



U.S.-China and East Asia Relations

by
Fidel V. Ramos

A Pacific Forum CSIS L.W. "Bill" and Jean Lane
Lecture in Diplomacy

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Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, D.C. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

Lane Lecture in Diplomacy

The Ambassador L.W. 'Bill' and Jean Lane Lecture in Diplomacy honors the contributions and accomplishments of long-time Pacific Forum CSIS supporter and Board of Governors member Ambassador Bill Lane and his lovely wife, Jean. Bill Lane is former U.S. Ambassador to Australia and



Nauru (1985-1989) and former Ambassador at Large and Commissioner General, Japan (1975-1976). A member of the *TIME Magazine* Board of Directors, he served for many years as publisher and chairman of *SUNSET Magazine*. His association with Asia dates back to World War II, when he served in and around the Philippines as a U.S. Navy gunnery officer aboard a troop ship. His interest in East Asia continues to this day. He founded the Pacific Area Travel Association and is a Pacific Basin Economic Council Trustee.

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Acknowledgments

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Opinions expressed are solely those of the author and not necessarily those of the Pacific Forum CSIS, or any other organization or institution.

Foreword and Executive Summary

by Ralph A. Cossa

On May 12, 2006, the Honorable Fidel V. Ramos, former president of the Republic of the Philippines, gave the inaugural “Ambassador L.W. ‘Bill’ and Jean Lane Lecture in Diplomacy” in Washington DC, hosted by the Pacific Forum CSIS. He called for the creation of a “Pax Asia Pacifica” as a logical successor to the Pax Americana that has provided peace and stability in East Asia for decades. This Pax Asia Pacifica is not aimed at replacing the U.S. role in East Asia, but in building upon it while recognizing the geopolitical realities of a rising China, a more self-confident and involved Japan, and an emerging India, not to mention Washington’s growing commitments worldwide as it leads the global war against terrorism.

The Lane Lecture in Diplomacy honors the contributions, both to the Pacific Forum but more importantly to the United States and beyond, of Ambassador Bill Lane, who is himself no stranger to diplomacy, having served as U.S. Ambassador to Australia and Nauru (1985-1989) and former Ambassador at Large and Commissioner General, Japan (1975-1976). A long-time member of the Pacific Forum CSIS Board of Governors, Bill Lane is also a member of the *TIME* Magazine Board of Directors and served for many years as publisher and chairman of *SUNSET* Magazine. His association with Southeast Asia dates back to World War II, when he served in combat in and around the Philippines as a U.S. Navy gunnery officer aboard a troop ship. His interest in East Asia continues to this day. He founded the Pacific Area Travel Association and is a Pacific Basin Economic Council Trustee.

During this “Lane Lecture in Diplomacy,” President Ramos focused on China’s “peaceful rise,” noting that the rise seems inevitable, but the peaceful part depends first and foremost on the leadership in Beijing, and then on the ability of the United States and China’s neighbors to effectively manage and adjust to China’s re-emergence on the global leadership scene. He argued that the most important strategic decision Washington will make in the next decade is neither about Iraq nor Iran nor North Korea, but about China . . . and similarly, the most important strategic decision that Beijing will make in the next decade is how to relate to the United States.

Cooperation, not confrontation, is the preferred route. But this will require skilled diplomacy, especially in the management of the ongoing race for energy resources. He called on Washington and Beijing to find new areas of cooperation, while also calling on the Philippines to exploit new opportunities in the search for alternative energy resources in partnership with both China and the U.S.

While President Ramos focused on China and the need for closer Sino-U.S. cooperation, he addressed a wide range of issues during a freewheeling question and answer session, highlighted by his direct, candid answers to even the most sensitive of questions, something rarely seen inside the Washington beltway.

He is a firm supporter of the emerging East Asia community which he believes should not only be based upon “one vision, one identity, one community,” as called for by the ASEAN Experts and Eminent Persons Group – he serves as the Philippine representative to this informal advisory body – but also to “one union,” to be defined over time. He also argued that it was the ASEAN Plus Three network (involving China, Japan, and South Korea) that is the “basic mechanism” upon which this sense of community will be built, not the Asia Pacific Economic Cooperation (APEC) forum or any of the other established and emerging East Asia and Asia Pacific multilateral forums. As far as regional economic cooperation is concerned, it is ASEAN Plus China that is the primary driver.

