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**Vietnam-China Relations Since  
The End Of The Cold War**

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## ABSTRACT

This paper analyses the developments in Vietnam's relations with China from the time both countries normalised relations in November 1991 to the present. It demonstrates that notwithstanding the historical baggage and the asymmetry of power of the two countries, relations have been improving incrementally over the last seven years. However, four issues affecting their relationship – all of which pertain to their shared land and sea borders – remain outstanding. There seems to be the political will on the part of both governments to resolve two of the four issues by the year 2000. They are the demarcation of the land border and the Tonkin (Bac To) Gulf. The remaining two issues – the Paracels and the Spratlys – are unlikely to be resolved any time soon. The paper concludes that relations in the short and medium term will continue to develop on an even keel.

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## **VIETNAM-CHINA RELATIONS SINCE THE END OF THE COLD WAR**

There are two broad approaches to analyzing the dynamics of Vietnam-China relations. One emphasizes the historical memories, which have conditioned and shaped the relationship. For almost ten centuries (from 3 BC to 1000 AD), the Vietnamese were under the direct rule of the Chinese. During this long period, while the Vietnamese selectively assimilated much of Chinese culture, they remained intensely nationalistic. To the Vietnamese, the years of Chinese rule and domination is a reminder of Vietnam's weakness and vulnerability vis-à-vis its huge neighbour.

The second approach focuses on external forces or geopolitical considerations. The view is that historical memories aside, Vietnam-China relations are essentially shaped by the conjunction of geographical proximity, changing ideological configurations, and the nature of Chinese, Soviet and American relations. The two approaches are not necessarily irreconcilable. Indeed, the inter-play of history and geopolitics contribute to the inevitable tension between the two countries that can be either potentially constructive or destructive, depending on how both countries choose to manage the relationship.

To illustrate, the breakdown of the two countries from 1979 to 1991 can be explained by Vietnam's failure to maintain a balance in its relations with China and the former Soviet Union. When China ceased all economic aid to Vietnam in 1978 and Vietnam-US negotiations to normalize relations failed, Vietnam turned to the Soviet Union. As the late-Nguyen Co Thach said, without the cutting off of Chinese aid, the decision to join COMECON would not have been necessary.<sup>1</sup> But the Chinese construed it to be a collision between Vietnam and the Soviet Union against her. Similarly, one of the reasons why Vietnam (with Soviet tacit support) invaded Cambodia was because it saw a 'Chinese threat' behind Pol Pot's actions, a reaction that is prompted by historical memories. As one analyst observed, 'Vietnam had justified military intervention on Cambodia in December 1978 on the grounds of legitimate self-defence, and it is no doubt more than a coincidence, that China justified its own invasion on identical grounds'.<sup>2</sup>

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<sup>1</sup> Cited in William J. Duiker, *Vietnam since the Fall of Saigon*, (Ohio: Centre for International Studies, 1985), pp 133-134.

<sup>2</sup> Grant Evans and Kevin Rowley, *Red Brotherhood at war*, (London: Verso, 1984) pp 132-134.

At the risk of simplifying a more complex chain of events, the disintegration of the Soviet Union and the end of the Cold War in 1989-90 provided the impetus for both Vietnam and China to re-assess their relationship. Cambodia was the obstacle to an improvement of Sino-Vietnamese relations and the settlement of the Cambodian question made normalisation in November 1991 possible.<sup>3</sup>

This paper attempts to describe the nature of Vietnam-China relations from the time both countries formally normalised relations in November 1991 to the present by integrating the two analytical approaches. It examines the remaining unresolved issues between the two countries and their current status.

The news that both countries would normalize relations was announced in September 1991 during Vietnamese Foreign Minister Nguyen Manh Cam's visit to Beijing – the most senior Vietnamese official to visit China since 1979. In a joint communiqué issued at the end of the visit, it stated that both countries were ready 'to restore exchanges and cooperation in economics, trade, science and technology, transportation, and culture, with a view to *gradually* normalising Sino-Vietnamese relations'. (emphasis mine) It also emphasised that the relationship should be based on the Five Principles of Peaceful Co-existence. In November 1991, Secretary-General of the Vietnamese Communist Party, Do Muoi, and Vietnam's Prime Minister Vo Van Kiet visited China where the formal restoration of relations took place. Not long after, the Friendship Pass was re-opened in April 1992, and air travel between Guangzhou and Ho Chi Minh City, and between Beijing and Hanoi were resumed in May and June 1992 respectively.

Since normalisation, four issues remain to be settled. All four issues pertain to their shared land and sea borders. The first two issues relate to the demarcation of the land boundary and the Tonkin Gulf, and are essentially bilateral problems. The third outstanding issue is the dispute over the Paracel Islands, which is also purely a bilateral problem. The fourth issue is the dispute over the Spratlys. Unlike the first three issues, the Spratlys involves more than just the two countries, although discussions so far, in the attempt to resolve this dispute, have been conducted on a bilateral basis. The joint

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<sup>3</sup> See 'China, Vietnam to Normalize Relations' in *Beijing Review*, 23-29 September 1991, pp. 4-5.

communiqué of 10 November 1991 committed both countries to settling the boundary and other territorial issues peacefully through negotiations.<sup>4</sup> Towards this end, three Expert Groups comprising representatives from Vietnam and China were subsequently formed and tasked respectively to resolve the land boundary, Tonkin Gulf and Spratlys issues. Of the four, recent public statements indicated that a resolution of the land boundary and the Tonkin Gulf problem is within sight, but the disputes over the Paracels and Spratlys are unlikely to be resolved for a long time.

The meetings of the three Expert Working Groups were essentially guided by the talks at the Vice-Ministerial level, of which there are six to date. The first meeting was in two parts, from 24-29 August 1993 in Beijing and from 18-19 October 1993 in Hanoi. The most recent meeting was from 25-26 September 1998 in Hanoi.<sup>5</sup> All six meetings were at the Deputy-Foreign Minister level, of which the first five were led by Deputy Foreign Minister Vu Khoan on the Vietnamese side and Deputy Foreign Minister Tang Jiaxuan (now Foreign Minister) on the Chinese side. The Vice-Ministerial meetings were in turn driven by the meetings between the Vietnamese and Chinese leaderships at the highest level of which there has been one every year since both countries normalised relations in November 1991.

The decision to discuss the territorial disputes between the two countries at the Vice-Ministerial level was apparently reached between the leaders of both countries during Chinese Premier Li Peng's visit to Vietnam from 30 November – 4 December 1992. This was the first visit by a Chinese prime minister since that of the late-Premier Zhou Enlai's in 1971. It was also the first of the post-normalisation high-level visits mentioned above. One of the main purposes of Li's visit was to discuss territorial differences, particularly the Spratlys.<sup>6</sup> Following Li Peng's visit, an agreement on 'the basic principles for the settlement of border territory issues between the People's Republic of China and the Socialist Republic of Vietnam'<sup>7</sup>, was formally signed by the respective Deputy-Foreign Ministers on 19 October 1993. According to the agreement, the two sides would concentrate on settling their differences regarding the land border

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<sup>4</sup> *Xinhua News Agency*, 10 November 1991, *SWB/FE/1227/A3/1*.

<sup>5</sup> The second meeting was from 14-18 August 1994 also in Hanoi the third was from 11-13 July 1995 in Beijing, the fourth, from 17-20 September 1996 in Beijing. The fifth meeting took place from 13-15 August 1997 in Beijing.

<sup>6</sup> *VNA, FBIS.EAS-92-230*, 30 November 1992.

