

Kissinger Watch by M. T. Upharsin



Business deals spur arms to Peking

Once again the secret trans-Pacific trips of "former" Secretary of State Henry Kissinger are playing an influential role in America's overtures to the mandarins of Peking. Kissinger seems to have used his close ties to George Shultz to step up America's shipment of military-related "dual use" technology to the Chinese.

Last April 2—just weeks before Commerce Secretary Malcolm Baldrige visited China and promised more "dual use" goods—Kissinger made a hushed-up visit to Peking. Kissinger, it turns out, has hired out his services to the Chinese. Though he denies it, reports persist that he is in the pay of a Hong Kong business firm, Everbright Corporation, which has been accused of serving as a "front" for the Peoples' Republic of China (P.R.C.). The firm's apparent mission is to purchase high-technology equipment, including dual-use technologies, for which China might not be able to legitimately obtain import licenses. One of its top officials, P.R.C. "businessman" Wang Guangyin, is the brother-in-law of the late Liu Shaoqi, the mentor of current Chinese strongman Deng Xiaoping.

Kissinger, who reportedly flew to Peking at the request of Chinese Foreign Minister Wu Xueqian, admits that he met Wang there as well as Wu, but says he talked to Wang for free. For those who know Kissinger's habits—including his involvement in the Marc Rich affair (see page 6)—it is hard to believe he gave anyone political advice, never mind influence-peddling, for free.

Kissinger's intrigues have become more than yet another conflict-of-interest scandal since he has resumed a guiding role in China policy after heading up a special briefing session for Shultz just prior to the Secretary's February trip to Peking.

Since Kissinger's visit, and the Baldrige followup, the United States has withdrawn its opposition to selling China several computerized telecommunications systems judged to have potential military value. Negotiations on an agreement on government transfer of U.S. nuclear technology to China are at an advanced stage.

The next test of Kissinger's influence will be whether the Reagan administration allows the sale of the controversial Hyshare-700 computer to a military linked research institute in China, a subject that is sure to come up when Defense Secretary Caspar Weinberger visits China Sept. 25. It is feared that this computer can be used to guide nuclear missile delivery systems. Up to now, Weinberger has allied with National Security Adviser William Clark in opposing selling advanced arms technology to the unreliable Chinese.

Fears are growing that the Kissinger-Shultz team may push a scheme to allow the Reagan administration to circumvent a lingering major irritant in U.S.-China relations—U.S. arms sales to Taiwan—without violating the letter of the law of the Taiwan Relations Act (TRA). Under the TRA, the United States may discontinue arms sales to Taiwan only after Taiwan's

security needs are met. One long-sought-after "face-saving subterfuge" would involve shifting the burden of Taiwan's defense onto other countries. Was Deng Xiaoping hinting at this in a mid-August statement—aimed more at Washington than Taipei—when he declared that Taiwan could continue to purchase arms abroad after reunification with the mainland?

The prime candidate for U.S. surrogate is Israel, which has longstanding ties to Taiwan's defense industry based at the Chungshan Institute of Science and Technology. Their ability to meet Taiwan's needs is being substantially augmented, with the acquisition of advanced Lavie jet fighter technology from the United States—a project in which Kissinger has been intimately involved from the beginning.

The Chinese seem quite happy to let the Israelis play both sides of the street: in July the French weekly *VSD* reported that some 100 Israeli military experts are currently in China "under false names and innocent commercial covers" under an agreement that calls for Israeli help in the construction of the Israeli designed Markava tank and the Kfir jet. This corroborated earlier reports that the Tadiran Company of Israel is helping China with night-time weaponry and electronically guided tanks as well as providing assistance in reconditioning China's Soviet weaponry—an area in which the Israelis have great expertise. A footnote: The Chinese see no reason why accepting U.S. favors should stop them from improving ties with Moscow. Days after the KAL-7 affair, Peking hosted Soviet Deputy Foreign Minister Michael Kapitsa, in the latest of a series of talks aimed at improving state-to-state ties. While points of bilateral conflict remain, the two governments report reaching "points of convergence" regarding the Mideast, Central America, and Southern Africa, presumably in opposition to U.S. policy.