

Chinese minister's visit paves the way for U.S.-China summit

by William Jones

Chinese Foreign Minister and Vice Prime Minister Qian Qichen concluded his visit to Washington with a meeting with President William Clinton on April 30, and conveyed greetings from Chinese President Jiang Zemin, who will be coming to Washington in the fall, in an exchange of state visits with the U.S. President.

The Chinese have been anxious to have an exchange of state visits for some time, but the personal dialogue between the two world leaders has up until now been limited to the bilateral meetings they have held in the context of the annual Asia-Pacific Economic Cooperation forum leaders' summit (a special project of President Clinton), or at the UN General Assembly meeting. Since U.S.-China relations had been put back on track after the show of military force in the Taiwan Strait during the Taiwan elections last year, the Clinton administration has been intent on making an exchange of state visits a reality.

While the government-to-government relationship has been put on an even keel, a vicious, British-orchestrated campaign launched in the wake of the publication of *The Coming Conflict with China*, a book by Canadian journalist Ross Munro, is attempting to drum up a new "red scare" over China, and is calling for a new "containment" policy. Circles in the Democratic Party opposed to the Clinton policy of "constructive engagement" with China, around Katherine Graham and her house organ, the *Washington Post*, have begun to drag out a variety of accusations about Chinese "influence peddling" and "campaign funding" in Washington. If these circles can't totally sabotage the policy of engagement, they hope to intimidate the President, to induce caution with regard to U.S.-Chinese relations.

Speaking at a joint press conference with Japanese Prime Minister Ryutaro Hashimoto on April 25, the President met these attacks head-on. "I think it is important that we not accuse people of something that we don't know for sure that they have done, number one," he said. "Let's keep in mind [and] think about what you would define as improper influence. A lot of our friends in the world, countries with whom we are very closely allied, have friends in the United States that advocate for the policies of the governments all the time. It's true—to take two obvious examples—it's true of Israel,

it's true of Greece. I would not consider that improper. It's publicly done; there's nothing secret or covert about it, we know that it's done. It's part of the political debate in America, and we don't take offense at it."

When asked about this at his press conference, Minister Qian simply replied, "I believe it's very usual for people to see political contributions and money politics in the United States; however, they have nothing to do with China." Foreign Ministry spokesman Sheng Guofeng made the keen observation, when asked about the alleged campaign contributions, that information coming from the U.S. media was "more often than not inaccurate."

Speaking at a meeting arranged by the U.S.-China Business Council and the New York Council on Foreign Relations, Minister Qian addressed the issue of the British-instigated policy of "containment." "According to their argument," Qian said, "China has replaced the former Soviet Union as the main threat to the United States. Others predict that China and the United States will move toward confrontation and, therefore, call for containment against China. There are also people who liken today's China to Germany and Japan at the end of the 19th and the early 20th century. They believe that as its economy and national strength grow, China is bound to pursue external expansion. I think these views could not be more wrong. A review of China's history shows China does not have a tradition of expansion. On the contrary, it was the victim of repeated foreign aggression, domination, and bullying."

Trade and economic cooperation

Qian underlined the importance of the U.S.-China relationship. "Ours is the largest developing country, and the U.S. the largest developed one," he said. "The need for both countries to stay engaged with each other is increasing, not decreasing. The potential for both countries to cooperate in various fields is expanding, not dwindling."

It is understood that that potential can be realized particularly in the areas of increased trade and economic cooperation. Much effort has been made by the media and by the Republican "free-traders" to make a bugaboo of the U.S. trade deficit with China. Minister Qian reiterated that China would like to

buy more from the United States, primarily high-technology goods. Briefing reporters on Qian's meeting with Secretary of State Madeleine Albright on April 28, Foreign Ministry spokesman Sheng Guofeng explained that Qian had told Albright that China had previously bought agricultural products, such as wheat and grain, from the United States. Now, China is more interested in buying products such as aircraft, machinery, electronic products, and telecommunications equipment.