<sup>7</sup> *Xinhua News Agency*, 28 August 1993, *SWB/FE/1780/G/2-3*

and the Tonkin Gulf. At the same time, the two sides should continue talks on maritime issues in order to find 'fundamental and permanent' solutions to them. It was also agreed that prior to any settlement, both parties should refrain from any action, which could complicate the disputes, nor should they resort to the use or threat of force. The agreement was hailed as of 'great significance to the overall situation of maintaining Sino-Vietnamese friendship'. It was also at this first meeting that the decision was taken to establish the Joint Working Groups on the land border and the Tonkin Gulf respectively.<sup>8</sup>

### **The dispute over land borders**

The landscape of the border region is fairly mountainous. Although the mountains are not very high, they are rugged and steep in places. One writer described them as 'almost vertical limestone outcrops overshadowing narrow winding canyon-like valley'. It was in this terrain that the Chinese routed a French Expeditionary Force in 1885, the Vietminh successfully fought against the French in the First IndoChina War, and where the Chinese and Vietnamese fought in 1979. The southernmost significant ridge of the highlands dividing China from Vietnam lies south of Lang Son where the final battle of the 1979 war took place.<sup>9</sup> Demarcation of part of the Sino-Vietnam land boundary was agreed upon between the French and the Chinese in the 1887 Sino-French Accord, two years after China signed the Treaty of Tianjin acknowledging French rule over Tonkin. It has been said that the Chinese were in a relatively advantage position in the negotiation leading to the Treaty of Tianjin, as they had defeated the French in Lang Son in 1885. There was thus a degree of mutuality in the drawing up of the boundary that divides China from Vietnam. It has also been pointed out that the boundary created between 1887 and 1895 has "stood the test of time and the present Chinese regime would seem to challenge neither its alignment nor its treaty basis".<sup>10</sup> The Vietnamese, on the other hand, not being party to the agreements, felt that the French had been unduly generous to the Chinese. Neither the land border nor the sea-disputes (Tonkin Gulf, Paracels and Spratlys) was the key issues during the conflict between the 1979 conflict

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<sup>8</sup> *Xinhua News Agency and Voice of Vietnam*, 19 October 1993, SWB/FE/1825/B/2-3

<sup>9</sup> Lim Joo-Jock, *Territorial, Power Domains, Southeast Asia, and China: The Geo-Strategy on Overarching Massif*, (Singapore: ISEAS, 1984).

<sup>10</sup> Alistair Lamb, *Asian Frontiers*, (New York: Praeger, 1986, pp. 174-175 cited in Lim Joo-Jock, *Territorial, Power Domains, Southeast Asia, and China: The Geo-Strategy of an Overarching Massif*, (Singapore: ISEAS, 1984), pp. 56-57; also see *Jane's Intelligence Review*, 1 December 97, Volume 4, Number 2, p.8.

between Vietnam and China. Referring to the land border, political geographer, Lim Joo-Jock observed that ‘...slight differences in interpretation of the actual alignment of the boundary markers did not impinge on vital interests of both parties to a degree that would initiate conflict. Military disputes over isolated hills continued after the Chinese incursion (in 1979) but these have been of tactical not strategic significance’.<sup>11</sup>

Vietnam and China signed a temporary border treaty on 7 November 1991 (at the time when both countries normalised relations) in an effort to preserve stability along the common border. According to the joint communiqué of 10 November 1991, the two countries agreed ‘*to continue to take the necessary measures to maintain peace and tranquility along the border and encourage the border inhabitants to restore and develop traditional friendly exchanges so as to turn the Sino-Vietnamese border into a border of peace and friendship.*’<sup>12</sup> As of August 1998, the Joint Working Group on the Land Border had met on 12 occasions; the first was on 22-25 February 1994 in Hanoi and the most recent – the 12<sup>th</sup> meeting was from 26 May – 5 June 1998 in Beijing.<sup>13</sup> The 13<sup>th</sup> meeting is scheduled to take place in Hanoi in the third quarter of 1998. This Working Group meets thrice a year alternating between Hanoi and Beijing. The exception was in 1997 when the Group met only twice. Not many details are made public about these meetings. As far as we can tell, the meetings are generally technical in nature. Both Beijing and Hanoi had been reporting that the talks have been making progress. But in reality, after the first four meetings, several border crossings remained closed, including the main rail crossing at Lao Cai, northwest of Hanoi. Moreover, several points were still being disputed.<sup>14</sup> After the sixth meeting in October 1995, it was reported that both countries have agreed on a number of technical measures that would lead to the signing of a border agreement.<sup>15</sup> Problems however continue to crop up, for example, the Vietnamese complained of Chinese construction projects in the river forming the unresolved Hoanh Mo-Dongzhong border between Vietnam’s Quang Ninh and China’s Guangxi provinces beginning from late-May 1997, which eventually came to ahead in December 1997. The 11<sup>th</sup> meeting of the Working Group, which met in January 1998, was dedicated to

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<sup>11</sup> Lim Joo-Jock, *Ibid*, p.57.

<sup>12</sup> *Xinhua News Agency*, 10 November 1991, SWB/FE/1227/A3/1.

<sup>13</sup> The second meeting was in Beijing, 25 June – 1 July 1994; the third in Hanoi, 22-27 October 1994, the fourth in Beijing, 16-23 January 1995; the fifth in Hanoi, 22-27 May 1995; the sixth in Beijing, 9-14 October 1995; the seventh in Hanoi, ?-26 January 1996; the eight in Beijing, 6-11 May 1996; the ninth in Hanoi, 14-18 October 1996, the tenth in Beijing, 6-19 May 1997; and the eleventh in Hanoi, 12-22 January 1998.

<sup>14</sup> *China Business Information Network*, 19 May 1995.

discussing this issue. It was reported that the meeting exchanged views on parts of the draft agreement on the Sino-Vietnamese border and reviewed the aerial surveys for mapping in a friendly and frank atmosphere.<sup>16</sup> Despite this issue, the Chinese Foreign Ministry spokesman said that the Sino-Vietnamese land border was calm. The Chinese position was that *'as long as both sides proceed from the traditional friendship between the peoples of the two countries and adhere to the spirit of seeking truth from facts and holding friendly consultation, any problem which occurs on the long land boundary of the two countries can be appropriately solved through existing channels'*.<sup>17</sup> At the most recent (12<sup>th</sup>) meeting, it was reported that both sides were working towards an agreement on the land border before the year 2000.<sup>18</sup>

There has been progress, albeit slow, for example, on 18 February 1998, a coach service was launched through Lao Cai province border gate (one of six established between Vietnam and China to meet requirements in land transportation and communications) and the Ha Khau border gate of China's Yunnan province.<sup>19</sup> Since the normalization of relations, the Friendship Pass which separates South China's Guangxi Zhuang Autonomous Region from Vietnam, has evolved from a battleground into a commercial centre offering over a thousand commodities from China and Vietnam. Twenty-five border trade centres had been opened along the 637 kilometre-long border. The annual trade is reported to be US\$361.4 million.<sup>20</sup> Business has been so lucrative that the Chinese have been fully funding and actively clearing the mines, over one thousand varieties of which were laid during the Sino-Vietnam conflict in 1979. The first mine-clearing exercise began in 1993. The second major exercise was in November 1997, with the target of clearing 120 mine zones with an overall area of nearly 20 million square metres in three years. It was reported on 26 May 1998 that another 8 million square metres of ground in 31 minefields have been cleared in the first six months of the 1998 dry season. Also, in the first ten days of September, the Nanning Military District organized a second round of inspection of the mine-clearing exercise along the Sino-

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<sup>15</sup> *Voice of Vietnam*, 20 October 1995, SWB/FE/2441/B/5.