President Ramos also supported deeper U.S. involvement in the East Asia Summit (EAS), which will hold its second meeting this coming December in the Philippines, applauding the grouping’s inclusivity, involving the ASEAN Plus Three nations plus Australia, New Zealand, India, and even Russia. Should Washington accede to the ASEAN Treaty of Amity and Cooperation and join the EAS? In a word, “yes!”

He also sees a need for Japan to play a more responsible role in the region as part of his Pax Asia Pacifica vision. Ramos expressed concern over growing tensions between Beijing and Tokyo, calling on both to focus on the future, not the past. It is time to “put World War II in the background,” he asserted. While the interests of the so-called “comfort women” who suffered at the hands of the Japanese during World War II should not be neglected, the countries of East Asia should remember that Japan has been “our best ally” in terms of official development assistance consistently over the years. The Boao Forum, which Ramos chairs, is another vehicle for promoting greater cooperation among China, Japan, and all the other nations of East Asia.

Turning to Philippine domestic developments, President Ramos reminded the audience of his long-time support for charter change and serious consideration of a parliamentary system that would be more responsive and readily accountable to the needs of the people. It would also help to better train and prepare the next generation of leaders. “Why should we risk another People Power Revolution?” he asked, asserting “as an old soldier, I am the first one that would say never again.” He also recounted, in very personal terms, how he dealt with the insurgency problem in the southern Philippines during his tenure as president. Today’s leaders in Manila would be well-served by carefully reading these insights, focused on addressing the basic needs of the people.

In watching President Ramos relate to his audience – he stayed on after the speech was over, to shake hands and pose for pictures with every single Filipino and Philippine-American in the audience (and there were many) – it is easy to understand why many today wish he would run again for president. Absent that, today’s leadership, in Manila, in Washington and Beijing, and in the other East Asia capitals, would benefit greatly by listening to the wise counsel contained in this *Issues & Insights* volume.

U.S.-China and East Asia Relations

by Fidel V. Ramos

I would like to speak today about China, the U.S., and the Asia Pacific, in light of the recent visit of President Hu Jintao to the U.S. on April 19-23, highlighted by his summit meeting with President George W. Bush here in Washington, D.C.

The summit was accompanied by a lot of advance publicity, creating great expectations on both sides of the Pacific. It was, according to *Newsweek*, going to be a war of wills, a war of the heavyweights, a war of the icons.

And according to U.S. analysts, the main issues were supposed to be: first, peace and security with human rights in the forefront because in the opinion of the U.S. public, human rights must not be trampled upon under the label of fighting terrorism through crackdowns on peaceful expressions of religious, cultural, or ethnic groups or unlawful detentions; second, financial issues, especially the floating of the yuan and correcting the great U.S./China trade imbalance; and third, according again to the U.S. media, advancing freedoms which may come under threat because of China's state-of-the-art censorship and surveillance put in place principally by foreign companies (ironically including also U.S. companies).

On the part of the Chinese, quoting Beijing's Minister of Foreign Affairs' spokesman, the Taiwan question will be the most important and the most sensitive core issue in the discussions between Mr. Hu Jintao and Mr. Bush during the state visit. And also likely to be taken up would be, still quoting China sources, trade, intellectual property, and currency issues.

I am often in China for the sake of pursuing the interests of our Ramos Peace and Development Foundation which is nongovernmental, non-staff, nonprofit, non-political, and nonpartisan, but just serves as I think CSIS and the Pacific Forum do, as a Track 2 mechanism to support government and people since government cannot do everything all by itself.

From my encounters in China, especially as Chairman of the Boao Forum for Asia – which was founded by 26 Asian countries but includes the whole world in terms of intellectual exchange, and – is also nongovernmental and non-political – China claims to be actively pursuing balanced and harmonious development domestically while it promotes peaceful cooperation and opens up its economy to the world.

As repeatedly pointed out by President Hu Jintao himself and Premier Wen Jiabao – and both have been our main speakers at the Boao Forum for Asia – looking at the last four years, China's pursuit of peaceful development is determined by China's national conditions which are rooted in China's history, tradition, and culture. This is highlighted

by China's huge population spread out over a vast country of which only one-third, believe it or not, is arable.

In keeping with global trends in development, as China has grown in strength, this has resulted in creating more opportunities for China's neighbors and for China's economy as well as the global environment. China's imports from the countries of Southeast Asia have grown by 20 percent as an average over the last five years, looking at year-on-year. China is one of, if not the leader trading partner of each country in Southeast Asia today. And so the question is: when does China surpass the U.S. as the world's first superpower? There are all kinds of speculation, of course, from both sides of the Pacific. But in a conference in Shenzhen last year, the question was raised.

