operation on the basis of the United Nations Charter and the Five Principles of Peaceful Co-existence.

During President Jiang Zemin's visit to Moscow in September 1994, China and Russia concluded an agreement to settle the disputes concerning the Western part of their border, and declared that they would not aim their strategic nuclear weapons against each other.²⁰

Jiang Zemin again visited Russia in May 1995 for the celebration of the victory of the war against Fascism. By then, both countries claimed that they had reached agreement on 99% of their 4334-km common border. They would not engage in confrontation, nor would they form an alliance, and their relationship would not be directed against any third country.

This pattern of relationship would last into the next century.²¹ The Chinese Premier, Li Peng, also visited Moscow in June 1995,²² and Boris Yeltsin is expected to return to Beijing in the spring of 1996.

When the Soviet Union disintegrated at the end of 1991, the Chinese government promptly recognized the Russian Federation and the other eleven republics. Diplomatic relations with them were established rapidly. The Chinese government actively cultivated good relations with these countries and offered them government loans and commodity credits. Leaders from these countries were invited to visit China and, in 1992-93, there were top leaders from these countries visiting Beijing almost monthly.²³ In 1994, Premier Li Peng visited Uzbekistan, Turkmenistan, Kyrgyzstan, Kazakhstan and Mongolia. During the visit, he enunciated the four major principles governing China's relations with the central Asian republics. They were: to maintain good-neighbourly relations and peaceful co-existence; to promote equality and mutually beneficial co-operation in pursuit of common prosperity; to respect the sovereignty and independence of the peoples of Central Asia through a policy of non-interference in their internal affairs; and to seek and preserve stability in the region.²⁴

Russia

Border
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ECO

Main Policy

Friendly relations and expanding economic ties with these central Asian neighbours will help China contain the troubles from the national minorities in the provinces and autonomous regions in the Northwest. Negotiations at the expert level have been going on between China on one side and Russia, Kazakhstan, Kyrgyzstan and Tajikistan on the other on the reduction of military forces along the border region and confidence-building measures. By July 1995, sixteen rounds of talks had been completed, and considerable progress had been made.²⁵

Border
(P. 1st.)

Following the departure of Soviet troops in 1992, Mongolia has not been a military menace to China. The threat has been of a different nature : its demonstration effect on Inner Mongolia and Tibet as a newly democratized country right on China's doorstep. When Premier Li Peng visited Mongolia in April 1994, he stated that he "respected Mongolia's choice of its own development course". He also denied asking the Mongolian government not to support a pro-democratic movement in Inner Mongolia.²⁶ To demonstrate its independence, the Dalai Lama was allowed to visit Mongolia in September 1994, and the Mongolian foreign minister, Tserenpiliyn Gombosuren, protested against Chinese nuclear tests in his address to the United Nations General Assembly in the following month. Apparently the Chinese leaders are willing to tolerate such gestures now that Mongolia is outside the Russian orbit.

Border

China's relations with India began to normalize in the second half of the 1970s when they resumed the exchange of ambassadors. At the end of 1981, the two countries initiated negotiations at the vice-foreign minister level to resolve their outstanding issues. The breakthrough finally came when the late Indian Prime Minister Rajiv Gandhi visited China in 1988. The visit was reciprocated by that of Premier Li Peng in 1991. Sino-Indian relations received a major boost from the disintegration of the Soviet Union. The latter could no

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FLO.
Military

longer supply India with armaments and economic assistance. India also lost its strategic value in the post-Cold War era and wanted to introduce market reforms. When the Indian Prime Minister P.V.N. Rao visited Beijing in September 1993, the two countries were able to conclude an agreement on the maintenance of peace and tranquillity along the line of de facto control at the border. A joint working group had been formed to tackle the border issue after Rajiv Gandhi's visit, and various confidence-building measures had been agreed upon. These included scheduled meetings of military personnel on both sides of the border, a "hot-line" between the military commanders of both sides, mutual notification of military activities on the respective sides of the line of de facto control, etc. Meanwhile, border trade and trade expanded.²⁷ It is not expected that the border issue can be resolved in the foreseeable future, but the two countries believe that they increasingly share common views on the establishment of a new international political and economic order, and that there is considerable scope for further expansion of trade and economic co-operation.

