

APEC meet highlights U.S.-China partnership

by William Jones

The significance of President William Clinton's trip to Manila, the Philippines on Nov. 23-25, will be found not in the final communiqué of the Asia-Pacific Economic Cooperation (APEC) meeting which he attended, but more in the President's bilateral meetings with the various Asian leaders, most importantly, China's President Jiang Zemin on Nov. 24. In numerous speeches, President Clinton has underlined that China will be a key power in the 21st century, and that establishing a "strategic" relationship with China will be paramount for the second Clinton administration.

In an apparent show of unanimity, the 18 heads of state agreed to disagree on how quickly they would eliminate "trade barriers" in information technology. The United States had gone to the APEC meeting with the intention of getting all the countries to agree to lift tariffs on so-called information technology by the year 2000. As it was, with many of the developing Asian nations not at all anxious to scrap the system of tariffs under which they have been able to develop their domestic industries, the 2000 deadline was not sacrosanct.

The final communiqué was a compromise between these differing views, and called for the conclusion of an information technology agreement by the World Trade Organization (WTO) Ministerial Conference "that would substantially eliminate tariffs by the year 2000." Even this vague formulation was arrived at only after a great deal of political lobbying by the U.S. President, who is under pressure from the computer and telecommunications industry to help in "opening" Asian markets. However, the communiqué also recognized "the need for flexibility as negotiations in Geneva proceed."

Obviously, the so-called "Asian Tigers," the fast-growing economies of the Pacific Rim, have succeeded in creating rapid rates of economic growth precisely through the use of protective tariffs, which sheltered their industries from cheaper products coming from the more developed countries. The implementation of what was traditionally known as the "American System" of protective tariffs, has been the decisive factor in the rapid development of the Pacific Rim nations. These nations are not keen on depriving themselves of that development tool.

Sabotage by the State Department

While the President used the term "partnership" to characterize relations with China, there was sabotage from State Department officials, who struck that word from Secretary of

State Warren Christopher's speech in Shanghai.

The Chinese, who consider relations with the United States to be their most important among foreign relations, are favorable to Clinton's initiatives, but are concerned that the President remains politically weak relative to the Republicans' position in Congress. The Chinese have attempted to meet the administration half-way. They have been of great assistance in getting North Korea to accept the replacement of its plutonium-producing nuclear power plants with South Korean-made light water reactors. China is also playing an instrumental role in attempting to bring North and South Korea to the negotiating table on the future of the Korean Peninsula. As a sign of the new trend, Chinese Defense Minister Gen. Chi Haotian arrived in Washington Dec. 5 for talks with Secretary of Defense William Perry. Although no dates have been set, there is also a commitment for an exchange of state visits between the leaders of the two countries in the near future.

Certain trouble spots, however, are readily apparent. The biggest problem is posed by the Republicans in Congress. Although they have been somewhat sobered by their losses in the House, they are setting the stage to harass the administration during the 105th Congress. They are targeting the alleged "influence-peddling" of Democratic National Committee fundraiser John Huang, and the alleged contributions of Indonesian business figures to the Clinton campaign, to disrupt Clinton's Asia policy.

Another potential trouble spot concerns the administration's eagerness to promote "free trade." The United States is a strong supporter of admitting China to the WTO, but on "commercially viable terms," treating China as a developed, rather than a "developing" nation. Although the Chinese have expressed interest in WTO membership, they do not want it at the cost of laying bare their national patrimony to foreign exploitation, or sacrificing their domestic fledgling industries. They also are demanding "flexibility" in the terms of membership.

The third, and perhaps most critical danger to the Clinton Asia policy revolves around direct British attempts to create an alternative power center in the area independent of the United States. Steps in this direction were taken by the British last March at the "Asia Europe Meeting," a forum they would like to make into a permanent institution, parallel to APEC (see *EIR*, March 27, 1996, p. 52). On another level, British intelligence stringers such as Gerald Segal, a Senior Fellow for Asian Studies at the International Institute for Strategic Studies, are spouting a variety of scenarios about how China will be dismembered. For the U.S. to go along with British attempts to use Australia for this purpose, would be suicidal. Lyndon LaRouche has stressed that U.S. repudiation of the British policy, to ring China with hostile forces and foster its breakup through ethnic strife (see *EIR*, Nov. 22, "Ring Around China: Britain Seeks War"), is essential for U.S. policy. Unfortunately, nuances of the British plans for Australia crept into President Clinton's speech to the Australian Parliament.