

CHINA, TAIWAN AND THE CHANGING STRATEGIC SIGNIFICANCE OF OCEANIA

*John Henderson**

This article considers the background to, and implications of, the increased diplomatic, economic and strategic interest China is showing in the Pacific Island region. While in recent times this has been linked to political instability in the islands, Chinese contact with the region dates back to the colonial era. In the post-World War Two period Taiwan has competed with China for influence and recognition. The reasons why five island states (Nauru, Tuvalu, the Solomon Islands, the Marshall Islands and Palau) recognise Taiwan are explored. The conclusion reflects on the implications of strains in US-China relations, as well as indications that the region is undergoing a geopolitical transition from American to Asian influence.

Cet article porte sur les raisons qui poussent la Chine à vouloir nouer des relations diplomatiques, économiques voire stratégiques avec les pays de la région du Pacifique Sud et les conséquences que cela implique. Alors que l'intérêt de la Chine dans ces pays semble être lié aux récents épisodes d'instabilité politique que ces Etats insulaires ont pu connaître, en fait on constate que les premiers contacts noués par la Chine remontent à l'époque coloniale.

Au lendemain de la Seconde Guerre mondiale, la Chine s'est rapidement trouvée en compétition avec Taiwan pour être non seulement reconnue par la communauté internationale dans cette partie du monde, mais aussi pour asseoir leur zone d'influence respective. L'auteur étudie les raisons qui ont conduit cinq Etats insulaires de la zone Pacifique (Nauru, Tuvalu, les Iles Solomon, les Iles Marshall et Palau) à reconnaître et favoriser Taiwan plutôt que la Chine.

En guise de conclusion, l'auteur considère quelles sont les implications des tensions actuelles dans les relations sino-américaines et les indications qui permettent de penser que cette région du

* Senior Lecturer in Political Science, University of Canterbury.

monde est actuellement en train d'opérer sur le plan géostratégique, un glissement de la sphère d'influence américaine vers celle d'origine asiatique.

I INTRODUCTION

Following the June 2000 armed overthrow of the democratically elected government of the Solomon Islands, the first foreign warships to appear off the coast of the capital, Honiara, were not from the "traditional" powers of the region — Australia and New Zealand — but from Taiwan. There was nothing sinister about the presence of the three warships — they happened to be in the region on a "goodwill" visit. But the incident highlighted an uncomfortable fact for Australia and New Zealand: that events in the South Pacific were no longer their exclusive preserve. Other nations to the North were playing a growing role in the region's future. Pacific Island states had other options.

This article considers two issues raised by Taiwan's naval presence. The first is the implications for Pacific Island states of the rivalry for diplomatic recognition between China (the People's Republic of China — PRC) and Taiwan (the Republic of China — ROC). Taiwan had invested much money and time into securing the Solomon Islands as one of the few countries to give it full diplomatic recognition. The second issue — to be explored in the latter part of this paper — is the wider strategic implications of the increased political instability in Oceania. It is interesting to note that the Taiwanese ships referred to above also offered to pick up some of the 600 ethnic Chinese in Fiji should they wish to leave in the wake of that island nation's third military coup on May 19, 2000 (The offer was not taken up) (*Pacific Island Report*, (PIR) 9/6/2000). The Solomons coup followed just two weeks after Fiji's coup. This highlighted the extent of Melanesian instability, which stretches from Indonesia's troubled territory of West Papua through Papua New Guinea's secessionist province of Bougainville to the nearby Solomon Islands. It also extends to two countries which have experienced violent rebellion in the past, Vanuatu and New Caledonia, and finally to Fiji. This study will reflect on the wider strategic significance for China of this so-called "arc" of instability.

Before analysing these related issues of China-Taiwan rivalry and regional instability the background to China's presence in the region will be briefly surveyed. It is not a new development. There is a long history of contact between China and the Pacific Islands. There has even been speculation — which has the backing of some DNA evidence — linking the indigenous people of Taiwan to the Polynesian people of the Pacific. This raises the intriguing possibility that Taiwan may have been the original home of the Polynesians (*AFP*, 10/8/1998).