The end of the civil war in Cambodia and the normalization of relations with Vietnam represented another achievement on the part of China to improve relations with its neighbours in recent years. Since the late 1980s, China had used its status as a permanent member of the United Nations Security Council to push for peaceful negotiations among the four parties in the Cambodian civil war. After the five permanent members of the Security Council had reached agreement in August 1990 on the framework documents concerning the settlement in Cambodia, China then stopped aid to its allies in Cambodia. In July 1991, the four Cambodian parties met in Beijing for a working meeting of the Supreme National Council. The Supreme National Council delegates were also received by Premier Li Peng. The Chinese vice-foreign minister Xu Dunxin, met his Vietnamese counterpart, Nguyen Duy Nien

in the book
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TECO

in Beijing in the following month; then in September, the Vietnamese foreign minister, Nguyen Manh Cam, travelled to Beijing for further talks with the Chinese foreign minister, Qian Qichen. Their discussions facilitated the peace agreement concluded in Paris in October 1991.²⁸

The Cambodian settlement paved the way for the resumption of full diplomatic relations between China and Vietnam in the same year. Premier Li Peng visited Hanoi in December 1992, at the end of which Li stated, "we have much more common points than disputes".²⁹ Negotiations between Beijing and Hanoi were held on disputes over their common 1,130-km land border, and some progress was achieved.³⁰

Since the 1970s, China has been able to maintain friendly ties with the Association of Southeast Asian Nations (ASEAN) and Japan. Though they are not without problems, the peaceful relationships with rapidly expanding economic exchanges has been a key component in China's strategy of securing a peaceful international environment in support of its modernization. China's relations with Pakistan and Burma have been improving, too. Finally, China managed to establish diplomatic relations with South Korea in September 1992 without too much alienating North Korea. It had taken more than two years for Beijing to follow Moscow's lead. China now supports a dialogue between the two Koreas and attempts to reduce tension in the Korean peninsula.³¹ The Tumen Delta development project, sponsored by the United Nations Development Programme, involves not only China and South Korea, but also North Korea, Japan, Russia and Mongolia.

There is no reason to doubt that the post-Deng leadership will continue to value peace along China's borders and co-operation in the Asia-Pacific region. In the middle of this decade, Chinese leaders still consider that the general trend is towards detente, though regional conflicts and contradictions may well escalate. It is therefore more important to maintain peace in the Asia-Pacific region which continues to contribute to the region's spectacular economic growth. Troubles in other parts of the world will keep the U.S. and the other Western powers occupied, and will only enhance the relative weight of the Asia-Pacific region in the international community. China welcomes multipolarity and the decline of the remaining superpower.

III. The Impact of the Leadership Succession

It appears then that the third generation of leaders have no major incentive to re-define the foreign policy line. They are interested in securing and maintaining a peaceful international environment for China's economic development. Their legitimacy will depend on their ability "to deliver the goods", i.e., to improve the living standards of the people when expectations are rising. Political stability, the leadership's most important concern in the initial years of the post-Deng era, depends on economic growth. Good relations with China's neighbours would also help to contain the problems of national minorities in the border autonomous regions of Xinjiang, Inner Mongolia and Tibet. Border

A number of new factors, however, have emerged in the mid-1990s which will likely lead to adjustments in China's foreign policy in the second half of the decade and beyond. In the

first place, the leadership succession in China will probably coincide with those in some key Western countries. Voters in the U.S. will elect a new President at the end of 1996 and President Bill Clinton's re-election is far from assured. The Republican-dominated Congress will challenge the Clinton administration's China policy. Taipei will find more room for maneuver in its lobbying efforts in the U.S. Congress, which will likely attack China's policy towards Hong Kong too. Jacques Chirac just replaced Francois Mitterrand as the French President. The British, German and Australian governments will have to call for elections in one or two years and they all face up-hill battles to stay in power. The political situation in Japan will remain unstable for some time.

Such a scenario reduces the probability for breakthroughs in China's relations with these important Western countries. Their China policies will become more controversial. The Western media will also be more critical of the Chinese government, as doubts grow about China's stability. At the same time, Taipei's chance of securing diplomatic victories will be correspondingly enhanced, as evidenced by President Lee Teng-hui's visit to Cornell University in June 1995, followed by informal visits of Premier Lien Chan to Austria, Hungary and the Czech Republic.³² Changes of governments in the Western countries will create opportunities for discussions of their China and Taiwan policies as well as explorations of various options available. At this juncture, Beijing's stand will likely be inflexible, because in the leadership succession process concessions and flexibility on the Taiwan issue will attract strong attacks from one's political enemies.

In the eyes of the present Chinese leadership and its successors, the Western powers, especially the U.S., will likely exploit the leadership succession crisis in Beijing to exert

pressure on China regarding issues ranging from trade deficits and nuclear-weapon proliferation to human rights. A weak and unstable leadership will find it difficult to withstand the pressure pragmatically. Conflict will easily escalate when competing leaders tend to appeal to nationalism and patriotism to mobilize domestic support. There is even a view that the third generation leaders in the leadership succession process might seek to exploit external conflicts to maintain domestic solidarity or to shift the people's attention away from domestic problems and economic difficulties.