<sup>16</sup> For details, see *Voice of Vietnam*, 22 January 1998, SWB/FE/3133/B/8-10 for the Vietnamese version; and *Xinhua News Agency*, 24 January 1998, SWB/FE/3134/G/1 for the Chinese version of the issue.

<sup>17</sup> *Xinhua News Agency*, 24 January 1998, SWB/FE/3134/G/1.

<sup>18</sup> *VNA*, 6 June 1998, *BBC Monitoring Service*.

<sup>19</sup> *Voice of Vietnam*, 18 February 1998, SWB/FEW/056/WB/4.

<sup>20</sup> *Xinhua News Agency*, 5 February 1998, SWB/FE/3145/G/2-3

Vietnam border.<sup>21</sup> Many of the minefields have become trading ports and production sites on the Guangxi-Vietnam border.<sup>22</sup>

In August 1998, *Hong Kong Ming Pao* reported that since the beginning of this year, Vietnam has established military facilities along the border and stepped up its border control. It said that in March 1998, Vietnam set up two military guard posts across the Beilunhe market in Guangxi's Dongxing, closely observing the activities of the Chinese side and border residents. The newspaper further reported that the frontier guards have stepped up examination and inquiries of people's visas. Armed Vietnamese border personnel have frequently crossed the border while carrying out patrols. All these actions were seen as signs of a 'retrogression in Sino-Vietnamese relations'. The Vietnamese Foreign Ministry has however refuted the reports as 'ill-intentioned', stating that 'Vietnam-China relationship has developed fruitfully'.<sup>23</sup>

### **The dispute over Bac to (Tonkin) Gulf**

To date, the Vietnam-China Joint Working Group for the demarcation of borders in the Bac To (Tonkin) Gulf had met on ten occasions, the first was from 22-25 March 1994 in Hanoi which established the working procedures of the group,<sup>24</sup> and the most recent, from 24-30 March 1998 in Beijing. The eleventh meeting is schedule to take place in Hanoi in the last quarter of 1998. As far as we can tell, the talks made extremely slow progress. According to Vietnamese sources, at the seventh meeting in Hanoi from 5-7 August 1996, there was only 'an exchange of views' rather than any substantive progress.<sup>25</sup> It was only at the ninth meeting from 16-18 July 1997, that the group reached 'consensus that discussion on the issue has entered into real stage'.<sup>26</sup> Two months earlier in May, the Chinese Foreign Ministry had ratified the opening of the sea route from Beihai (Guangxi) to Vietnam's northeast coastal provinces of Hon Gay and Haiphong.<sup>27</sup> But in November, it was reported that the Vietnamese had protested over the Chinese award to the US firm Atlantic Richfield Corp on 20 October, of an

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<sup>21</sup> *Xinhua News Agency*, *FBIS-CHI-98-280*, 7 October 1998.

<sup>22</sup> For details, see *FBIS-CHI-97-305*, 29 October 1997; *FBIS-CHI-97-334*, 28 November 1997; *FBIS-CHI-98-006*, 6 January 1998; *FBIS-CHI-98-135*, 12 May 1998; *FBIS-CHI-98-146*, 26 May 1998.

<sup>23</sup> 'Sino-Vietnamese Relations are Likely to go Backwards' in *Ming Pao, Hong Kong*, *FBIS-CHI-98-218*, 6 August 1998, and *FBIS-CHI-98-220*, 8 August 1998.

<sup>24</sup> *Xinhua News Agency*, 26 March 1994, *SWB/FE/1957/B/7*.

<sup>25</sup> *Agency France Press*, 9 August 1996.

<sup>26</sup> *VNA*, 18 July 1997, *SWB/FE/2977/B/5*.

exploration concession in the Ledong Gasfield, off Hainan Island, which Vietnam claimed to be within its territorial waters.<sup>28</sup> At the most recent meeting in March 1998, both sides agreed to accelerate negotiations with a view of reaching an agreement prior to the year 2000.<sup>29</sup>

### **The dispute over the Paracels and Spratlys**

The second Vice-Ministerial meeting in August 1994 took place amidst heightened tensions in the South China Sea, which began in April. The Vietnamese again protested over the joint oil exploitation activities of Crestone Energy Corporation of the United States and China Offshore Petroleum Corporation in the Wanantan region of the South China Sea, claimed by both Vietnam and China.<sup>30</sup> Beijing had awarded the contract to Crestone in 1992 (whereas Vietnam awarded a contract to another US company, Conoco, in April 1996 in the overlapping area.) A series of claims and counter-claims followed and in 1994, there were reports that China had increased its naval presence in the South China Sea. At the time, ‘diplomats and people in oil circles’ believed that the spat could escalate into a military conflict.<sup>31</sup> Chinese Foreign Minister, Qian Qichen, at the first meeting of the ASEAN Regional Forum in Bangkok in July 1994, where he met with his Vietnamese counterpart, Nguyen Manh Cam, rejected the view that military conflict was imminent.<sup>32</sup>

The issue of sovereignty of the Spratly and Paracel Islands was discussed for the first time at the August 1994 Sino-Vietnamese Vice-Ministerial meeting. It was earlier reported that the meeting would discuss joint development of the area,<sup>33</sup> however, a report after the meeting stated that they failed to ‘bridge their gaps’ but understood that it would take ‘a good deal of time to resolve the problem’. Both sides agreed that their differences should be settled ‘rationally through negotiations’.<sup>34</sup> Subsequently, during President Jiang Zemin’s visit to Hanoi in November 1994, both sides decided that a

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<sup>27</sup> *Voice of Vietnam*, 12 May 1997, *SWB/FE/2919/B2*.

<sup>28</sup> *Agence France Press*, 24 November 1997.

<sup>29</sup> *Voice of Vietnam*, 30 March 1998, *SWB/FE/3190/B/5-6*.

<sup>30</sup> *Xinhua News Agency*, 19 May 1994, *SWB/FE/2003/G/1-2*.

<sup>31</sup> *Kyodo News Service*, 12 May 1994, *SWB/FE/1997/B/5-6*; *Central Broadcasting System, Taipei*, 21 July 1994, *SWB/FB/2055/B/2*, and repeated twice in *SWB/FB/2061/B/4* and *SWB/FE/2062/B2*.

<sup>32</sup> *Xinhua News Agency*, 25 July 1994, *SWB/FE/2058/G/1-2*.

<sup>33</sup> *The Nation, Bangkok*, 23 July 1994, *SWB/FE/2057/B/4*.