One eminent Chinese professor stopped all the discussion with one comment. He said: "ladies and gentlemen, China has always been the world's first superpower. So you don't have to worry about when it will happen – 2030, 2040, or 2050. We have always been the world's first superpower except during the last 200 years."

That indicated the long-term ambitions of China. That must be carefully monitored and carefully analyzed so that we all, as friends and neighbors, can make the right decisions vis-à-vis China.

At the annual Boao Forum this past April, which I chaired, the Vice President of China was there as our main speaker. This is Vice President Zeng Qinghong.

(President Hu Jintao was invited but could not make it because he was in Washington). Vice President Zeng reiterated China's long-term commitment to Asian intra-regional cooperation and to exploring effective ways to achieve mutual benefit and achieve win-win outcomes for all Asian countries.

The mantra that is mentioned by all of China's leaders now is peaceful rise. The rise, I think, is a given. The peaceful, which looks that way at this point, must be monitored and evaluated by all in accordance with each country's national interests very, very carefully.

Vice President Zeng also said that the 11th National Economic and Social Development Plan (NESDP) of China recently approved at their 10th National Congress envisions the pursuit of a scientific outlook on development and the building of a harmonious society that will advance the interests of all social groups in China in a balanced way for the mutual benefit and common development of Asia and the rest of the world.

That harmonious development comes up very often in the statements of China's leaders these days. Maybe that is because there are now a growing number of protests in China over jobs, land, rights-of-way, the environment, etc.

Not too long ago the Chief of the National Police of China reported to us in the Boao Forum that they recorded some 90,000 protests during the year 2004. Big or small, maybe not as big as the ones in Manila, which are big enough. That's what he said and we were all surprised that there was such an admission.

But *Time* and *Newsweek* magazines are now reporting the protests of farmers and women in Quandong Province over the price of land being bought by government for infrastructure development. Or just non-compensation for this and that as well as pollution issues.

Anyway, Vice President Zeng identified three points of harmonious engagement that he wanted us to remember, in order to promote common and sustainable development in East Asia. First, he said, deepen mutually beneficial cooperation to promote common and sustainable development. Well, you know, that's an old song.

Second, uphold harmonious co-existence with respect and protection for the diversity of our cultures in the region and around the world. Again, this is a very familiar statement.

And third, continue to be inclusive and open to the whole world. So there is not much that is new here, with due respect to Vice President Zeng. But he did end it by saying that as an ancient Chinese saying goes, and I quote him, "The ocean is vast and deep because it admits all rivers."

What about China and the U.S.? As I said, the annual conference in the Boao Forum for Asia on Hainan Island, coincided with the state visit of President Hu Jintao to the U.S. three weeks ago.

Maybe some of you have been to Boao but to describe that more accurately and graphically, in Boao – because it is at the same latitude as Honolulu, and Pangasinan Province in the Philippines where I come from – the dress code is casual, informal, and minimal, because we are on a 25-mile long beach with all kinds of recreational facilities, two 18-hole five-star golf courses, tennis courts, etc., unlike some other world forums where the venue is on top of the Alps during the wintertime.

One has to be either an Eskimo or a polar bear, to appreciate those meetings and conferences because you are always fighting for your own survival. It is just too cold up there. I won't mention any names, but I'm pushing our forum so please come next year.

We do, by the way, seven or eight side conferences on various issues: supply chain management, COO forums, energy, environment, education, culture, and lately the terrorism situation.

Anyway, here in the U.S., to quote Dr. Fareed Zakaria, senior *Newsweek* editor, the most strategic decision Washington will make in the next decade is not about Iraq nor

Iran nor North Korea. But it will be about China. And similarly, the most strategic decision that Beijing will make in the next decade is how to relate to the United States.

The question of China's so-called peaceful rise, as I said, has engaged experts from both sides of the Pacific, including ours. And there are those, especially here in the U.S., who argue that confrontation is inevitable between China and the U.S. and that with the U.S. is trying hard to contain China.

They conclude that China must, therefore, build up its position in Asia and the world to respond from a position of strength. In this regard, President Hu Jintao mounted a charm offensive in the U.S. by ordering 80 *Boeing 737* airliners worth \$4.6 billion, courting Bill Gates' Microsoft for closer partnership in information technology in China, and kissing babies in Seattle, a U.S. and Philippine campaign gimmick.

On balance, cooperation, not confrontation, is preferred. And I think this is also the preferred mode here in the U.S.

