

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.

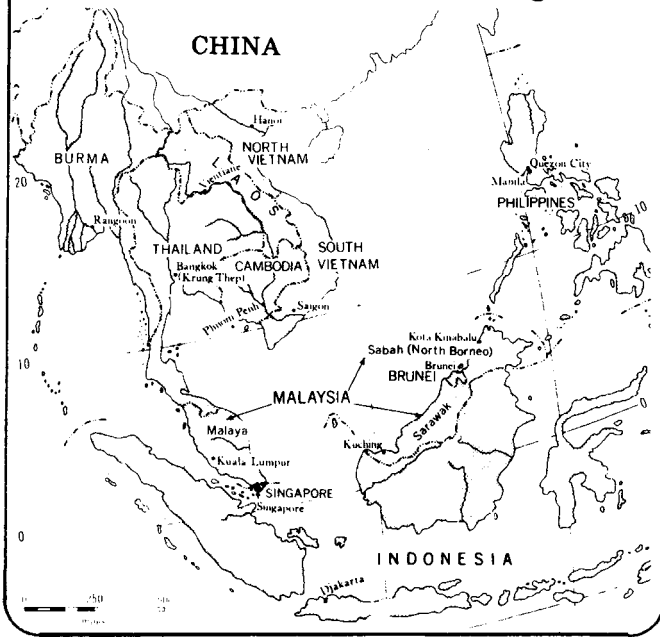
It is widely thought that the first signs of China's new "status" in the area will be heavy pressure on the countries of Southeast Asia to isolate Vietnam and cut off relations with the Soviet Union. Countries such as Indonesia and Malaysia, who have bitter memories of previous Chinese attempts to dominate 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

The Southeast Asian Region



tour of ASEAN, went so far in his *Far Eastern Economic Review* interview as to justify Vietnam's alliance with the USSR against China, saying, "I prefer not to use any term which denotes subservience of Vietnam to any country or intimates that Vietnam is the proxy of any country. I have had many conversations with their leaders, and I am aware of their pride and the fears since independence. So the fact that they have signed a treaty and have been obliged to receive aid is, I think, a result of circumstances. They have tried to obtain aid from other sources (including the U.S. — ed.). They have encouraged investment and trade, but not much was forthcoming Then there was the threat, the belligerent attitude of China I don't think they had much choice."

More anger against the U.S.

Meanwhile, it was further revealed this week that anger against the United States "China Card" policy is not limited to Southeast Asia, but extends as far south as India and as far north as Japan and Korea.

Indian diplomatic sources revealed that Brzezinski's National Security Council has been applying great pressure on New Delhi, as well as Indonesia and Malaysia, to improve relations with China. The timing of this pressure overlapped the period of intensive negotiating between Washington and Peking on the terms of normalization. Documents from the NSC released yesterday by the office of Sen. Jesse Helms confirmed that Brzezinski had talked with Chinese leaders about Peking's relations with India. The Indian diplomat tersely commented, "It's easy for you Americans, with 10,000 miles of ocean between you and China, to speak of flirting with Peking. There is nothing between us and China but the Burmese jungle."

Widespread discussion has also broken out in Washington on the possibility of "unification" talks between the two Koreas as a result of the improved relations between the United States and China. One of the chief proponents of this idea is A. Doak Barnett of the Brookings Institution, the Washington-based think tank that drew up the Carter Administration's original plans for the withdrawal of U.S. troops from Korea. This, too, was part of the scheme of providing China with a "sphere of influence," and efforts by Washington and Peking to revive the stalled Korean unification talks would surely be done in such a way as to exclude the Soviet Union from the discussion process.