<sup>34</sup> *Kyodo News Service*, 16 August 1994, *SWB /FE/2077/B/7*; *Xinhua News Agency*, 18 August 1994, *SWB/FE/2078/B/6*; *Voice of Vietnam*, 18 August 1994, *SWB/FE/2079/B/2*.

working group, based on that of the Land Border and the Tonkin Gulf, should be set up to discuss the Spratlys issue. According to Chinese Foreign Minister, Qian Qichen, it would 'create conditions for gradually solving problems between the two countries'.<sup>35</sup> A Joint Working Group was eventually established to consider the Spratlys and at the third Vice-Ministerial meeting in July 1995, the working mechanism of the Working Group was discussed.<sup>36</sup> In the same month, on 1 July, Vietnam was admitted into ASEAN, and on 11 July, Vietnam and the United States normalised relations. We do not know to what extent, if at all, the establishment of the ASEAN Regional Forum (conceived in July 1993 and convened for the first time in July 1994), Vietnam's impending admission into ASEAN and its normalisation of relations with the United States – the latter two events were in the pipeline since 1994 – factored in China's calculation to finally discuss the Spratlys issue with Vietnam. It is perhaps worth noting that on separate occasions, Vietnamese deputy Foreign Minister told reporters that Vietnam's entry into ASEAN should not worry China,<sup>37</sup> and General Secretary Do Muoi stated that Vietnam would not allow foreign fleets to use Cam Ranh Bay.<sup>38</sup>

The first meeting of the Joint Working Group on the Spratlys was held from 13-15 November 1995 in Hanoi. According to Xu Guangjian, head of the Chinese delegation, China's position was that the dispute should be settled by peaceful means rather than by force or the threat of force. China also maintained that where a dispute cannot be readily solved, the two sides could put aside their differences temporarily and seek joint development and cooperation in various forms instead. It was reported that the two sides reached agreement on working procedures during the meeting.<sup>39</sup> The second meeting took place in Beijing from 2-7 July 1996. It was reported that both sides compared notes on the sea issues relating to both countries, including the sovereignty of the Paracel and Spratly archipelagoes. They also agreed that they would continue negotiations in order to 'find our fundamental and long-term solutions acceptable to both sides' based on international laws, including the 1982 UN Convention on the Law of the Sea.<sup>40</sup> Vietnam had ratified the Law of the Sea Convention on 23 June 1994 while China ratified it on 16 May 1996. However, how China interprets the Convention is still

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<sup>35</sup> *Xinhua News Agency*, 22 November 1994, *SWB/FE/2161/B/5*.

<sup>36</sup> *VNA*, 13 July 1995, *SWB/FE/2356/G/6*; *Xinhua News Agency*, 13 July 1995, *SWB/FE/2356/G/6-7*.

<sup>37</sup> 'Hanoi says ASEAN membership no cause for China's concern' in *Kyodo*, 24 July 1995.

<sup>38</sup> *The Nikkei Weekly*, 30 October 1995.

<sup>39</sup> *Xinhua News Agency*, 15 November 1995.

<sup>40</sup> *VNA*, 10 July 1996, *BBC Summary of World Broadcasts*.

controversial.<sup>41</sup> The Joint Working Group apparently met again in April 1997 during the Kanto 3 incident (see account below). The fourth meeting apparently took place from 8-10 July in Beijing. It was reported that both sides discussed the possibilities for cooperation on maritime issues and that they re-affirmed their intention to settle their differences through negotiations. The next meeting is to be held in Hanoi in 1999.<sup>42</sup>

### **Contacts at the highest-level**

As indicated above, since November 1991, the top leaderships of both Vietnam and China have met at least once every year both to review and to advance the relationship between the two countries. Discussions cover all aspects of Sino-Vietnamese relations, not just their territorial disputes. For example during Vietnamese President Le Duc Anh's visit to China in November 1993, the first Vietnamese President to do so since 1955, Jiang Zemin observed that while economic and trade relations had been rapidly restored and developed since November 1991, 'some potential have not been fully tapped and some problems remain'. He also proposed some steps to 'correct the situation'.<sup>43</sup>

On the Vietnamese side, General-Secretary Do Muoi visited Beijing three times between 1991 and 1997. Apart from the November 1991 visit (with Prime Minister Vo Van Kiet), of which the purpose was to formalise the normalisation of relations, Do Muoi visited Beijing again in December 1995 and most recently in July 1997. One of the purposes of the 1997 visit was to discuss 'ways to strengthen cooperation in economics and trade as well as science and technology'. A number of economic agreements were signed during the visit.<sup>44</sup> On the Chinese side, Prime Minister Li Peng visited Hanoi in November 1992 and again in June 1996 (for the Vietnamese 8<sup>th</sup> Party Congress). President Jiang Zemin visited Hanoi in November 1994, as part of a four-nation tour that took him to Indonesia, Malaysia and Singapore, besides Vietnam.

At all these visits and meetings, the subject of their border and territorial differences is always high on the agenda. At every meeting, it was reiterated that the

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<sup>41</sup> See for example, 'The People's Republic of China Straight Baseline Claim' in *Boundary and Security Bulletin*, Volume 4, Number 2, Summer 1996.

<sup>42</sup> *Voice of Vietnam*, 13 July 1998, British Broadcasting Corporation.

<sup>43</sup> *Central Broadcasting Station*, 9 November 1993, SWB/FE/1843/G/1-2.

October 1993 agreement signed by the two deputy-Foreign Ministers, remains the basic principle for solving their territorial differences. They are: (a) both countries should not resort to force, or the threat of force; (b) both countries should make every effort to prevent their differences from standing in the way of the development of bilateral relations; and (c) both countries would exercise restraint and avoid a clash over their territorial disputes.

We should recall that the idea to set up a Sino-Vietnamese Joint Working Group on the Spratlys was endorsed during Jiang's visit to Hanoi in 1994. One of the objectives of Do Muoi's December 1995 'goodwill visit' was apparently to discuss the border and territorial issues.<sup>45</sup> A successful outcome of this visit was the agreement to re-open two major railway links. Discussions about the Paracels and Spratlys were apparently less successful. Foreign Minister Nguyen Manh Cam in an interview after Do Muoi's China visit said that both sides would resolve the dispute over the Paracels. As for the dispute over the Spratlys, since it involves six claimants, it will be resolved on the basis of an agreement reached by the six sides. According to Cam, *'During this process, we can, of course, hold bipartite, tripartite or multipartite meetings to exchange views... Both side also realized that this issue cannot be resolved quickly. Instead, it must be resolved on a step-by-step basis if we are to reach a fundamental and long-lasting solution'*.<sup>46</sup> Although there was still no major breakthrough regarding the disputed issues at the fourth Vice-Ministerial meeting in September 1996, discussions apparently went beyond that of the disputed sea and land border. It was reported that friendship and cooperation between the two countries over the last one year had moved forward. The visits of Secretary General So Muoi to China in December 1995, and Premier Li Peng's attendance at the Vietnamese People's Party Eighth Congress in June 1996, were highlighted and described as 'motive force for Vietnam-China ties'.<sup>47</sup>

Despite the declared commitments by both sides not to undertake any actions, which could impede the on-going, negotiations, problems still arise. For example, on 7 March 97, the Chinese sent the Kanto Oil Platform Number 3 and two other pilot ships Number 206 and 208 to conduct exploratory oil drilling in what was supposedly

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<sup>44</sup> See SWB/FE/2793/G/1-5.

<sup>45</sup> See Sino-Vietnamese Joint Communiqué in SWB.FE/2477/G/1-2.