Many of us, including many Americans, admire China for her economic success and commend Beijing for producing what can only be called an economic miracle. In fact, U.S. Deputy Secretary of State Robert Zoellick claims "It is still American policy to support a strong and growing China but it is also one that pushes Beijing to use its growing power in beneficial ways so that China becomes a responsible stakeholder in the international system."

Other analysts note that China and the U.S. have together agreed on a so-called resilient web of common interests that will act to constrain their strategic competition. There are lessons of history that will prevent any recklessness from either side in this nuclear age.

In the meantime, China and the U.S. are feverishly engaged in a race to explore for gas and oil, in research for alternative means of energy, as well as doubling up existing and foreseeable research of energy in various parts of the world. And what probably irritates the U.S. – this is just my personal opinion – most in this regard is China's aggressiveness in courting countries that are not so good looking to the West, such as Iran and Sudan, which are big oil producers.

On his way to the U.S., President Hu Jintao visited Saudi Arabia, Nigeria, Morocco, and Kenya, which proves this conclusion.

For its part, the Philippines should exploit new opportunities in the search for alternative energy resources in partnership both with China and the U.S. In fact, this is already ongoing.

In the case of China, the oil/gas exploration is being jointly done with Vietnam, China, and the Philippines in the disputed Spratly Islands.

Only a short time ago, China didn't want any other country in there to explore for gas and oil. You might even say that China is moderating.

Now what are the implications of this for the Philippines? For me it is politically wise and economically beneficial to the Philippines to adhere closely to the so-called "one China" policy while reserving the right of the Philippines to engage Iran on a strictly economic, commercial, and cultural partnership.

In regard to the United States, Philippine policies continue to maintain constructive networking and partnership, especially in defense, security, including anti-terrorism, and trade issues on the basis of existing treaties and agreements.

And toward all, the Philippines must reach out in more creative ways beyond the migration of overseas workers, and work higher up to the professional level. It will be people-to-people engagements on the part of the Philippines at that higher professional level that will work so well for us, especially in education, business, finance, engineering, and other services. This could gain many advantages for the Philippines in the next 10 years.

But first of all, our elected leaders in Congress and in Malacañang, and our courts should put the Philippine house in order so that ordinary Filipinos can benefit more and more from our God-given natural resources and strategic geo-political position. Our most urgent problem in the Philippines is still the widening gap between the rich and the poor – aggravated by incessant political wrangling, unmitigated corruption, and the lack of united resolve on the part of our elected leaders in Malacañang and in Congress to move the Philippines fast forward.

Thank you!

Question and Answer Session

QUESTION: As a member of the ASEAN Eminent Persons Group, what are your views on the emerging East Asia Community?

PRESIDENT RAMOS: The Eminent Persons group in ASEAN is really Eminent Persons who represent themselves, one per country. We don't represent the government. And our mandate from the leaders, meaning the incumbents, as a decision from their last summit in Kuala last December, is to review all of the major agreements in action over the last 38 years and then put out the broad guidelines in terms of principles, values, objectives, institutions, conflict resolution, et cetera.

And they came out with a battle cry, so to speak, at that summit which is one vision, one identity, one community. But for myself, I said one community is not enough because if you look at the global environment, we must make sure that we also have

some political unity of some kind. Without trying to copy the EU or the U.S., I said we must add one more goal to that battle cry of ours suggested by the leaders. It should be one vision, one identity, one community, one union, but to be defined over time.

And so that is how it stands now. In our third meeting in Bali three weeks ago, the middle of April, the one union was tentatively agreed to by the other EPGs. But, of course, subject to review by experts and eventually the leaders. The important thing about the ASEAN Charter is really to establish the original and legal identity of ASEAN which, right now, is an organization created in Bangkok 39 years ago on the basis of dialogue or consultation. But the consensus is not quite that any more where members have to abide by the rules. And that is the nature of the 21st century economy or even political relationship. That's the way it is in the United Nations now.

And so we have tried to develop or discover mechanisms to enforce the rules that will be coming out from this ASEAN Charter eventually as well as to compel obedience or compliance from among member states who do not obey the rules. But we're now, as EPGs, yet in the process of constructing and consulting. Our next meeting is the end of June in Singapore. We hope to submit our broad guidelines proposals at the leader summit in Cebu in mid-December this year. And from there on, the details will be worked out by the experts.