Taiwan

The Sino-American disputes over the Taiwan question symbolized by Lee Teng-hui's U.S. visit will have long-term repercussions on the bilateral relationship. It was reported that Jiang Zemin had been forced to make a self-criticism before the Central Military Commission for failing to stand up to the U.S.³³ Even the recall of the Chinese ambassador to Washington, D.C., Li Daoyu, was not considered adequate by the People's Liberation Army and the hard-line Party elders.³⁴ The missile tests near Taiwan held in late July 1995, however, helped to reverse the political fortune of Jiang.³⁵ The missile tests were a successful deterrent against the independence movement in Taiwan in the short term, but they will further alienate the people of Taiwan from Mainland China. The missile tests also vividly demonstrated that the third generation Chinese leaders cannot afford to be flexible on the Taiwan issue. A hard-line stand, on the other hand, is often essential to enlist the support of the military and the Party elders, two most significant allies in the competition for succession.

The People's Liberation Army apparently adopts a hard-line position on foreign policy. In recent years, the military has been advocating a strong stand on Sino-American relations and issues ranging from human rights and nuclear-weapon proliferation to Sino-British quarrels

on Hong Kong. It has criticized the Chinese foreign ministry for making too many concessions. On the question of leadership succession, the military leaders will have significant influence. They appreciate that Bonapartism would not be acceptable, and would be willing to settle for a king-maker's role. They will likely press for the satisfaction of the military's demands for more funds and more advanced equipment.

Regarding defence spending as shown in the budgets, the military has not done well since 1980. Defence spending in absolute terms increased by 33% in 1979, mainly because of the war with Vietnam, then it fell by 13% in 1980 and 1981 respectively. The increases from 1982 to 1988 were very modest : 5% in 1982, 0.44% in 1983, 2% in 1984, 6% in 1985, 4.8% in 1986, 4.4% in 1987 and 4% in 1988. Between 1989 and 1994, the increases were more substantial: 15.4% in 1989 and 1990 respectively, 13.8% in 1991, 14.4% in 1992, 12.7% in 1993 and 29.3% in 1994. As a percentage of gross national product, however, defence spending steadily declined, from 5.6% in 1979 to less than 1.3% in 1994.³⁶ Further, a considerable portion of the increases in defence funding had gone to improve the remuneration for military personnel. One estimate indicated that over 35% of the defence budget was spent on personnel, and less than 27% on the procurement of equipment.³⁷ This is not to deny that there is a hidden defence budget in China, especially in view of the Chinese leadership's desire for civil-military integration, including the use of dual-purpose infrastructure and organization of supply networks which depend on civilian resources.³⁸

It was not surprising that, under such circumstances, the People's Liberation Army would like a stable, if not increasing, share of the country's gross national product. At the second session of the Eighth National People's Congress in March 1994, 104 deputies from the

military articulated this demand in the form of a signed proposal.³⁹ It has been speculated that the military has been pushing for a strong stand on the Taiwan issue and Sino-American relations in the recent years exactly because it wants increased funding for its modernization. The leadership succession process offers an excellent opportunity for the military because the third generation leaders lack the status to contain its demand. They are probably eager to please the military too, or at least they are reluctant to antagonize such a powerful interest group.

If the military gets its way, it will cause serious concern among China's neighbours, who are worried that China's rapid economic growth will be translated into expanding military strength. China's flexing its muscles in the South China Sea has been a case in point. In 1984, the then commander of the Chinese navy, Liu Huaqing, stated in an interview that the navy's main goal was to assert China's sovereignty over its maritime resources, and that to protect these resources China had to develop and modernize its navy.⁴⁰ The Chinese navy obviously used the need to strengthen China's power projection capability over the South China Sea to support its demand for enhanced budgetary funding, just like the People's Liberation Army as a whole exploited the Taiwan issue and deteriorating Sino-American relations. The Philippine military, too, made good use of the Mischief Reef incident in early 1995 to secure its Congress's approval of its budget. It has committed itself to a US\$2 billion modernization programme over the next five years.⁴¹

The Chinese People's Liberation Army has been playing a typical bureaucratic game of securing more resources for itself. Its success will likely contribute to an escalation of military spending in the region. There is, however, no immediate cause for alarm. For

example, Chinese leaders have been exercising considerable self-restraint in the acquisition of an aircraft carrier. They well understand that while it is relatively cheap to buy an aircraft carrier from the former Soviet Union, fully equipping a carrier task force is very costly. Further, while ASEAN's military expenditure went up in recent years, amounting to US\$12.7 billion in 1994, this to some extent reflected the general prosperity of ASEAN and the availability of funds. The biggest arms buyer among ASEAN was Thailand; it was not involved in the Spratly Islands dispute nor did it perceive China as a serious military threat. The other big spenders were Malaysia and Singapore, and they too did not feel seriously threatened by China militarily. Above all, the political uncertainty in Japan and the economic difficulties in Russia and the other former Soviet republics mean that they would not participate in an arms race in the near future. It is not in China's interest to provoke them to do so.