<sup>46</sup> *Voice of Vietnam*, 4 December 1995, SWB/FE/2479/B/4

<sup>47</sup> *VNA*, 20 September 1996, SWB/FE/2724/B/4

Vietnam's continental shelf. Both the Vietnamese Ministry of Foreign Affairs and Vietnam's maritime control forces immediately warned the Chinese ships about their infringement of Vietnam's sea areas and continental shelf. Despite the warnings, the Chinese ships continued with their exploratory drilling. The area in dispute is 64.5 nautical miles (119 kilometres) from Vietnam's coast and 71 nautical miles (130 kilometres) from Hainan Island. Three days later, on 10 March, the Ministry of Foreign Affairs wrote to the Chinese embassy in Hanoi demanding that the Chinese halt their activities at once and withdraw their platform and ship from the area. By 15 March, the Chinese had still not reacted to the Vietnamese complaint. The Vietnamese report of 15 March *urged* the Chinese to withdraw.<sup>48</sup> On 18 March, Chinese Foreign Ministry spokesman, Cui Tiankai, responding to a reporter's query during a regular news conference, claimed that the Chinese ships were prospecting within Chinese continental shelf and exclusive economic zone.<sup>49</sup> The Vietnamese in their Foreign Ministry regular news conference on 20 March and in another radio report on 25 March maintained that the area was within their zone and shelf.<sup>50</sup> According to the reported by *Agency France Press*, on 20 March, the Vietnamese sent a request to Beijing for a meeting to discuss the dispute and also called in the ASEAN ambassadors to explain the Vietnamese position.<sup>51</sup> On 27 March, Cui Tiankai, at a regular news conference, while maintaining China's position, said that China valued its good neighbourly friendship and mutually beneficial cooperation with Vietnam and was ready to hold friendly consultations with Vietnam to solve the existing problems. He added that China always held that problems and disputes existing among countries should be solved through peaceful negotiations.<sup>52</sup> According to Vietnamese officials, the Chinese moved the vessels out of the disputed area on 1 April.<sup>53</sup> On 3 April, it was announced that a meeting between the Chinese and the Vietnamese at the expert level would be held on 9 April in Beijing. According to Tran Quang Hoan, Director, Press Department of Vietnam's Ministry of Foreign Affairs, the Chinese had proposed the meeting on 9 April 'in order to settle the issue.' According to Hoan, the Vietnamese objective at the scheduled meeting was to clarify that the area under dispute was within Vietnam's economic zone and continental shelf.<sup>54</sup>

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<sup>48</sup> *Voice of Vietnam*, 15 March 1997, SWB/FE/2870/B/4.

<sup>49</sup> *Xinhua News Agency*, 18 March 1997, SWB/FE/2871/G/1.

<sup>50</sup> See *Voice of Vietnam*, 20 March 1997, SWB/FE/2874/B/3 and *Voice of Vietnam*, 25 March 1997, SWB/FE/2878/B/7.

<sup>51</sup> *Agency France Press*, 3 April 1997.

<sup>52</sup> *Xinhua News Agency*, 27 March 1997, SWB/FE/2880/G/15.

<sup>53</sup> *Voice of Vietnam*, 9 April 1997, SWB/FE/2889/B/3, *Reuter North American Wire*, 10 April 1997.

<sup>54</sup> *Agency France Press*, 3 April 1997.

Details of the talks from 9-10 April 1997 were not made public. But from the remarks of Shen Guofang, the Chinese Foreign Ministry spokesman, and Tran Quang Hoan, one can infer that the issue was not resolved. According to the Chinese side, the meeting had resulted in ‘greater understanding’ but ‘differences would take time to iron out’ in a peaceful manner. Shen also said that although the differences could not be resolved immediately, it would not affect the friendly relations between the two countries. This was a view shared by the Vietnamese. According to a *VNA* report, ‘Vietnam was persistent of the view to solve the problem through negotiation and to refrain from any acts that might make the dispute more complicated and badly affect friendship between Vietnam and China as well as the stability in the region’.<sup>55</sup>

An interview given by Vietnam’s Foreign Minister Nguyen Manh Cam, published on 5 April 1997, sums up Vietnamese position regarding relations with China at the time. Cam made four points: First, Vietnam always considered relations with China to be of ‘strategic significance’. Second, Vietnam would strive to accelerate all existing ties with China. These ties were seen to benefit both countries and contributed to stability and peace in the region. Third, some issue between the two countries still remained unresolved. And fourth, at the November 1991 summit, both countries agreed that all differences would be solved through peaceful negotiations without using force so as not to complicate the situation.<sup>56</sup>

We should recall Do Muoi’s July 1997 visit to China cited earlier. All the high-level visits so far have taken place in the months of November-December. Do Muoi’s July trip was therefore exceptional and should be seen in the context of the Kanto 3-episode. At the end of the visit, it was reported that both sides agreed to speed up the border talks and that some ‘real progress’ on border issues have been made. However, there was still no headway made on the Paracels and Spratlys after three rounds of talks. According to Nguyen Manh Cam, ‘it is a very complicated issue which requires the goodwill and determination of the two sides and other parties concerned to settle it’.<sup>57</sup>

At the fifth Vice-Ministerial meeting in August 1997, it was reported that the two sides discussed concrete measures to expedite the process of negotiations so as to reach

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<sup>55</sup> *VNA*, 11 April 1997, *SWB/FE/2892/B/3*.

<sup>56</sup> *Saigpm Giai Phong*, 5 April 1997, *SWB/FE/2895/B/4-5*.

<sup>57</sup> *VNA*, 21 July 1997, *SWB/FE/2978/B/5-6*.

agreements on the land border and the delineation of the Tonkin Gulf before the year 2000.<sup>58</sup> Both sides were unanimous in a number of measures to maintain stability along the common border and also agreed to continue with negotiations on the East Sea (South China Sea) issue. During a call by the Vietnamese delegation to the Vice-Premier and Foreign Minister Qian Qichen on 15 August, Qian said that the two countries should speed up the process to settle the boundary issues.<sup>59</sup>

Despite the discussions and declaration of goodwill, major and minor ‘outbursts’<sup>60</sup> between Vietnam and China – often over the ‘illegal’ building of a lighthouse here or a shelter there in the Spratlys – continue. For example, in February and March 1998, it was reported that China had established a ground satellite station in the Paracels and a telephone booth in the Spratlys. This led to another round of claims and counter-claims of sovereignty between Vietnam and China.<sup>61</sup> In early September 1998, the Vietnamese again raised the Crestone issue.<sup>62</sup> However, it must be said that both countries have been able to manage their respective claims and prevent their dispute from escalating into conflict. Substantial differences remain.

Given the opaqueness of the decision-making processes in Beijing and in Hanoi regarding the South China Sea, it is difficult to understand why episodes such as that of the Kanto 3 are allowed to occur in the midst of on-going negotiations. What is known is that on the Chinese side, the South China Sea comes under the purview of at least three agencies: (a) The marine office on Hainan Island which oversees ‘dual central and local leadership with an emphasis on local initiative’. The South China Sea is supposedly under Hainan province jurisdiction and its authorities had been empowered by the Central government to manage and develop the South China Sea.<sup>63</sup> (b) The Chinese Navy (PLAN) which argues for the protection of China’s maritime interests, and which according to Lu Ning, is involved in an on-going battle with the Ministry of Foreign Affairs which opposes more assertive Chinese actions in enforcing its claim over the

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<sup>58</sup> According to Chinese premier Zhu Rongji, the decision to settle the border negotiations by the year 2000 was made by President Jiang Zemin and General Secretary Do Muoi during their July 1997 meeting. See *Xinhua New Agency FBIS-CHI-98-292*, 19 October 1998.

<sup>59</sup> *VNA*, 16 August 1998, *SWB/FE/3002/B/3-4*.

<sup>60</sup> A recent example is China’s complaint on 8 September 1998 that the Vietnamese navy had illegally occupied the Nanan and Jindun beaches southwest of the Nanwei Shoal in the Spratlys. See *Xinhua News Agency, FBIS-CHI-98-251*, 8 September 1998.

<sup>61</sup> *Voice of Vietnam*, 5 March 1998, *SWB/FE/3169/B/10*.

<sup>62</sup> ‘Hanoi slams Beijing’s oil deal in Spratlys’ in *The Straits Times*, 6 September 1998.