Meanwhile, it is the ASEAN Plus Three network involving China, Japan, and South Korea that is the basic mechanism of ASEAN toward the other countries in East Asia, not APEC. It is not EAS (the East Asia Summit), in which there are so many players last December: Russia, New Zealand, Australia, and India. But all of ASEAN agreed it will be the ASEAN Plus Three format that will be the basis for the expansion of this initial economic group. And then hopefully political cooperation network.

The primary driver right now is ASEAN Plus China. The next Plus One is Japan. And hopefully, in time, a unified Korea – North and South together without the nuclear weapons threats. And very clearly, India wants to come in as ASEAN Plus Four. And that is also being worked out. And since ASEAN already has 512 million committed people by itself, it is making headway in East Asia. And if we can put ASEAN Plus One Plus One Plus One Plus One, then we will have an economic player consisting of Asia and Asia Pacific nations to include Australia and New Zealand that is actually as strong, if not more so, than other players of the global economy. And there is the EU with 25 countries and what President Bush calls the Grand Alliance of the Americas established in Montreal in the year 2003 putting together NAFTA, AFTA, and all the other organizations in South America.

QUESTION. Could give us your sense of how Asia is viewing the United States' presence in the region. There is a lot of debate, some of it partisan, to be frank, in this country, some not, about whether the United States is seen as withdrawing, that we are focused on the Middle East, we're focused on our problems at home, drawing down troops in Korea, transferring troops to the Middle East, restructuring in Japan.

Meanwhile, everywhere you go, China is active on the diplomatic front, lots of Chinese initiatives, its leaders take the kind of trips you referred to. The United States, on the other hand, does not show up or makes brief trips. A lot of people saying Asia is hedging its bets, looking to China as the future, looking at the United States as a declining power. It would be very useful for us to get a neutral, nonpartisan view how you think Asia is viewing the U.S. presence in the region.

PRESIDENT RAMOS: I'm glad to be seen as neutral. I have analyzed the situation and I put it in an article in the *Far Eastern Economic Review* looking at this subject about a year ago. In regard to the security umbrella over Asia and the Pacific, right now as it has been in Europe, it is the U.S. military presence that has guaranteed the peace, security, and stability of our Asia Pacific region since World War II. And in spite of insurgencies here and there, and big wars during that period, it is the U.S. military presence that has guaranteed that we did not all try to destroy each other. And this is what is called in our region Pax Americana, the peace guaranteed by the force of military and diplomatic influence coming from the U.S.

In this article I speak of, I'm saying that at this time that the nations in the Asia Pacific, including the U.S. and Canada as Pacific powers, and also Australia and New Zealand, need to consider the need for a new kind of security umbrella for the Asia Pacific, what I would like to call Pax Asia Pacifica, which does not exclude the U.S. If you look at the realities globally, the U.S. is heavily committed in Iraq. Plus there is higher, greater demand here in the U.S., for disaster relief, as well as for homeland security: the need for discovering, accosting, interdicting, and preventing al-Qaeda from threatening or attacking your country.

So, it is time that we got everybody together and put the cards on the table, say to everybody else, hey, let's all share in providing for our common security here in the Asia Pacific. ASEAN should be seen as one block since, as a group, it is very capable. You take the individual countries like the Philippines, our defense capability is, well, I'll describe it by saying just minimal. Just enough. But looking at Singapore, Malaysia, Japan, with the biggest defense budget outside of China in our region, but not yet fully exercised, we could have a new security network governing us similar to the old SEATO of the early '50s, Southeast Asia Treaty Organization.

At that time, the common enemy was Communism. It was during the height of the Cold War. This time it is international terrorism that is the common enemy because any outbreak anywhere – Indonesia, Manila – will effect the whole region, especially in terms of the economy. And therefore, in the end, it will be the poor people that will be hurt the most.

QUESTION. In the last few years, Senator Emmantal and others have recommended that the Philippines change its constitution to more a federal system. And I was wondering if you believe that a federal system would bring more economic and political stability to the Philippines?

PRESIDENT RAMOS: The big debate in the Philippines now is about charter change. Looking at the recent past, it has been very hard for the last three years, even before the elections of 2004. But it is really not that new as an issue. I campaigned on charter change back in late 1991 and 1992. And that was supported by the so-called parliamentary block of congressman, due to the need, as I saw myself, to have decisions made faster in terms of legislative reforms. And I could see this happen faster in the parliamentary system. Less expense on the part of candidates running for high national offices so that they will not have to be voted upon by the entire electorate.