Chinese leaders handled the Mischief Reef incident with care and restraint. They certainly wanted to retain their Southeast Asian neighbours' benefit of the doubt. But economic considerations had provided new impetus for China's expansion of its power projection over the South China Sea, beyond the Paracels and into the Spratlys. By the late 1980s, it was clear that China would soon become a net oil importer; in 1992, it became a reality.⁴³ The scramble for oil and gas exploration in the South China Sea by Vietnam and other ASEAN countries reflected the value of the area as well as the potential for conflict. Among China's strategic planners, there is a strong view that China has to develop and use the oceans in order to survive, given China's huge population and the rapid depletion of its relatively poor land-based resource endowment.

Another source of worry for China's neighbours has been its military co-operation with Burma. The Indonesian military believes that China's access to Burmese bases would pose a threat to the Straits of Malacca. India, on the other hand, has been concerned with Chinese assistance in building a deep-water port at Hainggyi Island, at the mouth of the Irrawaddy River. The Indian military suspects that the facility may be used by Chinese submarines on extended voyages to the Indian Ocean. It was also reported that China had been involved in building an intelligence base on Great Coco Island in the Bay of Bengal. The facilities would be deployed to monitor shipping and communications in the Malacca Straits and the Indian Ocean, as well as Indian missile tests across the Bay of Bengal. Li Peng's visit to Burma in December 1994, the first such high-level visit since 1981, highlighted the close military ties between the two countries.⁴⁴

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The leadership succession process has affected the Chinese strategic thinking in another important way. The informal visit of Lee Teng-hui to the U.S. has much reinforced the Chinese leadership's suspicion of the U.S. On the surface, both governments appreciate the importance of the bilateral relationship. They would like to maintain high-level contacts to avoid misunderstandings and especially an escalation of tension between the two countries. They are aware of the unfavourable factors in each other's domestic political scene, namely, the leadership succession complications in Beijing, the enhanced political influence of the military and its demands, etc. on the part of China, and the challenge of the Clinton administration's China policy from a Republican-dominated Congress, the changing perception of the American public against China, etc. on the part of the U.S. Chinese leaders in recent years have a much better understanding of the checks-and-balances system in the U.S., too. Hence, by late August, 1995, the Chinese side could state that "the U.S. side had

fully realized the importance and sensitivity of the question of Taiwan to U.S.-China relations".⁴⁵ In the 1990s, Chinese leaders have been following Deng Xiaoping's guideline that China should avoid a confrontation with the U.S. and improve bilateral co-operation.

In the Chinese leadership's world view, however, many *conspiracy* theories are gaining credibility. Such conspiracy theories are broadly shared by foreign policy researchers and intellectuals, too. The first theory is that the Western countries in general, and the U.S. in particular, do not believe that the Chinese leadership succession process will be smooth, and they intend to take advantage of China's troubles ahead. Lee Teng-hui's informal visit has been interpreted in this context. The U.S. and the Western countries would like to use the Taiwan issue to exert pressure on China. Their commitment to a one-China policy has been shaken, and they want to keep their options open in anticipation of China's leadership succession problems. This line of thinking has its historical roots. Back in the 1960s, Chinese leaders considered that the U.S. supported the Kuomintang regime in Taiwan to exert pressure on China, and that it cultivated the Taiwan independence movement to exert pressure on the Kuomintang regime. Related to this conspiracy theory is the strong sense of insecurity and suspicion among Chinese leaders concerning the Western countries "peaceful evolution" strategy against China.

