

P.R.C.: 'Taipans come back'

by Linda de Hoyos

Kissinger Associates does not intend to be left out of any lucrative developments in the People's Republic of China. On Sept. 9, Henry was in Beijing to discuss U.S.-P.R.C. relations, at the invitation of the Chinese Foreign Ministry. Kissinger was fêted by no less than P.R.C. President Yang Shangkun, Communist Party General Secretary Jiang Zemin, and Prime Minister Li Peng. Also present at the meetings was Zhu Rongji, the mayor of Shanghai, indicating that, as always with Henry, money figured prominently in the conversation.

The Chinese leadership, who gunned down thousands of students in June 1989 in the name of "opposition to bourgeois liberalization," has decided to revive one of the most glaring symbols of China's colonialization: the Shanghai concessions. According to a Xinhua report Sept. 10 (when Henry was still in town), "The first free trade zone on the Chinese mainland will be set up in Shanghai's Pudong Development Area." Foreigners are to be invited—with no strings attached—to set up factories and other enterprises, in the Pudong area, in a plan that includes granting land concessions. The idea is to turn Shanghai into a "mainland Hong Kong."

The idea, reports Fei Xiaotang in the August issue of *Liaowang Overseas*, originated with Deng Xiaoping himself. Shanghai, it was decided, will go way beyond the Shenzhen special economic zone "to become something at a higher plane, and a national center of trade, banking, information, transportation, science and technology."

In physical-economic terms, a gigantic port facility will be built in Shanghai, to balance Hong Kong and Macao in the south. As the *Liaowang* author notes, "I have only raised an old topic. Back in 1914, while designing his plan for China's reconstruction in the book *Program for China's Reconstruction*, Dr. Sun Yat-sen proposed the tentative idea of building a big port in the Orient. Dr. Sun had vision and prized the Chang Jiang Delta even at that time."

Economically, the author explains, "Shanghai should become the general dispatcher's office and service station for the industrial and agricultural products of Jiangsu, Zhejiang, and all cities along the Chang Jiang." Shanghai is at the center of a port network along the eastern coast which is disorganized, some ports operating below capacity, and some, like Shanghai, unable to handle their workload. "If ports along these coastlines are put under unified planning,

developed at different layers into a network in cooperation with the division of labor, opening up to the outside world and organized into port groups with Shanghai being the locomotive, Shanghai will utilize its advantages in trade, banking, information, science, and technology to organize the supply of goods with initiative to rationally organize flow direction, to make prompt dispatch, and regulation, while the role of every port will be given full play with still greater development."

Shanghai would become a superport, servicing China as Rotterdam services northern Europe. So far, so good.

Enter the British

But port construction is only one aspect of turning Shanghai into a "mainland Hong Kong." According to various sources, Great Britain agreed to hand over Hong Kong to the P.R.C. in 1997 if the British and other such interests were permitted back into their old stomping ground, Shanghai. The Qing dynasty had handed over territory in Shanghai to the "great powers," which territory was then "off limits" to the Chinese. Oddly, these concessions became the early nesting and later hiding places for the communists in their war against Sun Yat-sen's republican movement.

Shortly after Kissinger's visit, Rodney Galpin, chairman of Britain's Standard Chartered Bank, came to Beijing where he held "reassuring and useful" discussions with "senior Chinese officials, including Li Peng." Even this straight-laced hardliner "promised that China will further strengthen its financial links with the foreign banking community," reported the *China Daily*, which also remarked that "The Standard Chartered Bank, headquartered in London, is the oldest and largest international bank in China, having opened its first branch in Shanghai 132 years ago."

The thaw in Sino-British relations was signaled last July with the visit to Beijing of British Minister of State of the Foreign Office Francis Maude. Here again, Li Peng "broke protocol" to meet with Maude, as described by the Hong Kong *Kuang Chiao Ching* Aug. 16. A visit by Foreign Secretary Douglas Hurd is slated next.

Shanghai is already the center of Chinese operations for Seagrams Liquor, a firm headed by Edgar Bronfman, a co-director with Henry in the British media conglomerate Hollinger Corp., whose finances co-mingle with those of the notorious "fat cat" Hong Kong magnate, Li Kai Shing.

This brings up another purpose of the proposed Shanghai superport—drugs. Hong Kong is the depository for billions of dollars made from the high-grade "Chinese white" heroin flooding the U.S. in the reverse opium war. How much of this money will now flow directly into the P.R.C. via Shanghai, might have been discussed between Kissinger and the Shanghai mayor. In 1971, Kissinger stopped on his way back from China in Hong Kong, where he met the local chairman of the Bank of China, chief of Chinese financial dealings in the dope center.