Twenty years ago, the electorate numbered 36 million people in a population of almost 70 million. And now that electorate is about 42 million in a population of 85 million. And so for a senator or vice president or even president campaigning, countrywide, with 42 million voters expecting to shake your hand, expecting to be given a sandwich or to be given a hotdog and a copy of their picture, or at least to be patted on the back, is just too much physically and financially as well as time-wise on the part of any candidate for national office. In fact, since our 24 senators are elected countrywide – not by state, not by district, all of them think they should be the next president or vice president once they win except one. And that person has a higher ambition. And that is to become the Pope. But, you know, that's another story.

But you see the relationship immediately between the incumbent president and a senator would be one of competition and confrontation most of the time instead of teamwork and synergy. So this is one reason for the parliamentary. The other one is the leadership in legislative and executive functions that takes place in the parliamentary system. We need to train more young leaders to be there at the very top, to run government, to run departments and ministers. But that opportunity is not really available to an ordinary young man with certain ambitions even if he is very bright and very capable because of the cost of running for national level elections.

But running within a district or a constituency will give that person the opportunity to go all the way to the top. Now, as you know, in the parliamentary system, you are elected for the first time as an MP. And maybe you are made also an assistant bureau chief in the post office. But then next time you move up higher in another ministry and so forth and so on. So what did I see in London in 1995? I met this fellow by the name of Tony Blair, in his early 40s, waiting and watching for the chance to become the Prime Minister. And sure enough in three years, he was the Prime Minister at the age of 46.

The same was true for John Major, his predecessor. And now the Deputy Minister in the U.K. recently announced the head of the conservative party is a young man of 39 years old by the name of David Cameron. Germany is led by a young lady 51 years old by the name of Angela Merkel. That sort of thing is happening around the world. But, insofar as the Philippine context is concerned, if the government is not performing, is corrupt, or is just plain replaceable, the opposition or those against the incumbent need not invoke the intervention of ground forces in a national police exercise.

Instead, a no-confidence vote in government or about government in parliament will work.

In the case of the Philippines, we have had two narrow escapes already – February '86 and January 2001 in the People Power Revolutions. But why should we risk another one? And we came very close to that at the end of February under the present system that we have. As an old soldier, I am the first one that would say never again.

QUESTION. A major point of contention between the U.S. and China is Japan's emerging security role in the region which you eluded to. And part of that contention is China's accusation that the United States has been silent in addressing China's claim that Japan is not addressing its history, its historical record of the last century. The Philippine government has also been relatively silent about this issue as well. And I know that you and your generation of Filipinos know a lot about this issue. Would you have any advice for the Philippine government and also for U.S. officials in terms of how we should address this issue of how Japan is dealing with its historical record?

PRESIDENT RAMOS. Of course we are not big power brokers in the Philippines but we try hard to get these two heavyweights to team up together for everybody's benefit. We are also saying that we have, as many other countries in South Asia have done, put World War II in the background although we have not neglected the interests of the so-called comfort women who are now in their 80s and 90s who suffered at the hands of the Japanese during World War II. But, Japan is our best ally in terms of our official development assistance consistently over the years. It still is in terms of total support to the countries of Southeast Asia. The U.S. is coming up very strong in that regard; so is China, and so is the EU. And I think if we can get Japan and China to cooperate for the common good and put history in the past, it will be all the better for all countries.

The Boao Forum is in an especially good position to do this sort of thing, to be some kind of referee between the two big Asian powers. Case in point was last year when the thing broke out afresh, looking at about April 2005 because of the visit of Prime Minister Koizumi at the Yasukuni Shrine. And the thing erupted again. In the meantime, the leaders, including those of Japan and China, were in Jakarta celebrating the 50th anniversary of Afro-Asian unity hosted by the Indonesian government. But some of them were scheduled to be speakers in the Boao Forum which was taking place concurrently.

Leaders shuttled back and forth between Jakarta and Boao to express their respective positions. But the majority of the leaders of other countries, third countries, the multinationals including Chinese and Japanese, and Indians, and Americans, plus academic experts were saying that China and Japan should get together already, because you must think of the future. And any sort of war, any violence between the two of you is going to hurt not only you but the rest of the region and the rest of the world because economic interactions, economic growth even might be paralyzed. That is our position.

And I think would relate today economic, cultural, educational, and government empowerment issues for the future.