A "peaceful evolution" strategy implies basic hostility towards the Chinese Communist regime. While this theme had been down-played since 1992, it re-emerged in different forms *(China threat)* in 1995 or slightly earlier. The Chinese leaders are worried that forecasts of China's economic growth and reports on China's military modernization and naval expansion would be developed into hypotheses of China being a threat or future threat to the peace and stability

of the Asia-Pacific region and even of the world.⁴⁶ The Chinese occupation of Mischief Reef in the Spratly Islands and the strong protest by the Philippines in early 1995 triggered much discussion of China as a threat. Chinese leaders fear that such perception of the Chinese threat would offer support to the renewal of a strategy to "contain" China. The deterioration of Sino-American relations in mid-1995 and the establishment of formal diplomatic relations between the U.S. and Vietnam similarly generated speculation of a "containment" strategy against China initiated by the U.S. and supported by Japan, ASEAN and Vietnam. Articles in popular tabloids and academic journals in China reporting such a "containment" strategy often also argued against further experiments with political and economic liberalization, as well as closer co-operation with those countries involved in the "containment" strategy.⁴⁷

Obviously such perceptions of the U.S. and China's Asian neighbours have strategic as well as domestic political overtones. The latter may well be exploited by factions of the Chinese leadership in the leadership succession struggles. In view of the bankruptcy of the appeal of socialism and the moral authority of the Party, the third generation leaders often appeal to nationalism and patriotism. It is significant to note that in a recent survey by Zhongguo Qingnian Bao of 100,000 young people in their twenties, 57.2% of the respondents chose the U.S. as the country to which they had least goodwill, and 87.1% considered the U.S. the country most unfriendly to China. Incidentally, 96.6% of the respondents still felt angry about Japan's invasion of China.⁴⁸ Chinese people had very good impressions of the U.S. after China's opening to the outside world. Apparently, like the media in the West, there had been a reversal of such impressions. Official propaganda and the conspiracy theories discussed above were important factors causing this reversal.

In terms of foreign policy, these suspicions of the Western countries have reinforced the emergence of the "strategic triangle" in the strategic thinking of the Chinese leaders, as well as attempts to exploit the contradictions among Western countries. In recent years, China acquired considerable military hardware from Russia. During Boris Yeltsin's trip to Beijing, in December 1992, he stated that China had bought US\$1.8 billion of arms from Russia, including twenty-six Su-27 fighter aircraft and ten IL-76 heavy transport planes. China also purchased four batteries of S-300 high altitude surface-to-air missiles. Since then, it was reported that China had secured two to four Kilo-class conventional submarines and another batch of twenty-four Su-27s.⁴⁹ In mid-1995, when Sino-American relations deteriorated, the Chinese government was preparing for the second visit of Boris Yeltsin; and the author's interviews of Chinese foreign policy researchers and Russian diplomats in Hong Kong indicated that both countries expected their military co-operation to advance further because of the difficulties in Sino-American relations. It has also been typical for Chinese leaders to reward Western countries with lucrative contracts in return for their sympathetic stand towards China on issues ranging from Taiwan to human rights, and to deny such contracts to those which have adopted a critical and unfriendly position towards China. Such foreign policy strategies and tactics are commonplace in international relations, but the Chinese leadership must not allow suspicions of the West to compromise its general objective of securing a peaceful international environment for modernization. Sharpening contradictions between the U.S. and Japan, for example, are certainly not conducive to peace and stability in the Asia-Pacific region.

IV Conclusion : Towards a Long-term, Rational Foreign Policy

In striving for a peaceful international environment to realize China's modernization programme, the Chinese leaders pursued what they called an independent foreign policy of peace since about 1982-83.⁵⁰ It was well summarized by Premier Zhao Ziyang's ten principles, in his report on the Seventh Five-Year Plan (1986-90) to the Fourth Session of the Sixth National People's Congress on March 25, 1986.⁵¹ Premier Zhao reaffirmed China's position of never establishing an alliance or a strategic relationship with any big power, and that China's relations with various countries would not be determined by their social systems and ideologies. Zhao also stated that China's position on various international issues would be guided by the criteria of defending world peace, developing relations of friendship and co-operation among various countries and promoting international prosperity. Despite the Tiananmen Incident and the leadership succession complications, there is no reason to believe that these principles will be abandoned in the future.

Since 1978, economic reforms and opening to the outside world have brought China an average annual growth rate of about 9%. Chinese leaders expect that such a growth rate will be maintained in the near future and will only decline a little as the economy matures. China needs a peaceful international environment, and it will try its best to secure such an environment in the foreseeable future. Despite various forecasts of China being the largest economy in the world by 2015 to 2035,⁵² China's per capita GDP will remain at the level of a developing country for many decades. After all, China's population is nine times that of Japan. Even when the Chinese economy becomes the largest in the world, there is no basis to speculate that it will re-define its foreign policy in a significant way. The third generation

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leaders and their successors will be hard-pressed by the people to continue to improve their living standards irrespective of the progress of political reforms. The legitimacy of the Chinese Communist regime will depend on its ability to deliver the goods, and Chinese leaders are acutely aware of this. The most optimistic assessment is that, in terms of living standards of the people, China will need at least another century to catch up with the developed countries.