"The China-U.S. trade relationship is not one of competition," Qian remarked, "but, rather, one in which the strong points of one side complement the other." Among the items China is interested in purchasing from the United States are nuclear plants and equipment in order to meet the growing energy needs of an expanding population. "Today's China is a developing country," Qian said. "What it desires most, is a peaceful international environment so that it can focus on economic development and improve the life of its 1.2 billion people."

Request for permanent MFN status

One of the roadblocks to such increased trade is the annual debate in the U.S. Congress on Most Favored Nation (MFN) trade status, which provides a forum for every congressman to take up his or her favorite pet human rights issue with China. China is asking that it be granted permanent MFN status, thus establishing a normal trade relationship with the United States. Speaking at a press availability with Qian, Albright commented, "We believe it is very important for the MFN to go forward and we will be suggesting that. It is a strategic imperative, as I mentioned in my opening comments, for this relationship to go forward and the trade relationship is very important in that regard. Frankly, I think that the whole 'Most Favored Nation' term is a little bit of a misnomer since we basically have that kind of a relationship with most countries in the world and it is useful for both sides."

One of the most damaging consequences of the Republican campaign to play up an alleged "China threat," is that MFN will be more difficult to pass this year, with a number of Republicans who have usually voted in favor of granting MFN to China, are now weighing the "political merits" of doing so in an atmosphere of McCarthyite posturing. Many Republicans, however, realize the overriding importance of the China relationship, and the role of MFN in that relationship. Speaking at a conference on the global economy on April 16, Rep. Doug Bereuter (R-Neb.), chairman of the House Asia and Pacific subcommittee, argued for granting permanent MFN status to China. "The debate on MFN is eroding U.S. influence," Bereuter said. He complained that the annual renewal was used by Congress to deal with other issues with China. It is unlikely that continued MFN would be denied, but House Speaker Newt Gingrich (R-Ga.) and others are mooted shortening the period from an annual

review to a review every few months, which would be an insult to China.

MFN was an item of discussion in the meeting between Qian and Clinton, and the President assured Qian that he would move to have MFN extended. It is less likely that he would, in the present climate, have the support necessary to grant China permanent MFN. Indeed, he may have to utilize all of his influence to get a simple extension for another year.

Nuclear cooperation

China has also been subject to sniping from congressional committees over the issue of nuclear non-proliferation, despite the fact that China has become a party to all the major non-proliferation treaties, and recently submitted instruments of ratification for the Chemical Weapons Convention. Allegations of sales of nuclear components to Iran and missiles to Pakistan have prevented the implementation of the 1985 U.S.-China Agreement for Nuclear Cooperation. Before this agreement can be implemented, the President must report to Congress that China is living up to all the non-proliferation clauses of the treaty. Both the United States and China are intent on meeting those requirements, preferably in time for the Clinton-Jiang summit in the fall.

U.S. statesman Lyndon LaRouche commented on the potential for nuclear cooperation with China, in an interview with the radio program "EIR Talks" on April 30. "The point here is that if you look at the problems of China," LaRouche said, "every time you build a kilometer of new railroad in China, you load the thing up with steel, cement, and coal. One of the great problems of China is the reliance upon coal for its energy for its industrial and related development. This constitutes a significant pollution problem, a problem which is somewhat alleviated, or will be alleviated, by the Three Gorges Dam, which will supply a very significant amount of hydroelectric energy to that region, but which can not be solved without a conversion to nuclear energy."

"China, of course, is already a nation with nuclear competence. It's been developing a high-temperature gas-cooled reactor, a bit of an established functioning type of reactor, but adapting it for its own production in the recent period. That's extremely important.

"But, more importantly, this is an area in which the United States should be involved. It's in the mutual interest of China and the United States that they both be involved. . . .