We can move along quite well in regard to the conflict between those two countries. We have to factor in Korea also in this aspect because Korea is also very aggrieved. And we don't blame them, of course, but so are we. You must remember U.S. military forces have invaded, occupied, and administered only two countries in its history. The most recent is Iraq. But, the first time was the Philippines 105 years ago. And it took you 12 long years to occupy the whole country, including the Muslim south. So even then, you know, let's look to the future.

QUESTION. I'd like to ask you to comment on what strikes me as a major change in attitude among China's neighbors towards China in recent years. You mentioned in your remarks about China's peaceful rise. It seems ten years ago or more China's neighbors were very suspicious and even fearful in China. But today, with the possible exception of Japan, there seems to be willingness to give it the benefit of the doubt. How do you account for this change? Is it purely economic? Or is there more to it than just the economy?

PRESIDENT RAMOS: Well, again, it is a matter of common interest. We need to export from where we are. Southeast Asia is a big exporting region, including high tech products like semiconductors. It's not just bananas and pineapples. The same for Indonesia, the same for Malaysia, the same for Singapore, although in the case of Singapore, it is all high tech products and services. On the part of China, well, they have a growing middle class, growing at the rate of maybe 15 percent a year, who can now save their own hard currency, put up their own savings account, exit from the country without too much documentation, and travel and spend, just like American tourists.

I also think that there is a very strong cultural bond between China and Southeast Asians. Looking at just the Philippines, among the top ten icons in the Philippines are six Filipino-Chinese whose fathers or grandfathers came from very poor regions of China. But as poor boys, they made good in the Philippines. And so it is natural for the descendants, second and third generations who are now Filipino citizens, to go back there and try to invest there, create some business opportunities there. And if that is true for the Philippines, it is even more so for Thailand, Singapore, Malaysia, and Indonesia also.

I think within the next generation, this cooperation will continue in the same way that we hope the cooperation that already exists between the countries on both sides of the Pacific, meaning the U.S., Canada, all the way down to the NAFTA area, and the Philippines especially, and the east side of Asia will also continue. Let's not forget, that before the advent of United Airlines or American Airlines or Pan American or Cathay Pacific or Philippine Airlines, you had only one transportation company working. And it worked for 250 years. This was the one between Manila, port of entry for China, Japan, Southeast Asia, from Manila to Acapulco, looking at the last 16th century up to the mid-19th century, 250 years.

And a lot of good will was generated during that time. And there were some little watering stations along the way on the California coast. Manila was the center of a big Spanish colonial empire in Asia but there were little watering stations in San Francisco, Santa Barbara, Santa Monica, Los Angeles, and San Diego. And that's how they grew because of the Manila-Acapulco galleon trade. And the goods that went that way went on to Europe. First over land from Acapulco to Vera Cruz. From Vera Cruz on the Atlantic side to Madrid, to London, etc. So with this background, there really should be no more wars and confrontations going on. If you only could attend to the common enemy which is international terrorism which is mindless, it does not respect any borders, the international terrorists do not represent any country or community, then I think we would be much better off.

QUESTION. One of your important accomplishments during your administration was to negotiate the agreement with the MNLF. And I would be interested in your thoughts on what needs to be done to address the current security situation in Mindanao and specifically given your experience in the negotiations at the time, what needs to be done to bridge the gap that still remains between the Philippine government and the MILF that I understand has narrowed considerably lately.

PRESIDENT RAMOS. The problem in Mindanao arose out of the breaking of the cease fire that had already been in force between the MILF that lasted for 30 months after it was first established in July 1997. You may recall that I created a government/MILF Peace Panel because the MILF, as a splinter group, did not totally agree with the official accord with the MNLF because they felt left out. Well, they were left out because they were talking about creating an independent Bangsamoro Republic. We couldn't allow that. But the MILF agreed to the expanded economy.

One feature of the peace accord with the MNLF was especially admired by the OIC in that we accommodated, if they were qualified under the law, 7,500 former mujahideens into our armed forces and national police, including a former general who, by the way, became governor of Cebu by election later on. So to me, not just because I was in the forefront of that, it was a very good peace agreement. But to satisfy the MILF, we immediately went into a separate peace agreement. But the cease fire was broken in April 2000. Mr. Estrada ordered an all-out attack on Camp Abubakar thinking that the MILF was growing too big and unmanageable.

But at that stage, let me tell you something which is not written about much, the Chairman of our government panel, retired General Orlando Soriano, former commander of the Southern Command, also concurrently head of National Irrigation, in July 1997 came to me and said, sir, Chairman Hashime Abubakar wants three things from the government. First, water assistance for 5,000 families. So I said well, go ahead. We can use solar power which we had just acquired to activate the pumps to bring up the water. And then you put up the system. You are National Irrigation Commissioner, that is your sector water.