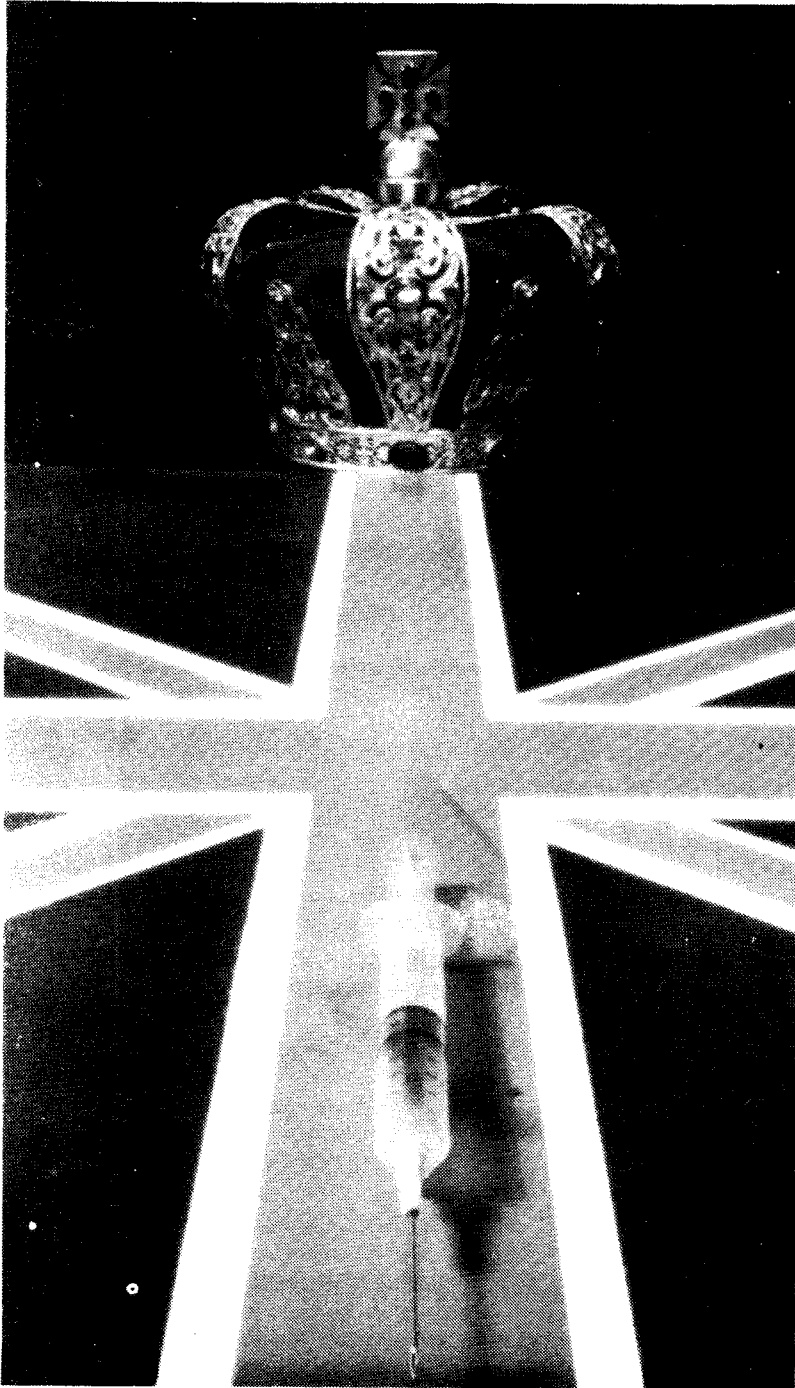
The final integral part of the Brookings scenario was an increased defense role in Asia for Japan, within the context of the U.S.-China alliance against the Soviet Union. Well-known Rand Corporation China "specialist" Michael Pillsbury, the first prominent American to propose selling arms to China, recently published an article on U.S.-Japan-China defense cooperation in the magazine Brzezinski used to run, *Foreign Policy*. It is now expected that the Carter Administration will be putting pressure of this sort on Tokyo.

ties to China. "When developments occurred in Vietnam," he said, "with China treating the overseas Chinese as its own, we were of course interested because that was the proof of the very question which we were so curious about. And to say the least, what happened in Vietnam with regard to the overseas Chinese did not reassure us."

Mochtar's attitude is echoed perhaps even more strongly in neighboring Malaysia, where 40 percent of the population is ethnically Chinese. When Peking's Deputy Premier Teng Hsiao-ping toured the region this fall to drum up support for China's military provocations against Vietnam, he was met with insulting coldness as machine gun-armed soldiers prevented overseas Chinese from greeting him.

Despite China's increased leverage, the nations of Southeast Asia intend to pursue economic cooperation with both Vietnam and the USSR. In fact, the withdrawal of the U.S. may lead to an even greater closeness to Vietnam and the USSR than they themselves had originally contemplated, simply to counter China. Indonesian Vice-President Adam Malik told the West German newspaper *Frankfurter Allgemeine Zeitung* Dec. 19 that a common program for the development of Vietnam by Japan and the USSR would be a good way for the latter two nations to overcome the tensions prompted by the signing of the Japan-China treaty. He added that Vietnam was interested in industrialization, not a military buildup, and that therefore, there was a good perspective for large-scale economic cooperation between Japan and the members of the Association of South East Asian Nations (ASEAN), Indonesia, Malaysia, the Philippines, Thailand, and Singapore.

Mochtar, whose trip to Vietnam coincided with Teng's



The Story of the Century!

DOPE INC.

*Britain's Opium War
Against the United States*

AN EXCLUSIVE REPORT by U.S. Labor Party investigators on the who, how, and why of the British Oligarchy's centuries-old control of the multibillion dollar "hidden economy" of the international illegal drug trade.

A 416-page paperback with over
40 pages of charts and pictures.

\$5.00

Plus \$1.00 postage and handling

Prepublishing bulk rates available on request from:

Campaigner Publications

P.O. Box 1920 G.P.O., New York, N.Y. 10001