

2. U.S. allies opt for 'New China'

Perhaps the most remarkable aspect of the rising euphoria in Washington over playing the "China Card," is that the game is diametrically opposite to the policy toward China being pursued by the friends and allies of the United States. West Germany, Japan and Mexico stand out as the three nations that have developed perhaps the most far-sighted approaches to China, the goal of which is to strengthen world peace by prodding Peking to become a more "civilized" member of the international community.

The differences between the China policy of the Carter Administration as it currently exists and that of these three nations are fundamental. Thinking no further than the next two to three years, Washington policy-makers are angling to use China as a "strategic counterweight" against the Soviet Union. Ask Administration officials about the long-term effects of such an American policy toward China, and they will tell you not to bother them with "details." On the other hand, Japan, Mexico and West Germany are pursuing a well-thought-out, long-term policy toward Peking, which is designed to use China's dependence on the West for aid in her current drive for economic modernization to induce a simultaneous modernization in the outlook of the Chinese leadership. By drawing China into deeper economic collaboration with the western countries and Japan, officials in these three countries believe that China itself will gain a greater interest in world peace and stability. These officials caution however, that such an economic cooperation approach to China must be coupled with firm warnings to the Peking leaders that their repeated dire predictions of the inevitability of war and related efforts to disrupt detente agreements such as the Strategic Arms Limitations Talks between the United States and the Soviet Union, have little support in the West. Combining these two aspects of a long-term policy will force the Chinese to adopt a more moderate foreign policy.

German and Mexican approaches

This long-term policy toward China was fully in operation when West German Chancellor Helmut Schmidt and Mexican President Jose Lopez Portillo made separate visits to Asia last October. Schmidt went to Japan for three days of talks with then-Prime Minister Takeo Fukuda, and Japan's plans to sign a Treaty of Peace and Friendship with China was one of the main topics of discussion. Fukuda is known to have fully informed Schmidt of Japan's plans to sign the treaty with China, but assured the German Chancellor that Japan would firmly resist Peking's pressure to become involved in China's feud with

the Soviet Union. Schmidt is believed to have endorsed this view fully, and was reported to have urged Fukuda to follow up the China treaty with an effort to improve Japan's relations with the Soviet Union. During several public functions in Tokyo, Schmidt very strongly attacked the "China card" idea, and fully dissociated West Germany from the policy. It was also significant that Mr. Schmidt did not go to Peking while he was in the Far East; most top western leaders, especially those that support the "China card," normally travel to Peking while in Asia to emphasize the "strategic" importance China holds in the West.

Since his visit to Japan, Mr. Schmidt and his Defense Minister Hans Apel have barred all West German military personnel exchanges with China. Despite these firm policies of the West German government, however, China has continued to award contracts to West German corporations, proving that it is not necessary to play the "China card" to enjoy economic cooperation with Peking.

President Lopez Portillo was equally clear in the policy he adopted toward China during his October visit to Peking. In fact, the Mexican President's visit was quite unique for the open and frank remarks he directed at the Chinese leadership. While extensively praising the efforts of China to modernize, Lopez Portillo firmly told the Chinese that their views on the inevitability of war are harmful and wrong. Moreover, he chastized his hosts for viewing the world, and making decisions, "from behind a great wall," a remarkable, direct attack on the chauvinism of the Chinese leadership. It is precisely this chauvinism within China that must change if the West is to be sure of long-term friendship with Peking.

The Japanese approach

For historical and other reasons Japan is today the nation best informed on China. Having suffered the stifling effects of Chinese culture and philosophy, and broken with those traditions while modernizing, Japan has gained unusual insight into the psychology of the "Great Han Chauvinism" which afflicts China even today.

The recently concluded treaty between Japan and China took more than six years to negotiate, largely due to Japan's unwillingness to bow to Chinese pressure and accept anti-Soviet provisions in the text. Japanese officials strongly emphasize that it would be a disaster for Japan to become embroiled in the Sino-Soviet dispute. Though Japan would not be overjoyed by the prospects of a detente between China and the Soviet Union, most Japanese officials stress that this would be far better for Japan than a heightening of tensions between those countries, as Japan could easily become involved in any military conflict.