II CHINA AND THE PACIFIC

During the colonial era Chinese communities became established in the Pacific Island region as Chinese labour was recruited to do the work the indigenous people were often unwilling to take on. Chinese labourers were employed to mine phosphate in Nauru and elsewhere. During the late 19th and early 20th century many Chinese were brought into the region to work the extensive coconut plantations established by the colonial powers in Samoa, Papua New Guinea and Fiji. Chinese were brought in to work cotton plantations in French Polynesia. Many remained on after their labour contracts expired, and some intermarried with the local community. But the numbers remained relatively small — and in no case did the immigrant Chinese population challenge the dominance of the indigenous people as the Indian immigrant population did in Fiji. One of the most significant Pacific Island Chinese communities is in French Polynesia — where they make up 10,000 of the population of 230,000.

Chinese labour has continued to be recruited to this day. For instance garment workers from China have been brought into Fiji under three-year work permits. Similar arrangements have existed in the Marshall Islands and elsewhere, where Chinese workers have had to endure harsh conditions for low pay.

The Chinese communities in the Pacific Islands have maintained ties with their homeland during and after the colonial era. In the inter-war period the Chinese Nationalist government established consulates in the colonial capitals of Samoa and Fiji, and actively promoted Kuomintang Party branches. More recently Taiwan has been able to benefit from the support of small Chinese communities whose anti-Communism is reinforced by strong Christian beliefs (Henningham, 1995: 103). China also benefited during the Cold War period, when the Chinese communities gave it a distinct advantage over the Soviet Union in gaining influence on the region. China's President Zing Zemin paid tribute to the importance of these overseas Chinese during a brief stopover visit to French Polynesia in April 2001 while en route to Latin America.

Many Chinese became prominent traders and leading businessmen in the Pacific Islands. A few entered politics. The most prominent of these has been Sir Julius Chan, the former Prime Minister of Papua New Guinea, who is also a successful businessman. His father was a Chinese trader. (It is interesting to note that Chan remains a strong supporter of the pro-Beijing "one China" policy.) In the 1998 Solomon Islands election two Chinese businessmen were elected to parliament. In Fiji, Jim Ah Koy has been a leading figure in business and politics and has been closely linked with George Speight, who led the May 2000 Fiji coup. (However, Ah Koy strongly denies any involvement in the coup.)

In recent years Chinese nationals have ventured into the central Pacific with dubious immigrant status. The Chinese have been the main customers for the passports sold by

states such as Tonga, the Marshall Islands and Kiribati. This has resulted in the enrichment of some leading politicians — but has also generated resentment and controversy from local people. In November 1998 the leading figure in the Tongan pro-democracy movement, Akilisi Pohiva, claimed that the number of Chinese who had gained entry into Tonga were costing Tongans work opportunities and causing "economic, political, social and moral problems" (*Pacific News*, 12/10/98).

A further group of recent arrivals into the Pacific Islands from China are economic refugees who have resorted to the desperate and illegal status of "boat people". Most have the US as their preferred ultimate destination, and many have been apprehended in the vicinity of the US territory of Guam. Others have ventured further south, and landings in the islands of Papua New Guinea are not uncommon for refugees seeking entry into Australia. It is an issue which is likely to increase in importance, particularly for Australia.

III CHINA - TAIWAN RIVALRY

In 1949, at the end of China's long civil war, the anti-communist nationalist forces withdrew to Taiwan. They continued to enjoy the support of the US and its allies in their claim to be the legitimate government of China until 1972, when President Richard Nixon's visit to China highlighted the massive shift in US policy. The PRC was recognised by the US (and by Australia and New Zealand) as the government of China, while Taiwan was given US military support for its continued separate status.

Since the early 1970s Taiwan has struggled to gain diplomatic recognition, and regain the UN membership it lost in 1971. China, on the other hand, has sought to isolate Taiwan diplomatically. As far as the PRC is concerned, Taiwan remains a renegade province, and the PRC the sole government of all of China. Taiwan, in the view of the PRC, remains an integral part of China. The PRC totally rejects any notion of "two Chinas". Pacific Island leaders on official visits to Beijing are encouraged to reaffirm their adherence to a "one China" policy, their recognition of the PRC as the sole legal representative for the whole of China, and support for Taiwan's eventual reunification with the mainland. But although strongly objecting to other countries forming political relations with Taiwan, the PRC will allow commercial and cultural links of an unofficial nature.