<sup>63</sup> *Ming Pao, Hong Kong*, 4 July 1994, *SWB/FE/2042/G/1*.

Spratlys.<sup>64</sup> Three, and supposedly in overall charge, is the Foreign Ministry which is responsible for all the discussions described above. On the Vietnamese side, the little we know is that the Spratlys is an island district of Vietnam's former central coastal province of Khanh Hao, which with Phu Yen province, is now part of present-day Phu Khanh province. The Paracels is an administrative unit of Danang City, which before 1996 was part of the former Quang Nam-Danang province. One presumes that there are also different competing groups within Vietnam with interests in the South China Sea, although it is the Vietnamese Foreign Ministry which remains in overall charge. Compared to China, it has often been said that Vietnamese politics is Chinese village politics writ large.

A Hanoi radio commentary of 12 May 1998 affords a glimpse of Vietnam's assessment of the land and sea border talks with China and the latest status of the various meetings. According to the commentary, beside mainland borders with Laos, Cambodia and China, the country also shared sea boundaries with China, Cambodia, Thailand, Indonesia and Malaysia. Of all the talks, which have taken place to settle the land and sea boundaries, the talks with China, *were the most complicated* (emphasis mine). After prolonged years of talks between the two countries, they have agreed to draft a treaty on mainland border and a treaty on delineation of sea boundaries in the Tonkin Gulf before the year 2000. But talks on the East Sea have failed to reach any agreement.<sup>65</sup>

### **Beyond the territorial issues**

The relationship between two countries is very broad based although what captures the attention of the media are the maritime dispute between them. In its assessment of Vietnam's foreign relations since its 8<sup>th</sup> Party Congress, the Chinese Foreign Ministry believed that Vietnam's policy was to develop 'comprehensive, friendly and cooperative relations with China.'<sup>66</sup> Apart from the visits of the highest political leadership of both countries, there were also numerous exchanges between government

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<sup>64</sup> Lu Ning, *The Dynamics of Foreign-Policy Decision Making in China*, (Boulder: Westview Press, 1997), pp. 124-127. A very useful account based on Chinese source is John W. Garver, 'China's Push Through the South China Sea: The International of Bureaucratic and National Interests' in *The China Quarterly*, Number 132, December 1992.

<sup>65</sup> *Voice of Vietnam*, 12 May 1998, SWB/FE/3230/B/14.

<sup>66</sup> Ni Xiayun, 'Trend in Vietnam's Domestic and Foreign Policies after the Eight Party Congress' in *Xiandai Guoji Guanxi* (Contemporary International Relations), Beijing, cited in *IndoChina Chronology*, Volume XV,

(military and non-military) as well as non-government officials, almost on a daily basis. The Exclusive Economic Zone and Continental Shelf dispute apparently have not substantially affected Sino-Vietnam relations on the whole. For example, while the month-long Kanto 3-episode was going on, high-level visitors from Vietnam to China, and vice-versa continued. These included for examples, the visits to China by Chu Van Ry, a member of the Vietnamese Party Central Committee, and deputy head of the Party Central Committee Commission for Organisation and Personnel; and Vietnamese Interior Minister Le Minh Huong, and Major General Nguyen Van Do (Head of the General Logistics Department, VPA); the visits to Vietnam by Chinese State Councillor Luo Gan, as well as delegations led by General Zhang Zijian, political commissar of the Chengdu Military Region and from the Chinese Academy of Social Science led by Vice-President Wang Zenzhi.

The visit to China by the Vietnamese delegation led by Nguyen Tan Dung, standing committee member of the Vietnamese Communist Party Politburo Central Committee is perhaps worth describing in greater detail as an illustration of the nature of Sino-Vietnam relations. The delegation arrived in Beijing on 18 February 1997. According to Dung, ‘the purpose of the visit was to learn more about China’s experience and successes in its reform and opening up’. Another reason (though unstated) for the Vietnamese visit was probably to make a first-hand assessment of the political situation in Beijing at a time when Deng Xiaoping was reported to be very ill. Deng died the next day, on 19 February. On the same day, Dung met with Hu Jintao, member of the standing committee of the Political Bureau of the Chinese Communist Party Central Committee. The meeting was described as ‘friendly and cordial.’ According to Hu, friendly cooperative ties between the two parties and two countries have been completely restored and promoted since the normalisation of Chinese- Vietnamese relation in the early 1990s. He noted that the close high-level exchanges on issues of mutual concern, in particular, have enhanced the cooperative ties between two sides. Hu also said that it was the best interests of both countries to further develop the ‘traditional China-Vietnam friendship’, both state-to –state as well as party-to-party relations, and that the relationship was of ‘great significance to safe-guarding peace, stability and development in the region;’. Dung, in reply, said that for the past few years, especially since Jiang

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Number 4, October – December 1996, p.19. Ni is a Vietnam expert with the China Institute of Contemporary International Relations (CICIR), a think-tank sponsored by the Ministry of State Security.

Zemin's visit to Vietnam in 1994 and Do Muoi's return visit to China in 1995, relations between the two countries have progressed greatly. He affirmed that the Vietnamese Communist Party and Government would continue to promote mutual understanding and trust with its Chinese counterparts in order to further their friendly relations.<sup>67</sup>

On the afternoon of 21 February, the visiting Vietnamese delegation met President Jiang Zemin. According to Jiang, China and Vietnam should view bilateral ties from a strategic and long-term perspective, and that they should substantially boost their neighbourly friendship and cooperation, which was mutually beneficial, as the 21<sup>st</sup> century drew nearer. Jiang also said that the Chinese government highly valued its relations with Vietnam, hoping that the relations would grow even further. He added that China and Vietnam, both socialist neighbours, had enjoyed traditional friendship between the two peoples and parties, and the China was glad that friendly cooperative relations between them have been completely restored and developed over the past few years. The Vietnamese, on their part, said that they would safeguard and further promote friendly ties of cooperation on line with the consensus reached by the top leaders of the two parties and countries. Both sides also expressed support in particular for each other's economic policy. Jiang remarked that he was glad that Vietnam was successful in its choice of development, 'which suited its practical conditions'. Dung responded that Vietnam too glad that China had been successful in its reforms, 'which the Vietnamese take as an encouragement for themselves'.<sup>68</sup>

The nature of the relationship will, however, not return to what it used to be in the 50's and 60's. Since the normalisation in November 1991, the relationship of the two countries have often been described as 'linked by mountains and rivers' and as two countries with 'similar national conditions', rather than the well-known 'lips and teeth' analogy. Also, unlike the past, 'China will', as stated by Li Peng, 'within its ability, continue offering to Vietnam some free aid, though the amount will not be large. Enterprises will be the major channel of cooperation'.<sup>69</sup> It is perhaps worth mentioning the customary letter of condolence that the Vietnamese sent following Deng's death. There was no effusive sentiment, as compared to that of, for example, the Lao People's

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<sup>67</sup> *Xinhua New Agency*, 19 February 1997, *SWB/FE/2849/G/20*.

<sup>68</sup> *Xinhua News Agency*, 21 February 1997, *SWB/FE/2951/S1/9-10*.

<sup>69</sup> *Xinhua New Agency*, 15 July 1997, *SWB/FE/2973/G/1-2*

Revolutionary Party, amongst others.<sup>70</sup> We should recall that Deng was the one who gave the order to ‘punish Vietnam’ in 1979. We now know that Deng was also one of the two commanders who directly oversaw the Paracel operation during the 1974 Sino-Vietnam military clash.<sup>71</sup> When asked during a regular Vietnam Foreign Ministry press conference on 6 March 1997 about Sino-Vietnamese relations after the death of Deng, the sentiment expressed was the Vietnam hoped that ties between the two countries *would become stronger* (emphasis mine).<sup>72</sup> It is perhaps worth noting that the apparent ‘breakthroughs’ in the negotiations on the land border and the Tokin Gulf happened after the demise of Deng, although one must be careful when drawing any conclusions from the coincidence of events.