The Japanese are deeply aware of China's cynical disregard for "outsiders," and its historical penchant to manipulate the "barbarians" to fight against each other—to the benefit of China. Officials in Tokyo are truly baffled by the fact that Henry Kissinger, Zbigniew Brzezinski and other players of the "China card" have proven such easy prey for the mandarins in Peking. Of course, they say, Mr.

Kissinger thinks he is manipulating China, but this is a fantasy. "We have watched China for 2,000 years," one official said. "Mr. Kissinger has watched China for only one day. Mr. Kissinger has mere high school theories."

If there is one word that characterizes Japan's business relations with China, it is caution. Though the Japanese are eager to pursue an industrialization policy toward China, as part of their long-term policy, business and government officials are the first to admit that they do not have a full understanding of Chinese political developments; no one does. Officials stress repeatedly that China is an immensely backward country, which makes the country's political processes highly unstable. Thus, the present leadership, which favors modernization, may be seriously challenged by opponents and toppled from power, and this ever-present danger of instability in China

necessitates patience, and a long-term policy based not on support for one individual leader or faction, but "the masses of people," in the words of one official.

Finally, Japanese business and government officials emphasize the absolute need for Japan to balance its relations with China and the Soviet Union. These officials are quite sure that within five to seven years, after China has gained technology from the West and Japan, Deputy Premier Teng Hsiao-ping will lead China into a detente with the Soviet Union. China will do this based on a new confidence gained from increased economic power, and if Japan lacks relations with Moscow when the shift takes place, Japan will be isolated from both China and the Soviet Union.

—Peter Ennis

Far East specialist fears U.S. preoccupation with 'Soviet threat'

Professor James Hsiung, the director of the Modern Far East Program at New York University and editor of a forthcoming book, China in the Global Community, talked with Executive Intelligence Review about President Carter's decision to establish diplomatic relations with China. His estimation is, "the United States could have gotten much more of a concession," and that National

EXCLUSIVE INTERVIEW

Security Advisor Zbigniew Brzezinski is preoccupied with the idea of using China against the Soviet Union, while neglecting longer-term U.S. interests. The interview:

EIR: What do you think of President Carter's normalization of relations with the People's Republic of China?

Hsiung: I think it is a great day for China. China wanted this very much. Teng Hsiao-ping is a man in a hurry who wants to be remembered not for personal or power concerns but for carrying out the late Chou En-lai's modernization program for the country, and this is important for what he wants because it helps to enhance the course he is following.

EIR: Could President Carter have gotten more in concessions than he did?

Hsiung: Yes, I think so. There were reports last summer that China was willing to accept one of the three conditions Carter listed at the Trilateral Commission meeting in June, for a trade mission in Taiwan, and also might agree to not contest a U.S. assertion that China would not use force against the island, and only refused the third condi-

tion, permission for arms sales to Taiwan. Now, they have agreed to disagree on the arms sales, but Carter dropped the second condition. I think China wanted this very badly, and that if the United States had, for example, hinted it might recognize Vietnam, that it could have gotten much more of a concession.

EIR: Was Kissinger and Brzezinski's purpose to give Southeast Asia to China as a "sphere of influence" in effect?

Hsiung: There was more to it in both the Kissingerian and Brzezinski designs. They wanted to free China of any preoccupation to the south of China — which meant under Kissinger that the Vietnam war had to be ended — in order that China's attention could be turned 100 percent northward. . . . They were both preoccupied with the Soviet threat. Their every impulse is to use China against the Soviet Union even if this would entail the price of sacrificing Vietnam and Taiwan.

EIR: How do you think Southeast Asia will view the U.S. retreat from Asia?