Taiwan's efforts to gain international recognition has enjoyed some success. In early 2000 there were 29 countries — mainly small states from the Caribbean, Central America, Africa and the Pacific — that recognised Taiwan. This compares with recognition by 24 countries in 1989 (Biddick, 1989: 811).

Five Pacific Island countries (compared with eight from Africa) currently side with Taiwan: the Solomon Islands, Nauru, Palau, the Marshall Islands and Tuvalu. There has been little change from a decade earlier when four island states recognised Taiwan: Nauru, Tuvalu, Tonga and the Solomon Islands. Nauru, the Solomons and Tuvalu have remained

consistent loyal backers of Taiwan, although the Solomons did contemplate a change in 2000. Tonga was also in this group of solid Taiwan supporters until 1998 when it suddenly switched support to the PRC. The same year Taiwan lost Tonga's backing it gained the support of the Marshall Islands. Palau, which had recognised neither the PRC or ROC, followed in 1999. In mid-1999 Papua New Guinea briefly switched its recognition from the PRC to Taiwan, before a new government reversed the decision and reaffirmed its diplomatic ties with the PRC.

The PRC, while so far failing to achieve its objective of isolating Taiwan, has enjoyed wide support among most Pacific Island states. It has established embassies in Papua New Guinea, Fiji, Samoa, Vanuatu, Kiribati, Tonga and the Federated States of Micronesia, and also enjoys the support of the Cook Islands and Niue.

An analysis will now be made of the factors that have played a role in determining Pacific Island support for either the PRC or the ROC. These factors include economic considerations, domestic politics, the personal preference of key decision-makers and external pressure.

IV ECONOMIC CONSIDERATIONS

Economic considerations have featured prominently in the China-Taiwan rivalry. These have related more to influencing Island states and key decision-makers rather than furthering the economic interests of China or Taiwan. Both have extensive economic interests in the region (particularly in the fishing industry), but their strategy has been driven mainly by diplomatic concerns and (in the case of China) wider strategic considerations. (This contrasts with Japan, whose actions in the region are heavily influenced by both short and long-term economic interests particularly relating to fishing and tourism.) The predatory nature of Taiwan's fishing industry has at times got in the way of its government's wider political and economic agenda.

Both the ROC and PRC have rewarded their Pacific Island supporters with financial assistance. Taiwan has proved to be particularly generous. The small size of the island states has meant that for what to Taiwan is a relatively modest financial investment, it can be rewarded with the major diplomatic gain of a vote at the United Nations. It is significant that of the five Island states currently backing Taiwan, three are amongst the world's smallest microstates, with populations under 20,000. These are Palau (15,000), Tuvalu (10,000) and Nauru (6,000). Two of the other states that currently or in the past have recognised Taiwan are also very small — Tonga (100,000) and the Marshall Islands (60,000). However, small size is not always a determining factor in securing support for Taiwan. The Solomon Islands, with a population of over 400,000, may seem to be in a different category as it is one of the larger Pacific Island states (after Papua New Guinea

and Fiji). However, it is also the poorest of the Pacific Island states, and has a literacy rate of only 30%.

Not all the small Pacific Island states back the ROC. The Cook Islands, with a population of 15,000, established diplomatic relations with the PRC in 1997. In 2000 Niue, whose population is just 1,500, indicated that it also is seeking ties with the PRC, and would be seeking consultations with New Zealand about this move.

V DOLLAR DIPLOMACY

Financial considerations have been the key factor motivating Pacific Island states which have either changed or considered changing their allegiance from China to Taiwan or the reverse. There have been two recent examples of this "dollar" diplomacy. In July 1999 the then Papua New Guinea Prime Minister, Bill Skate, declared that his government had changed its diplomatic support to Taiwan. He made no secret that his immediate goal was to make up a crucial budget shortfall. His move was reported to involve a massive \$3.2 billion in grants, soft loans, and trade and business deals, although apparently no firm commitments were made by Taiwan (*Post Courier*, 22/7/99). The decision was reversed within weeks when the Skate government was replaced by a new administration. Had it succeeded it would have constituted a major gain for Taiwan, as Papua New Guinea is by far the largest Pacific Island state with a population of over four million, is rich with minerals, and is adjacent to Asia. The Chinese Ambassador in Port Moresby was concerned enough about a possible future occurrence to issue a warning against Taiwan's willingness to take advantage of countries in financial crisis (*The National*, 11/1/2000).

