

China shifts against Anglo-Americans

by Mary McCourt Burdman

Although officially neutral in the Persian Gulf war, China is beginning to shift its stance against the Anglo-American empire in parallel with similar shifts in the U.S.S.R. It has used the classic device of leaking its more controversial strategic assessments to its controlled media assets in Hong Kong, such as *Wen Wei Pao* and *Ta Kung Pao*, where it has attacked the U.S. "new world order."

In its official press, Beijing has taken up the fundamental issues of economic and military policy in the Soviet Union as well as China. It is clear that December 1990 marked a crucial turning point after Mikhail Gorbachov, in November, aligned himself publicly with the Soviet military-industrial complex.

Amid the diplomacy of recent months, an important item was the revelation by Soviet Ambassador to China Nikolai Solovyov, that China had invited Soviet Defense Minister Dmitri Yazov and Chief of Staff Gen. Mikhail Moiseyev to visit China. Solovyov, who made the statement in an interview with Japan's Kyodo news service Jan. 25, had been Soviet ambassador to Japan until last September. He also said that China wants to buy a small number of SU-27 fighter planes, to gain the high technology rather than to use the planes for combat, Solovyov said. On the negotiations on determining the common border between China and the U.S.S.R., Solovyov said that more than 80% of the 7,000-kilometer border has been fixed, and only three localities have yet to be demarcated.

Solovyov also revealed that Gorbachov and Premier Li Peng have been working together to solve the Gulf crisis. He told Kyodo Jan. 25 that Gorbachov had sent messages to Li on Jan. 17 and 19, calling on him "to keep close contact and join hands to settle the Gulf crisis peacefully." Li "agreed with Gorbachov's request" in a reply Jan. 19, Soloyev said.

Cold War didn't end

Beijing had an astute assessment of the Soviet turn in the *International Problems Studies Magazine* in the last quarter of 1990. In an article on the "Emergence of a New World Order," the magazine wrote that Europe is still the focus of contention between East and West. The U.S. is attempting to "infiltrate" Eastern Europe, while the Soviets' goal is to remove U.S. military strength from Europe. The Eastern European nations have shifted orientation to the West, the article states. But, "even though the Soviet Union has recently been forced to back off because of the domestic diffi-

culties, it will not tolerate Eastern Europe's becoming the front line for anti-Soviet attacks from the West. . . . Nor will the Soviet Union tolerate changes in postwar borders or American interference in internal problems involving nationalities or labor strikes. Thus the current stage of contradiction between East and West is still quite pronounced."

The article then focuses on the emergence of Japan and Germany—Eurasia's economic powers—stating, "In a manner of speaking, it seems that the 1930s have returned with Germany and Japan presenting themselves as the world's two outstanding focuses of concern."

Up until this period, there were many reports of harsh Chinese criticisms of Moscow, including outright attacks by Deng Xiaoping on Mikhail Gorbachov. But in the wake of Soviet Foreign Minister Eduard Shevardnadze's resignation Dec. 19, *Wen Wei Pao* attacked him as a "radical," hindering Gorbachov's efforts to "increase presidential powers," using the "military and the KGB networks in order to reinforce law enforcement," and slowing the rush to free market policies. Shevardnadze, *Wen Wei Pao* noted, had asked for \$11 billion in his last trip to Washington, but received only \$1 billion, "much to the disappointment of the Soviet Union."

Industry, backbone of military

Chinese leaders have given many warnings to Moscow and Eastern Europe on the dangers inherent in crash "market reform." On Dec. 16, Bo Yibo, one of the three ancient leaders of the Central Advisory Commission of the Communist Party, published an article in the *People's Daily* on the two great plagues of the Chinese economy, inefficiency and shoddy products. "In the course of overcoming the tendency of highly centralized planning, we should prevent another extreme, blind faith in spontaneous market forces," he said. China must maintain its big industries, he concluded. "Large and medium-sized enterprises . . . are the backbone of the national economy. In food, construction, running schools and maintaining the Armed Forces, we rely mainly on the wealth they create. The relations between these enterprises and small and township enterprises can be vividly described as the relations between stars and moon, the former surrounding the latter but both adding radiance and beauty to each other."

Party head Jiang Zemin and President Yang Shangkun met with the heads of China's defense science and industry sectors Dec. 19, to "enhance their sense of responsibility as being the masters of the country" and to urge their leadership in "restructuring the national economy."

Obviously, the September 1990 World Bank report, "China Between Plan and Market," is not favored among those who have consolidated power in Beijing since June 1989. The report asserts: "Heavy industry absorbs far too much capital, provides below-average returns, and its appetite for energy is one of the root causes of chronic shortages. By targeting machinery and metal industries for promotion, China will starve more deserving sectors of capital, perpetu-

ate an artificial shortage of investment funds in a situation of resource availability few countries can rival, and limit its growth potential." China is faced with "the dilemma that the Soviet Union and Eastern Europe will have to resolve: too much antiquated capacity in the wrong places."

The World Bank's solution? The "strongest economies . . . [have] certain structural similarities": the leading sectors are the transport industries (automobiles and aircraft) and consumer electronics—i.e., exactly what have brought the U.S. to ruin.

Focus on Japan and Germany

Beijing has used the Hong Kong press to attack the Anglo-Americans. On Feb. 4, a *Ta Kung Pao* correspondent attacked the U.S. for being "anxious to show its 'leading' position in the 'new world order.'" Through this war, it will rather comprehensively display its weapons and show its 'leading' ability. This is a key factor that determined the inevitability of the war in the Middle East." A good footnote, *Ta Kung Pao* wrote, is George Bush's assertion that the U.S.—which has sent its troops to Grenada, Panama, and the Middle East—is the "only nation which can gather the forces for peace in the world." Other "coalition" leaders also come in for attack. The Arabs have "suffered aggression and plunder by the British and French colonialists. . . . They have always played dirty games to try to pull the strings

behind the scenes and to preserve their own interest. There is no lack of such cases in the Middle East and Asia."

More important is the "letter from a reader" to *Wen Wei Pao* Feb. 10, which outlined the U.S. economic warfare on Japan and Germany, both crucial to pulling the Chinese and Soviets out of their economic morass. "U.S. Gulf strategy . . . [aims] to defeat Japan and Germany to eliminate the strong competitive threats of their ever-increasing economic growth," as well as to defeat Iraq, the letter states. "The U.S. economy is in a phase of rapid recession. Japan and Germany, the two rising powers, have posed great threats to the U.S. political and economic place in the world. To save its ever-declining economy, the U.S. must seek a huge sum of capital without compensation and monopolize the world consumer market. . . ."

"In this unique war, the U.S.A. has found not only the magic wand to overcome Iraq but also a marvelous recipe to cure the U.S. economic recession." A prolonged war will drive oil prices up and cause a "drastic fall in the stock market. Because Japan and Germany depend more on oil than the U.S.A., the impact on the Japanese and German stock markets will be much stronger. Even the appreciation of the mark and yen will be effectively halted. Pressed by crisis-ridden economic problems, Japan and Germany will have to make greater donations so the U.S. may end the Gulf war early."

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