Notwithstanding the territorial disputes between the two countries, Sino-Vietnamese relations have been improving long before Deng’s death. According to the Chinese Ministry of Foreign Economic Relations and Trade, Sino – Vietnamese economic cooperation was already growing even before the hope of a diplomatic rapprochement presented itself.<sup>73</sup> According to Professor Gu Yuanyang, director of the Chinese Institute of World Economics and Politics, the target for economic reform in China is to build and develop a “*Socialist market economy system*”, whereas that in Vietnam is to develop a “*Socialist State - run multi - sartorial market mechanism*”. Despite differences in expression, the economic reforms carried out by the two countries are basically the same, as the reforms do not aim to change socialism’. Referring to the current financial crisis in the region, Professor Gu also said that the two countries have the same difficulties and therefore Vietnamese and Chinese experts need to exchange experiences in the process of economic reforms.<sup>74</sup> As former Chinese premier and now chairman of the standing committee of the Chinese National People’s Congress (NPC), Li Peng put it, “common points in China and Vietnam serve as the basis for friendship and cooperation between the two countries.”<sup>75</sup>

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<sup>70</sup> *Voice Vietnam*, 20 February 1997, SWB/FE/2850/S1/8-9; For the Laotian condolence letter, see *Xinhua News Agency*, 22 February 1997, SWB/FE/2851/S1/9.

<sup>71</sup> Fan Ying, *Ye Jiangying zai 1976*, (Beijing: Zhonggong Dangziao Chubanshe, 1990) cited by John W. Garver, ‘China’s Push Through the South China Sea: The Interaction of Bureaucratic and National Interest’ in *The China Quarterly*, Number 132, December 1992, p. 1003.

<sup>72</sup> *Voice Vietnam*, 7 March 1997, SWB/FE/ 2863/B/5.

<sup>73</sup> *Beijing Review*, 23-29 September 1991, pp. 4-5.

<sup>74</sup> The International Conference on Vietnamese Studies in Hanoi, 15-17 July 1998, reported in *The Saigon Times* by Cao Cuong.

<sup>75</sup> ‘Li Peng: common interests underpin Sino-Viet ties’ in *The Business Times*, 14 September 1998.

Phan Van Khai who succeeded Vo Van Kiet as Prime Minister in September 1997, visited China from 19-23 October 1998. Khai was the first Vietnamese Prime Minister to visit China since Vo Van Kiet's visit in November 1991 to normalise relations. Khai's recent visit continues the traditional annual visits by the highest leadership of both countries, which began in 1991. Khai said that he hoped the visit would deepen mutual understanding and friendship, as well as contribute to exchanges and cooperation on economic management.<sup>76</sup> Besides Beijing, Khai also visited Suzhou and Nanning. The visit took place soon after the 6<sup>th</sup> Party Plenum of the Central Committee of the Communist Party of Vietnam, which appraised the socio-economic situation in Vietnam for 1998 and discussed plans for 1999.<sup>77</sup> An article in *Nhan Dan* commenting on the visit listed four areas of similarity in the two countries' 'renovation policy'. These were: persisting in pursuing socialism according to each country's situation; juggling economic development and the stabilisation of the political situation; mobilising domestic resources while simultaneously maximising international cooperation; and last but not least, ensuring the continuation communist leadership.<sup>78</sup>

At Khai's meeting with Chinese premier Zhu Rongji, Zhu made the following observations of the two countries: Both China and Vietnam were similar in their domestic situations in that both adhere to reforms and opening up, and therefore could learn much from each other; and while both countries have been affected by the Asian financial crisis, they have managed to maintain economic development and social stability, thus demonstrating the advantages of socialism. Khai expressed admiration for China's ability in maintaining the stability of its currency as well as noted the smooth development in Sino-Vietnam relations in recent years. In his words, 'common grounds are expanding while divergences are diminishing'.<sup>79</sup>

As expected, the subject of their border negotiations was also discussed. According to Zhu, the July 1997 agreement between Jiang Zemin and Do Muoi to settle the boundary issue and the demarcation of the Tonkin Gulf by the year 2000 has "guided a clear direction".<sup>80</sup> There was, however, no public mention of any discussion regarding the Paracels and the Spratlys. The failure to move forward with regards to the Spratlys

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<sup>76</sup> *Xinhua News Agency, FBIS-CHI98-280*, 7 October 1998.

<sup>77</sup> For details, see communiqué issued at the end of the Plenum in *SWB/FE/B/5-7*.

<sup>78</sup> *Xinhua News Agency, FBIS-CHI-98-289*, 16 October 1998.

<sup>79</sup> *Xinhua News Agency, FBIS-CHI-98-292*, 19 October 1998.

dispute between the two countries, in the words of Yu Xiang, a Vietnam expert from the China Institute of the Contemporary International Relations (CICIR), a think-tank of the Ministry of State Security, 'has naturally cast a shadow on the bilateral negotiations' but Xiang also noted that Jiang had pointed out that both sides must 'scale the height and view further', and 'set store by the overall interests of bilateral relations.'<sup>81</sup>

According to Ni Xiayun, an Associate Professor and Vietnam expert from CICIR, the purpose of Phan Van Khai's visit to China should be understood in the context of the regional economic crisis. The economic downturn in the region has affected Vietnam in two ways. One, it has led to political instability, particularly in the countryside. Vietnam could learn from the Chinese experience of how to maintain political stability and develop its economy simultaneously. Two, Vietnam saw that it could not depend on ASEAN. As such, she has embarked on a 'big-power diplomacy' to ascertain whether Vietnam could gain from closer relations with the Big Powers, which would explain the trips made by the top leaders to Russia (in August), the United States (in early October) and now to China.<sup>82</sup>

While in China, Khai also met Chai Songyue, governor of Zhejiang province, to discuss economic and social development, as well as economic and trade cooperation.<sup>83</sup> After which he visited Nanning in Guangxi, to discuss more possibilities of Sino-Vietnamese economic cooperation. Border trade between Vietnam and Guangxi resumed in 1989 and has been developing rapidly since 1991 when both countries normalised relations. The assessment was that the settlement of the demarcation of the Tonkin Gulf issue by the year 2000 would further boost economic growth in Guangxi and southwestern China, as well as Vietnam. Both sides also discussed ways to expand bilateral efforts to eradicate smuggling especially opium.

## Conclusion

The period from 1991 to the present can be compared to the 'colonial' phase in the histories of Vietnam and China, roughly between 1850 and 1949. During that period,

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<sup>80</sup> *Ibid.*

<sup>81</sup> "A Preliminary Analysis of Prime Minister Phan Van Khai's Visit to China" in *Wen Wei Po, FBIS-CHI-98-295*, 22 October 1998.