But such considerations can work for both sides. Economic considerations also motivated the Solomon Islands' Foreign Minister, Danny Philip, to consider changing his country's 20 years' support of Taiwan if he could obtain a better financial deal from the PRC. In October 2000, at short notice, he broke off a scheduled meeting with the Taiwanese Vice Foreign Minister and, flew off to China. He justified his actions by arguing that the economic assistance his country had received from Taiwan was now almost exhausted, while his country's needs remained urgent and massive. However, he was unable to reach a satisfactory deal with China and later announced that he would now travel to Taipei to apologise for "recent misunderstandings" (*Pacific News*, 3/11/2000).

Similarly, it was money which helped Taiwan gain the Marshall Islands' diplomatic support in 1998, and to retain it after a change of government. In recent years Taiwan has provided the bulk of the funding for the Marshall Islands government's supplementary budget which has been crucial for keeping government departments operating (*Marshall Islands Journal*, 25/6/2000).

The Marshall Islands Opposition had been highly critical of the Kabua government's close ties with Taiwan. However, after a few weeks of consideration following the late 1999

election, the new government decided not to make any change of policy in view of the "substantial contribution" made by Taiwan to the Marshall Islands' development (*PIR*, 14/1/2000). As a leading Minister in the new government, Philip Muller, explained unapologetically: "The social and economic well-being of the Marshall Islands takes priority over everything else." There were also unsubstantiated rumours of millions of dollars of cash changing hands to the benefit of local political figures (*AFP*, 10/12/1998).

The political nature of the rivalry has diverted aid into prestige projects aimed at making a political statement rather than facilitating economic development. The ROC has provided sports stadiums to Tonga and Palau, and a hospital to the Solomon Islands. The PRC funded a parliamentary complex for Vanuatu, and a multi-storey government office complex in Apia, Samoa. It has also agreed to build the sports complex in Fiji for the 2003 South Pacific Games (*PIR*, 13/2/2001).

As has been noted, some of the economic benefits of maintaining friendly relations with Taiwan can be achieved without establishing diplomatic relations. The PRC allows economic links with the ROC providing that these do not extend to the political realm. Most Pacific Island states therefore seek to develop the highest possible trade and economic cooperation with Taiwan, short of diplomatic recognition. A number of Island states — including Fiji and Vanuatu - maintain trade offices in Taipei (as do Australia and New Zealand).

Economic and political considerations can give rise to delicate balancing acts. There have been attempts by some island states to gain the maximum benefits from both the PRC and ROC without committing political allegiance to either. This was, until late 1999, the policy of Palau. However, a recent case study of Palau concluded that, while playing one side off against another can bring short-term benefits, it "cannot be played indefinitely" (Harwitt, 2000:478), as it risks alienating investors. Investment, particularly in the tourist industry, was the major factor in Palau's decision to establish diplomatic relations with Taiwan in 1999.

The PRC gained an important economic advantage over Taiwan when the 2000 Pacific Island Forum agreed to the establishment of a Pacific Trade Office in Beijing to promote trade and investment between China and Pacific Island States. Similar offices exist in Auckland, Sydney and Tokyo. Taiwan has responded by providing funding for trade-related projects to be administered by the Forum Secretariat, but the establishment of the office in Beijing gave regional recognition to China's status as an emerging major economic Pacific power.

VI DOMESTIC POLITICS

Inevitably, PRC-ROC rivalry has spilled over into the domestic politics of Pacific Island states. There have been allegations of Taiwan "buying" support from key figures. In 1998 a

Marshall Islands' Minister claimed that he was offered \$US100,000 by the Taiwanese ambassador for his support for the Kabua government. The Ambassador denied the allegation, and pointed out that such payments were against Taiwan's policy (*MIJ*, 21/1/2000).

In 1997 the Samoan government accused Taiwan of helping to fund anti-government marches organised by traditional political leaders. Taiwan denied that it had made payments of over \$US500,000 and accused the Samoan government of seeking to divert attention away from the many public grievances it faced (*Pacific News*, 14/10/1997).