Hsiung: On the surface, they may welcome the opening of relations, but I think under the surface, there is reason to believe that the leaders of these countries are afraid that the abandoning of Taiwan by the U.S. is an indication of the U.S. readiness to retreat from that part of the world. If so, then these countries would be more vulnerable to Chinese influence which could take many different forms. . . . I know of one ambassador of a Southeast Asian country who held an unprecedented luncheon with some American scholars just to get their opinions as to what may happen in light of improved relations between the U.S. and the PRC. I think that shows that there is at least

a sense of uneasiness in most Southeast Asian countries over the change in U.S. China policy.

EIR: What options does Taiwan have?

Hsiung: I think right now Taiwan is experiencing a psychological shock. But in the long run Peking will try to strangle Taiwan economically, such as by pressuring the U.S. to cease Eximbank financing, deny most favored nation status, and so forth. Then I think Peking is going to force Taiwan to come to the negotiating table. . . . Taiwan's future depends on the ability of its leadership to continue the status quo. In other words, keep the island in a legal limbo. . . . The existence of the mainlander legislators and National Assembly men elected back in 1947, who lose their legitimacy if Taiwan goes independent, ties the hands of Chiang Ching-kuo to declare independence. However, it is interesting that Chiang, in his speech the day after recognition, omitted the normal reference to the third of the "three won'ts," the "We won't declare independence" phrase. It could be a deliberate attempt to warn Peking not to press too hard, or it could be a shift in policy.

EIR: Do Kissinger and Brzezinski understand the long-term consequences of their policies?

Hsiung: Kissinger suffers from a lack of a sense of time. . . which was responsible for a total lack of appreciation for a possible shift in the power balance at time "n" when China will be strong enough to threaten both the U.S. and the Soviet Union, and there was no preparation, no anticipation of that. . . . I believe that Brzezinski, too, does seem to have been led on by his anti-Soviet fear in the case of China.

EIR: Do you think the inability to look at the long term is a characteristic problem of many American analysts?

Hsiung: The lack of a sense of time, the preoccupation with the present I think is the greatest problem for analysts in this country and for decision makers.

3. Asians alarmed at U.S.-China ties

A serious look at how the leaders of Southeast Asia are thinking demonstrates the folly of President Carter's latest Asian policy gambit. Contrary to Administration fantasies, it is China that Asia deeply distrusts and fears, not the Soviet Union and Vietnam. Moreover, it is a commitment to economic development and regional stability that Southeast Asia wants from the United States, not geopolitical card tricks.

The countries of Southeast Asia view with alarm the "new era" of friendship between Washington and Peking, because they see in this friendship the implementation of Henry Kissinger's well-known scheme to grant China a "sphere of influence" in Asia as a strategic counterweight to the Soviet Union. While not opposed on principle to an improvement in relations between Washington and Peking, the fiercely independent Southeast Asians fear that the new agreement has given China tremendous political leverage to pursue its well-known ambition to be the dominant power in the region.

It is widely thought that the first signs of China's new "status" in the area will be heavy pressure on the countries of Southeast Asia to isolate Vietnam and cut off relations with the Soviet Union. Countries such as Indonesia and Malaysia, who have bitter memories of previous Chinese attempts to dominate their countries, will view these pressures as drastic threats to their sovereignty, but are quite vulnerable nonetheless due to such important political levers as the overseas Chinese business community throughout Southeast Asia. The latter still owns an incredible 90 percent of the business enterprises in the region, and are widely recognized to be instruments for Chinese policies. They maintain extensive contacts with the Bank of China and Hong Kong-based British banks.

In the past, the countries of Southeast Asia viewed the United States as a counterweight to threats to their independence from China. Now, they feel, the "China card" policy of Mr. Brzezinski has pulled the rug out from under them, as the Carter Administration has made all other policy considerations secondary to the goal of maintaining a "strategic" relationship with Peking.

Looking at China

The region's attitude toward China was highlighted in a Dec. 15 interview in *Far Eastern Economic Review* by Indonesian Foreign Minister Mochtar Kusumaatmaja. He explained why Indonesia had refused to resume diplomatic