<sup>82</sup> *Ibid.*

both countries were weak and had to come to terms with the intrusion of the West. Although unlike Vietnam, China was never actually colonised, both countries shared a sense of common fate and weakness. Many Vietnamese then, particularly the nationalist groups, had connections in one way or another with the Chinese and like today, the Sino-Vietnamese border was a busy thoroughfare. As Li Peng put it, as close neighbours, China and Vietnam both experienced similar hardships in the past and are now building socialism and their national economies.<sup>84</sup>

Of the four outstanding issues between the two countries detailed above, there is political will to resolve their differences over the land border and the Tonkin Gulf. The economic benefit that both countries will gain from the resolution of those two issues is clear. Both Hanoi and Beijing have publicly stated that they expect to resolve them before the year 2000. This commitment was reiterated at the most recent and 6<sup>th</sup> round of talks on the border issues at the Vice-Ministerial level on 25-26 September 1998 between Vietnam's deputy foreign minister Vu Khoan, and China's assistant Foreign Minister Wang Yi. (Tang Jiaxuan who was the Chinese representative since the talks were inaugurated, was promoted to Foreign Minister earlier in the year. Wang Yi was previously chief of the Asian Affairs Department of the Chinese Foreign Ministry, and had led the Chinese team in the Joint Working Group dealing with the Tonkin Gulf). According to Wang, China wanted to further cooperation with Vietnam to accelerate the negotiations and was mindful that the leadership of both countries had committed to conclude the border agreements before the year 2000.<sup>85</sup>

On the other hand, it is unlikely that Vietnam will be able to regain the Paracels, which is effectively under Chinese control. The Spratlys dispute is the most complicated because it involves not just Vietnam and China, and therefore a study of the South China Sea dispute cannot be complete without considering the other claimants, as well as the interests of the non-regional countries. But to confine our discussion to Sino-Vietnamese relations, one should note that prior to August 1994, there was no official mechanism whereby both countries could discuss the Spratlys issue. We should recall that the issue was discussed *for the first time* at the Vice-Ministerial level in August 1994 and a Joint Working Group was subsequently established. However, there has been no

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<sup>83</sup> *Xinhua News Agency, FBIS-CHI-98-295*, 22 October 1998.

<sup>84</sup> *Ibid.*

<sup>85</sup> *Xinhua News Agency, FBIS-CHI-98-271*, 28 September 1998.

progress in the negotiations except for the reiteration of the commitment not to use or to threaten the use of force. There has also been no advancement regarding joint cooperation and putting aside the sovereignty issue, beyond the declaratory statement of being prepared to do so. According to Indonesian ambassador-at-large for the Law of the Sea and Maritime Affairs, Dr. Hasjim Djalal, who is also the 'driver' of the second track series of South China Sea Workshops on Managing Potential Conflicts, participants (which included Vietnam and China) at the 8<sup>th</sup> meeting in Puncak, West Java in December 1997 agreed to focus on the subject of joint development and its implementation. Thailand has apparently prepared a proposal on stock assessment in the South China Sea, which is currently under consideration in the workshop process.<sup>86</sup> It is however too early to tell whether anything substantive will develop from this especially now when the primary focus is on the national economies and the financial crisis in the region.

If the direction in which Sino-Vietnamese relation is developing since 1991 is any indication, it is unlikely that both countries will engage in another military clash over their South China Sea dispute in the near and mid-term future. While one should not dismiss as an aberration the military confrontations between them in 1974 over the Paracels, and in 1988 over the Spratlys, they were fought in a vastly different context and under very different circumstances.<sup>87</sup> Vietnam was very much isolated then. Since 1991, both countries have been emphasising the need for a period of peace to concentrate on their economic development and modernisation. Both countries have also expressed that they should bear in mind the bigger picture, even while trying to resolve specific differences. And, both countries have been candid in admitting that they do not expect the Spratlys issue to be easily and quickly resolved.

Even with the existing good relations however, Sino-Vietnamese interaction will never be on equal and reciprocal terms. Given the asymmetry of power between the two countries, as well as the historical baggage between them, the Vietnamese will always be guarded in their relations with China. The Chinese, on the other hand, will need to be especially sensitive to the feelings of insecurity, and if I may add, understandable feelings,

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<sup>86</sup> Paper by Hasjim Djalal presented at the International Symposium on Preventive diplomacy in the Asia-Pacific region, in Beijing, 20-201 July 1998, reproduced in *The Jakarta Post*, 26 and 27 August 1998.

<sup>87</sup> See Chi-kin Lo, *China's Policy Towards Territorial Dispute: The Case of the South China Sea Island*, (London: Routledge, 1989), passim.

of their much smaller neighbour. The unresolved Spratlys dispute is therefore particularly worrisome to the Vietnamese (not to mention the other claimants and those with an interests in the South China Sea) and will remain a very major security concern. When the current economic crisis is over, attention will shift back to the South China Sea, which until the middle of 1997 was considered a regional flashpoint that could destabilise the region. There is a deadly game of *wei-qi (go)* going on in the South China Sea. The Chinese and the Vietnamese, in particular are competing to lay physical claims on the reefs and shoals. A recent example is Vietnam's occupation of the Nanan (Orleana) and Jindun (Kingston) Shoals, which Beijing claims, belong to China.<sup>88</sup> Every physical control of a reef or a shoal is a stepping stone to another. Studies have shown that despite its relative limited air and naval capabilities compared to the major Western powers, China has the strongest force in the region. The Chinese Navy has in the meantime embarked on a modernisation programme that can only increase its military edge.

Vietnam, on the other hand, processes fairly antiquated naval and air assets, and is unlikely to be able to upgrade them significantly due to lack of funds.<sup>89</sup> Vietnam's best and perhaps only solution in order to pre-empt a *fait accompli* in the Spratlys is to depend on ASEAN support and to 'internationalise' the issue as much as it possibly can. As Foreign Minister Nguyen Manh Cam said in 1995, in the effort to resolve the issue, there should be bipartite, tripartite, as well as multipartite meetings. The question one might reasonably ask is whether it is possible to achieve that which cannot be obtained on the battlefield, on the diplomatic table. The present political weakness of ASEAN, of which Vietnam has been a member since 1995, has not been helpful. If this trend is allowed to continue unchecked, Vietnam will find the Spratlys, like the Paracels, under de facto Chinese control. As the Chinese strategist Sunzi advised: to conquer the enemy without resorting to war is the most desirable.

Perhaps it is appropriate to conclude with an anecdote and a piece of symbolism: During the concluding stages of the Conference of Communist and Workers' Parties in 1960, the Chinese refused to sign the declaration because they objected to one point in the document. Ho Chi Minh appealed to Khrushchev to accede to the Chinese

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<sup>88</sup> *Xinhua News Agency, FBIS-CHI-98-251*, 8 September 1998.

<sup>89</sup> Clive Schofield, 'An Arms Race in the South China Sea?' in *Boundary and Security Bulletin*, July 1994.

because, according to Ho, China was a big country with a big party and they could not allow a schism in the communist movement. Khrushchev retorted that the Soviet Union was by no means a small country, to which Ho replied, “For us it is doubly difficult. Don’t forget, China is our neighbour.”<sup>90</sup>

The symbolism is that recently, two historical sites on the Chinese side of the border were repaired and renovated, and opened to tourists. They were supposed to mark the close ties between Vietnam and China. They were the Ho Chi Minh Pavilion (previously called the Dongxing Six Angle Pavilion) and a boundary tablet erected in 1890 by the Qing Dynasty and the French demarcating the China-Vietnam border.<sup>91</sup> The Vietnamese is unlikely to object to the former but the latter is bound to be contentious. Such is the nature of the relations between the two countries.

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<sup>90</sup> Quoted in Nikita Khrushchev *Khrushchev Remembers*, (London, Sphere Books, 1971), pp. 444-445.

<sup>91</sup> *Xinhua News Agency, FBIS-CHI-98-307*, 3 November 1998.