The most serious impact on domestic politics has been in the Solomon Islands, where Taiwan-PRC rivalry has been associated with the ethnic violence between the rival provinces of Guadalcanal and Malaita. In 1998 the Taiwanese Ambassador was withdrawn after reports that he had "lured" two Opposition MPs to support Prime Minister Ulufa'alu's victory in the general election (*AFP*, 28/7/1998). The situation became complicated. While the Solomon Island government recognised Taiwan, the Provincial Government of Guadalcanal developed close relations with a "sister" province of Guangdong in China. The June 2000 armed rebellion resulted in the removal from office of Ulufa'alu, who had made no secret of his strong support for Taiwan. As has been noted, the new government explored switching allegiance to Beijing, but eventually decided to stay with Taiwan.

Both the PRC and ROC practice extensive "visit diplomacy" aimed at influencing key decision-makers — especially Prime Ministers and Presidents. In the year between the 1999 and 2000 meetings of the Pacific Island Forum, China hosted official visits by the King of Tonga, the President of the Federated States of Micronesia, the Prime Ministers of Samoa and Fiji, the Speakers of the Parliaments of Kiribati and Papua New Guinea, and the Foreign Minister of Vanuatu. During the previous year, distinguished visitors included the Prime Ministers of Papua New Guinea and the Cook Islands. Taiwan also entertained visits from the leaders of its five Pacific Island supporters. The President of Fiji, Ratu Mara, managed to visit both Beijing and Taipei — by declaring that the latter visit was "private". As Biddick (1989: 805) noted, this extensive level of visits has meant that Pacific Island leaders have closer personal contact and knowledge of Chinese leaders than they do with prominent US political figures. They cannot help but be impressed by the degree of hospitality and recognition given to them as leaders of micro-states by the world's most populist country.

VII PERSONAL PREFERENCES OF KEY DECISION-MAKERS

"Visit diplomacy" is important because, as both the PRC and ROC understand, Pacific Island decision-making may rest with only a few key figures. This is well illustrated by Tonga's 1998 decision to switch allegiance from the ROC — established back in 1972 — to PRC. The decision rested — as do all major decisions in Tonga — with the Royal family.

The former Minister of Foreign Affairs and Defence, Crown Prince Tupouto'a, developed very close personal ties with Taiwan. He provided — at a price — the land on which Taipei's expensive Embassy was constructed. But following the King's decision to appoint his youngest son, Prince Lavaka Ata Ulukalala, first as Foreign Minister and then as Prime Minister, Taipei fell out of favour. There were rumours that Lavaka wished to help his sister, Princess Pilolevu Tuita, further her business interests in Tonga's satellite company, which had strong China connections. Not surprisingly, the Princess denied this, and claimed that her goal was to gain entry for Christian evangelists into China. The Chinese government helped win over the King's support by presenting him with a larger than life bronze statue of himself to place outside the palace. In any case, the King — who has resisted the pressures of the Tongan pro-democracy movement — was said to be unimpressed by Taiwan's adoption of democracy (James, 2000: 252). It is also noteworthy that Tonga's recognition of China cleared the way for its entry into the United Nations (*Radio Australia*, 31/12/1988).

Other Pacific Island leaders, such as the first Papua New Guinea Prime Minister and current Foreign Minister, Michael Somare, have developed close personal ties with Taiwan. Somare has made no secret of his pro-Taiwan leanings — which extend to business interests. In May 2000 he was the only government Minister to welcome a visiting trade delegation from Taiwan (*Post Courier*, 24/5/2000).

VII EXTERNAL PRESSURES

China has repeatedly and strongly condemned moves by Pacific Island states to establish ties with Taiwan. For instance, in mid-1999 China declared that Papua New Guinea Prime Minister Bill Skate's decisions to switch recognition to Taiwan was a "serious mistake" and an "erroneous decision" which constituted a "serious infringement of China's sovereignty and territorial integrity" (*Post Courier*, 12/7/1999).

But China has been reluctant to step the pressure up much beyond rhetoric and diplomatic measures. It used its position on the Security Council to delay, but not veto, Nauru's and Tuvalu's applications to join the United Nations in 1999 and 2000 respectively. However, there have been instances when China has applied economic pressure. In 1997 China ended preferential treatment of Fiji sugar imports in response to Prime Minister Rabuka's moves to strengthen ties with Taiwan (*Pacific News*, 18/8/1999).