China, like Japan, sees itself as a beneficiary of the status quo. It will drastically expand its military force only when it experiences a sharp deterioration of the international environment.

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That is why it is important for Chinese leaders to convince China's neighbours of its peaceful intentions, so as to avoid an arms race due to mutual perceptions of military threat. China

moved quickly to defuse the Spratlys dispute when the Mischief Reef incident caught the Asia-Pacific region's attention. In the ASEAN meeting in Brunei in August 1995, the Chinese foreign minister, Qian Qichen, stated for the first time that Beijing would abide by international law in sovereignty discussions with the claimants.⁵³ President Jiang Zemin further wrote to President Fidel Ramos to guarantee that China would be determined to revolve its dispute with the Philippines over the Spratlys in a peaceful manner.⁵⁴ In return,

President Ramos granted pardon to the sixty-two Chinese fishermen who had been jailed for six months for poaching in the disputed Spratly Islands.⁵⁵ Striving for a peaceful international environment certainly involves establishing friendly relations with one's neighbours and avoiding conflicts with them. This has probably been China's most important foreign policy objective since 1982-83, and it has been achieving satisfactory results in the 1990s. This means advancing China's national interest by force or the threat of force would be very costly. By 1993, 55% of China's foreign trade was with East and Southeast Asia.⁵⁶

China has succeeded in normalizing and improving relations with Russia and India despite the border conflicts. It can certainly do so with ASEAN, especially in view of ASEAN's importance to China. The Chinese leadership has to be more pro-active though, so as to dispel the speculation that China has expansionist schemes in line with its naval buildup, and that its policy on the resolution of territorial disputes with its neighbours will change once it has achieved the necessary power-projection capability. There are now ample channels to strengthen mutual trust and engage in confidence-building. After its first formal meeting in Bangkok in July 1994, the ASEAN Regional Forum has certainly demonstrated its importance as a regional security forum.

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In the field of arms control and disarmament, China's declaration neither to be the first to use nuclear weapons, nor to use them against non-nuclear countries has won considerable support in the Third World. The same applies to its endorsement of the Latin American nuclear-weapon-free zone and other similar proposals. But its two nuclear tests in May and August 1995 attracted many protests. China has said that it will ^{halt} all nuclear tests after the international Comprehensive Test Ban Treaty has been signed, possibly in 1996. It was reported that China had told Japan it would conduct two more underground nuclear tests before the Treaty. The Chinese gesture was likely aimed at seeking Japan's understanding and persuading Japan not to cut its low-interest yen loan package for China.⁵⁷ Such a position reflects a lack of sensitivity to international public opinion, and probably the strengthening clout of the Chinese military.

To reciprocate China's efforts to re-assure the international community of its intentions for peace and development, the Western countries must seek to avoid exerting unnecessary pressure on China during its leadership succession process. Constructive engagement must involve concrete measures to demonstrate that the Western world has no intention to take advantage of China's domestic problems, including the Taiwan issue; nor to "contain" China and deny it of the support and access needed for its modernization programme. Given the historical factor, it is very easy for Chinese leaders and the Chinese people to feel that the Western world and Japan fear competition from China, and do not want China to become a strong and wealthy country. In a recent statement on its China policy, the European Union stressed the introduction of China into the mainstream of international economics and politics and the avoidance of isolating the country.⁵⁸ Hopefully, the statement will be followed by concrete acts, and an example will be set for the U.S. and Japan.

In sum, China's long-term interests and objectives are clear. Since the early 1980s, China has been pursuing a successful modernization diplomacy. Chinese leaders had adjusted to the difficulties created by the Tiananmen Incident and to the major changes of the post-Cold War power configuration. Now come the challenges of the leadership succession process. Suspicions of Western countries, inflexibility on the part of the third generation leaders due to the power competition, the increasing influence of the military, etc. may create problems, but so far there have been no signs of a major re-definition of the foreign policy line.

China has not only accepted the existing international organizations, such as the United Nations, World Bank, International Monetary Fund, etc., which it previously considered to be tools of Western imperialist powers, it further expects them to play a more significant role

and intends to articulate and promote its interests through them. It is now the recipient of most loans from the World Bank, US\$22.4 billion by the end of June 1995. It anticipates another US\$9 billion in the coming three years.⁵⁹ However, it has been shying away from active leadership in these organizations. In the first place, it considers itself a major power and a developing country, and it has no intention of leading the Third World. Second, it still suffers from a lack of seasoned diplomats and international civil servants. It must overcome these handicaps in order to assume an appropriate role in international affairs. This eventually will improve China's image and erode its suspicions of the West.