What else? Second, he wants us to irrigate 2,500 hectares or 5,000 acres in Camp Abubakar. So I said can you do it? The general said “Yes, sir. We have the main water coming in in about six months from 15 kilometers away. But we can start digging the secondary panels to distribute the water in the rice fields.” So I told him to go ahead and asked what else?

Third, they wanted us to pave the road from the main highway 15 kilometers into the center of Camp Abubakar. By the way, that is a community, it is not a complex like the Pentagon now. It’s a big, big community, 1,800 hectares big, very big. So I said you mean to tell me that want that old muddy road that only soldiers can traverse to be paved and therefore our artillery, our armor, our tanks even can go in there? Yes, sir, that’s what they want, the general said.

What’s your analysis of this, I asked General Soriano. Sir, they just want to be recognized and be given the credit, he answered. I do not think they want to really become independent. They just want greater autonomy. So I said can you do the road? Can you do the irrigation? Yes, I can do that; that is my job, he said, I have the machinery. It’s just a small road. So I said go ahead. You can have 50 million pesos first year. Take it. And come back to me in three months, report the progress, and you will have the rest of it.

And that’s the way we talked and that cease fire lasted for two years and a half. But in the next administration, well I guess there are reasons for the decision but the result to us is the spreading again of the violence throughout Mindanao instead of just being confined maybe in three or four communities. Well, the authorities were already mopping up because there was a peace agreement. But now there has been a continuous cease fire for the last two years since Malaysia came in as the Chairman of the Committee of the Eight. And so we are seeing that it would work.

QUESTION. My question refers to your preferred approach of dealing with the emerging China in the region. I was just wondering whether you could put more flesh into that idea in terms of specifics, noting that economics can be a double-edged sword in the sense that while it can be a very good form of settling disputes or provoking cooperation, on the one hand, it could also be a means or it could start a friction. And we have seen this as the competition for resources grows, China has reacted in terms of its need for energy, that it could also be a source of friction. Is there a way to make sure that in the future that would not happen?

PRESIDENT RAMOS. I really have answered this briefly early, talking about the other questions. But how do we handle it? Well, be sure you are engaged. Do not isolate China. But be engaged in a productive way that is mutually beneficial. And this is what we have now. Our people are trying to learn Mandarin, trying to attract their tourists, they want our teachers to go there to teach them English, and they want to buy our bananas, etc., etc. There are so many common things going on. So stay with it.

QUESTION. As you know, the Philippines will host the East Asia Summit this December in Cebu. And there is discussion in Washington about whether we missed the boat. And if we did, what sort of a boat it is. Would you counsel the United States to try and join the summit, even if it means signing the Treaty of Amity and Cooperation?

PRESIDENT RAMOS: Yes. For me personally, and I think for the Philippines although I don't speak for the Philippines, the U.S. would be a welcome addition to the EAS because you are there anyway. The U.S. is there in a very big way in terms of the impressions of the U.S. Pacific Fleet, in safe passage, safe navigation. So, there is every reason for the U.S. to be included in the East Asia Summit.

CLOSING COMMENT BY RALPH COSSA: Thank you very much. It is not unusual for people in Washington to ask good, direct questions. It is unusual to get good, direct answers. And we very much appreciate your actually responding to the questions and providing us with a lot of good information.

Let me conclude as I began today's introduction, by thanking Ambassador Bill and Mrs. Jean Lane for making this "Lane Lecture in Diplomacy" possible and by extending my sincere thanks and best wishes, on behalf of the Pacific Forum, CSIS, the Lane family, and all of us gathered here today, to President Ramos, for your insightful remarks and for your past and continued inspirational leadership in promoting greater peace and understanding in East Asia and around the world.

About the Author

The Honorable Fidel V. Ramos is Chairman of the Ramos Peace and Development Foundation. He served as president of the Philippines from 1992 to 1998. He is, in every sense of the word, a true father of Philippine democracy, playing a key role in the restoration of democracy in the 1980's as chief of staff of the Philippine Armed Forces and since then, as a voice of reason and inspiration behind-the-scenes. Today he is a private citizen, but continues to play an important role in preserving and protecting the democratic process during a very turbulent period in domestic Philippine politics. He also serves as Chairman of the Boao Forum for Asia, where he promotes greater regional cooperation and his belief in a future Pax Asia Pacifica.