Other states may also seek to apply pressure. In mid-1999 the Australian Government warned Papua New Guinea against changing its support to Taiwan, and argued that this would not be in the interests of Australia or Papua New Guinea, and could help undermine regional stability (*Radio Australia*, 5/7/1999). Foreign Minister Downer denied that China had asked Australia to get Papua New Guinea to change its mind — but agreed there had been "some discussions" (*The National*, 23/7/1999).

Pressure may come from surprising sources. In February 2001 the US vetoed a visit by Taiwan warships to the Marshall Islands. Under the terms of the Compact covering US-Marshall Island relations the US has the power to deny foreign military powers access. The US chose to use the veto because it considered the visit conflicted with its own "one China" policy, and was therefore not in the US' interests (*Marshall Islands Journal*, 12/2/2001).

VIII REGIONAL IMPLICATIONS

China-Taiwan competition for influence amongst Pacific Island states has divided the main regional organization — the Pacific Island Forum (previously the South Pacific Forum). China has been a "dialogue" partner of the Forum since 1989 (along with Canada, Britain, France, the European Union, the United States, Japan, Korea, Malaysia and the Philippines. Australia and New Zealand are members of the Forum). China has contributed generously to the Forum's activities, including those of its specialist agencies. It has, for instance, made a practice of donating the fleet of VIP vehicles to transport Heads of Government when the Forum has been hosted by the very small state members, such as the Cook Islands and Palau.

Taiwan is not a Forum dialogue partner, although it would very much like to be. Since 1992 it has held its own separate post-Forum meeting with friendly Pacific Island states. Following the 2000 meeting in Tarawa, Kiribati, a meeting was held at a separate location (the old Parliament building) and attended by Nauru, Palau, the Marshall Islands, the Solomon Islands and Tuvalu. Representatives from Fiji and Papua New Guinea were also in attendance. So too were officials from the wide range of Forum agencies which have accepted financial support from Taiwan (including the Forum Secretariat, Forum Fisheries Agency, South Pacific Trade Office and the University of the South Pacific).

China strongly objected to Taiwan's presence at the Kiribati meeting and demanded that Taiwan not be allowed to take part in future Forum activities. It took a tough line, declaring: "the question of Taiwan must not be put off indefinitely ... We strongly demand that the Forum take seriously the China position." On the issue of Taiwan the Forum was warned that China "cannot rule out the use of force" (*Radio Australia*, 1/11/2000).

IX WIDER STRATEGIC ISSUES

While the Taiwan issue has had a direct impact on Pacific Island states, there are also other wider strategic issues which are potentially of even greater significance. As Biddick (1989: 801) has commented, the PRC "views the region in a larger geo-strategic context as an arena for contention by the major powers." Until the 1990s that included the Soviet Union. (See Herr, 1991). Pacific Island leaders were warned by China to be wary of "Soviet expansionism."

China caused considerable unease throughout the region in May 1980 when it carried out ballistic missile testing in the Pacific. However, during the 1980s China moved to reassure the region that it had no desire to play a military role. In 1985 Party Secretary Han Yabong visited the region to announce the principles that would guide China's policy: that it fully respected (i) the foreign and domestic policies of the South Pacific countries, (ii) the existing relations among the island countries, and (iii) the treaties the South Pacific countries had signed with the great powers (Biddick, 1989: 812). Significantly, China moved quickly to sign the protocols of the 1985 South Pacific Nuclear Free Zone Treaty in 1987.

X UNITED STATES CONCERNS

A recent analysis by a US "think tank" lamented the general lack of American interest in the South Pacific region and appreciation of the potential importance of recent strategic developments. In particular, it was feared that the political instability highlighted by the coups in Fiji and the Solomon Islands presented a "tremendous strategic opportunity for China", as it did "not take a lot of resources to buy influence in these countries". It was argued that only part of these concerns related to the ongoing competition for diplomatic recognition between China and Taiwan. The potential implications of a deterioration in US-China relations were seen to be much more serious, as it could turn the area into "a very important potential arena for competition and conflict" (*PIR*, 13/6/2000).