Finally, China must soon come up with a coherent regional policy, given its recognition of the increasing significance of economic regionalism and regional trading blocs. In 1991, China became a dialogue partner of ASEAN, a member of the Asian Pacific Economic Co-operation, and expressed support for the Malaysian proposal for an East Asian Economic Caucus excluding the U.S.⁶⁰ Directions for an institutional framework strengthening economic co-operation among East and Southeast Asian countries are still very fluid, but they will have an important impact on the roles of the U.S. and Japan in the region. China cannot afford to be left out in shaping this institutional framework, but its position is yet unclear. This is certainly an area where the third generation leadership can leave its mark.

Notes

- 1 For the text of the communique, see Beijing Review, Vol.32, No.27, July 3-9, 1989, pp.9-10.
- 2 See Note 1. The Five Principles of Peaceful Co-existence are: respect for each other's sovereignty and territorial integrity, non-interference in each other's domestic affairs, mutual non-aggression, equality and mutual benefit, and peaceful co-existence.
- 3 See Lo Bing, "The Big Disaster in Chinese Communist Diplomacy", Cheng Ming (a Chinese-language monthly in Hong Kong), October 1989, p.8.
- 4 The article was reportedly published on January 22, 1991 in Internal Reference and circulated among Political Bureau members of the CCP. See South China Morning Post (an English newspaper in Hong Kong), February 27, 1991; see also Bonnie Glaser, "China's Security Perceptions - Interests and Ambitions", Asian Survey, Vol.xxx111, No.3, March 1993, pp.259-260.
- 5 See Chen Qimao, "New Approaches in China's Foreign Policy", ibid., pp.240-241.
- 6 Ibid., pp.239-240.
- 7 South China Morning Post, December 30, 1992.
- 8 See Gerald Chan, Chapter 8 "Foreign Policy", in Joseph Y S Cheng and Maurice Brosseau (eds.), China Review 1993, Hong Kong : The Chinese University Press, 1993, pp.8.1 - 8.16.
- 9 See Bonnie Glaser, loc. cit., p.260.
- 10 See Zhang Yijun, "Adjustment of US Military Strategy As Seen From New Annual Defense Report", International Strategic Studies (published by the China Institute for International Strategic Studies), No.32, May 1994, pp.5-9.
- 11 South China Morning Post, July 6, 1995.
- 12 See, for example, Le Chen, " 'Xin Zhongguo Duiwai Guanxi Huigu Yu Zhanwang' Xueshu Yantaohui Zongshu (Summary of the Academic Seminar on 'Review and Prospects of New China's Foreign Relations') ", Journal of Foreign Affairs College, No.37, December 25, 1994, pp.7-8.
- 13 See, for example, Tang Lan and Wang Jing, "Jinnian Yilai De Shijie Xingshi - Zuotan Zhaiyao (The World Situation Since This Year - Excerpts of a Discussion)", Xiandai Guoji Guanxi (Contemporary International Relations), No.9, September 1994, p.2.

- 14 Deng Xiaoping, "With Stable Policies of Reform And Opening To The Outside World, China Can Have Great Hopes For the Future", Selected Works of Deng Xiaoping, Vol.III (1982-1992), Beijing : Foreign Languages Press, 1994, p.311.
- 15 Ibid., p.310.
- 16 Ibid.
- 17 Deng Xiaoping, "Seize The Opportunity To Develop The Economy", Selected Works of Deng Xiaoping, Volume III (1982-1992), op. cit., p.350.
- 18 Deng Xiaoping, "The International Situation And Economic Problems", Selected Works of Deng Xiaoping, Volume III (1982-1992), op. cit., p.341.
- 19 Ibid.
- 20 See Qu Xing, "Shilun Dongou Jubian he Sulian Jieti hou de Zhongguo Duiwai Zhengce (Discussion of China's Foreign Policy Since the Radical Changes in Eastern Europe and the Disintegration of the Soviet Union)", Journal of Foreign Affairs College, No.37, December 25, 1994, pp.20-21.
- 21 Qian Qichen, "Shizhong Buyu de Fengxing Duli Zhizhu de Heping Waijiao Zhengce (Forever Implementing a Peaceful Foreign Policy of Independence and Self-reliance)", Qishi Zhazhi (Seeking Truth), No.12, June 1995, p.5.
- 22 South China Morning Post, June 27, 1995 and Ming Pao (a Chinese newspaper in Hong Kong), June 29, 1995.
- 23 Qu Xing, loc. cit., p.21.
- 24 Qian Qichen, op. cit.
- 25 Ming Pao, July 7, 1995.
- 26 Bertil Lintner, "Mongols Fear Hordes", Far Eastern Economic Review, Vol.158, No.20, May 18, 1995, p.30.
- 27 See Zheng Ruixiang, "Xin Xingshi xia de Zhongyin Guanxi (Sino-Indian Relations Under the New Situation)", Guoji Wenti Yanjiu (International Issues Research), No.4, 1993, pp.4-7 and Wang Hongyu, "Zhongyin Guanxi de Gaishan he Fazhan Qianjing (Improvement and Development Prospects of Sino-Indian Relations)", Guoji Guancha (International Observations), No.2, 1994, pp.7-10.
- 28 See Qu Xing, op. cit., p.22.
- 29 Renmin Ribao, December 1-3, 1992.