The same analysis went on to draw somewhat exaggerated parallels between the potential future strategic significance of the Island states and their undoubted past strategic significance in the World War II US-Japan battle for control of the Pacific. It was claimed that instability in the Solomon Islands, Fiji and Indonesia "could threaten commercial shipping and naval traffic", especially given China's capability with anti-ship missiles. The analysis concluded that China's need to counter American power combined with China's limited naval capacity made "a Pacific Island strategy as natural to them as it was to the Japanese decades ago". It was nevertheless conceded that "the Chinese are not acting aggressively to expand their influence - but they are acting ...The Chinese are quietly building bridges" (*PIR*, 13/6/2000). Although overstated, this analysis serves a useful purpose in highlighting the important point that China's interests in the Pacific Island region extend far beyond its concerns regarding Taiwan. These interests will grow if there is a deterioration in US-China relations, which appears likely following the tension produced by the forced landing of the US spy plane on Chinese territory in April 2001.

The Chinese satellite tracking station at Temawaiku village, South Tarawa atoll in Kiribati, opened in October 1997, is evidence of the existing and potential wider strategic significance of Pacific Island states. It is the only such base outside China's borders. The recent US strategic assessment referred to above claimed the facility underlined China's "important interests in the central Pacific" for facilities such as missile tracking and satellite

listening stations (*PIR*, 13/6/2000). Given its importance, China pays a very modest rent for the facility, reportedly just \$A250,000 annually. Nevertheless China has provided extensive economic aid to Kiribati, including the redevelopment of its airport and hospital (*Radio Australia*, 21/9/2000).

The Kiribati government has played down the significance of the facility. The President, Teburoro Tito, has claimed that the facility has no military purpose and was designed only to track the orbit of non-military rockets launched from China. He rejected suggestions that the station could make Kiribati a target in any future regional or global conflict which involved China (*Radio Australia*, 21/9/2000). Without the necessary data, it is difficult to assess the capabilities of the China facility. But it should be noted that the Japanese National Space Development Agency also operates a tracking station in Kiribati, situated on Christmas Island.

There is considerable scepticism regarding China's assurances that the station has no military role. Its presence in Tarawa may be explained by China's desire to monitor the major US missile testing facility in Kwajalein, an atoll which is part of the Marshall Islands (a neighbouring Micronesian state). Kwajalein has played a crucial role in the development of the controversial US missile defence system, which China strenuously opposes but is now likely to proceed under the new Bush administration.

But apart from the Tarawa satellite tracking facility, China's involvement in regional defence related issues has been modest. In 1999 a high-level Papua New Guinea delegation visited Beijing and reached agreement on expanding defence ties between the two countries. In March 2000 China provided defence supplies worth \$US400,000 to Papua New Guinea (although weaponry was noticeably absent from the package). In July Prime Minister Mekere Morauta reiterated that defence cooperation was an important part of the friendly relations between the two countries (*Pacific News*, 12/7/2000).

In February 1998 the Chinese Minister of Defence led a 13-member delegation on a two-day visit to Fiji. The talks concluded with professed agreement on "common interests in regional and international affairs" (*Pacific News*, 10/2/1998). The then (now deposed) Fiji Prime Minister, Mahendra Chaudhry, discussed military cooperation during an official visit to Beijing in December 1999. These ties are likely to be strengthened following the May 2000 coup and Fiji's loss of military ties with Australia and New Zealand. The same process occurred after the May 1987 coup, and serves as a reminder to Australia and New Zealand that military — and economic — sanctions may prove counterproductive.

XI CONCLUSION

While China's immediate attention in the Pacific Island region focuses on the Taiwan issue, it also has much wider long-term strategic interests. China sees itself as an emerging major power, and expects the respect and influence such status entails. That does not

necessarily point to an aggressive stance although this remains a possibility. However, there is little need to revise Biddick's conclusion of a decade ago that China's role is "largely compatible" with Western interests. The important point, as Biddick further noted, is that "Western interests can no longer be taken for granted" (Biddick 1989: 815). The respected Samoan historian, Malama Meleisea has reached a similar conclusion with the observation: "The Pacific Islands are going through a geo-political transition, from the sphere of European-American influence to that of Asian influence" (*PIR*, 9/7/1998). There is an increasing tendency to "look North".

Australia and New Zealand have been slowly adapting to this transition (New Zealand through its Asia 2000 programme). There is a growing recognition that the twenty-first century will see the emergence of China as a major regional power, and perhaps a global one as well. The resolution of the Taiwan issue is of very real concern to both Pacific Rim and island states. Developments in Oceania can also be expected to attract a greater and more active interest from China as it continues to expand its strategic horizon.

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