- 30 Philippe Agret, "Hanoi Beats the Drum to Solve Tense Border Disputes", Eastern Express, (an English newspaper in Hong Kong), October 25, 1994.
- 31 See Zhao Quansheng, "China's Foreign Relations in the Asia-Pacific Region : Modernization, Nationalism and Regionalism", in Lo Chi-kin, Suzanne Pepper and Tsui Kai-yuen (eds.), China Review 1995, Hong Kong : The Chinese University Press, 1995, pp.8.8 - 8.10.
- 32 For Beijing's immediate response to President Lee Teng-hui's informal visit to the U.S., see South China Morning Post, May 24, 1995.
- 33 Ibid., July 27, 1995.
- 34 Ibid., June 17, 1995.
- 35 Ibid., July 27, 1995.
- 36 See Ng Ka Po, "China Defence Budgeting : Structure and Dynamics", in Lo Chi Kin, Suzanne Pepper and Tsui Kai Yuen (eds.), op. cit., p.9.24.
- 37 Chen Bingfu, "Zhongguo Guoqu Shinian Guofangfei Jingji Fenxi (An Economic Analysis of China's Defence Expenditure in the Past Ten Years)" Jingji Yanjiu (Economic Research), No.6, 1990, p.81.
- 38 See Ng Ka Po, op. cit., pp.9.15 - 9.19.
- 39 Jiefangjun Bao, March 17, 1994.
- 40 Nayan Chanda, "Power Game", Far Eastern Economic Review Asia 1995 Yearbook, p.21.
- 41 Tony Clifton and Marites Vitug, "Ready to Fight, Inclined to Talk", Newsweek, July 17, 1995, p.12.
- 42 Ibid.
- 43 Nayan Chanda, op. cit., p.22.
- 44 See Zhao Quansheng, op. cit., p. 8.16 and Nayan Chanda, op. cit., pp.23-24.
- 45 See, for example, statements by the Chinese foreign ministry spokesman, Chen Jian; South China Morning Post, September 1, 1995.
- 46 See, for example, statements by the Chinese foreign minister, Qian Qichen; Ming Pao, September 1, 1995.
- 47 Lincoln Kaye, "The Next Generation", Far Eastern Economic Review, Vol.158, No.35, August 31, 1995, p.36.

- 48 See Wang Xiyou, Beijing Dangan (Beijing Files), The Nineties (a Chinese magazine in Hong Kong), No.308, September 1995, p.81.
- 49 "Power Game", Far Eastern Economic Review Asia 1994 Yearbook, p.22.
- 50 See the author's "The Evolution of China's Foreign Policy in the Post-Mao Era : From Anti-Hegemony to Modernization Diplomacy", in his edited work China: Modernization in the 1980s, Hong Kong : The Chinese University Press, 1989, pp.161-201.
- 51 For the text of the report, see Ta Kung Pao (a Chinese newspaper in Hong Kong), April 14, 1986.
- 52 Lin Yifu, Cai Fang and Li Zhou, Zhongguo de Qiji (China's Miracle), Hong Kong : The Chinese University Press, 1995, pp.7-9.
- 53 South China Morning Post, August 3, 1995.
- 54 Hong Kong Economic Journal (a Chinese newspaper in Hong Kong), August 12, 1995.
- 55 South China Morning Post, August 26, 1995.
- 56 See Zhao Quansheng, op. cit., pp.8.4 - 8.5.
- 57 South China Morning Post, August 26 and 31, 1995.
- 58 Ming Pao, July 7, 1995.
- 59 Hong Kong Economic Journal, September 2, 1995.
- 60 See Michael Yahuda, "Deng Xiaoping : The Statesman", The China Quarterly, No.135, September 1993, pp.565 - 566.

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