"And therefore, the Chinese foreign minister, in visiting the United States, echoing statements made by the Secretary of State Madeleine Albright, has emphasized the importance: 'Let's get this thing cleaned up right now. There is no reason *not* to go ahead with this.' . . .

"So, this is very good. It's a step forward. I don't want to say that everything is locked in. It isn't. There are many problems, many hurdles yet to be crossed. As I believe they say in China, 'We're crossing the river one stone at a time.' But we are crossing, and that's the good part."

British provocations

Many eyes are focussed now on the July return of Hongkong to Chinese rule, which will be governed as a Special Autonomous Region (S.A.R.). The British will do everything to try to create provocations in their former Crown Colony. In his speech to the U.S.-China Business Council, Minister Qian said, "The law in Hongkong will remain basically unchanged. . . . Hongkong will retain its status as a free port, a separate customs territory, and an international financial center. . . . The Hongkong dollar will continue to be used and peg on the U.S. dollar. The central government of China will not collect a single Hongkong dollar in taxes from Hongkong. The S.A.R. government will be composed entirely of local residents. Foreign economic interests in Hongkong will be protected. The people of Hongkong will enjoy a democracy as well as the press, freedom and human rights." Qian added, "Many such rights were beyond the reach of the Hongkong people under the British rule."

Taiwan still remains "the most sensitive issue" in the U.S.-China relationship," Qian noted. "To end the separation across the Taiwan Straits is the strong aspiration and unshakeable national will of the Chinese people, including the Taiwan compatriots." He tried to draw lessons from American history to explain the situation to his American audience. "The American people have gone through their own Civil War. You should be able to appreciate the Chinese people's firm desire for reunification and their resolve against national separation." It was Republican manipulations of the Taiwan issue that caused a serious break in U.S.-Chinese relations last fall.

Undoubtedly, the coming months will find the path laden with a good number of "bear traps," put there by the foes of the policy of engagement. But, if our political leaders, and particularly the President, view the perspective, as Qian urged in his talks with Albright, "with the foresight of statesmen," the "bear traps" can be avoided. Commenting on the recent ground-breaking agreements between Russia and China, which had been in the making for seven years and which the containment lobby attempted to describe as a new "Sino-Soviet threat," President Clinton noted the real stakes in this diplomacy. "If you look at, for example, the extent to which the politics of India have been dictated partly by the tensions of Russia and China in the past, how important India is—soon to become the largest country in the world, already with the largest middle class in the world—and how important our relationships with India will be, and then with Pakistan. . . . I think it's a very positive thing that they're talking and working together." The U.S. relationship to China is key for the development perspective of the entire Eurasian land-mass. If that strategic perspective is combined with a commitment to the establishment of the Eurasian Land-Bridge as laid out by statesman Lyndon LaRouche, it can be the determining factor in the shaping of the 21st century.

Brits are biggest foreign influence-buyers in U.S.

by Mark Sonnenblick

Did you hear that Chinese and Indonesian businessmen were buying political favors in Washington for their foreign interests? This has been the incessant message pushed by the media for the past several months. And, by focussing exclusively on what Americans have been indoctrinated to think of as "coolies" or the "yellow peril," the U.S. media cover up the fact that the overwhelming preponderance of foreign companies involved in purchasing political influence in the United States, are British Empire interests.

Working with data from the Center for Responsive Politics (CRP), *EIR* found that 13 out of the 21 largest foreign company donors to the two major parties represented the British Commonwealth; nine of them were from the United Kingdom itself. Three were Swiss, and one French. The only Asians were the Japanese firms Toyota and Sony. The Third World was represented only by Petroleos de Venezuela (Petroven) (see **Table 1**). The British were responsible for 79.4% of the total political largesse of big foreign contributors.

In most sovereign nations, it is illegal for foreign companies to have any involvement in that nation's domestic political process. In January of this year, the Library of Congress Congressional Research Service issued "Foreign Money and American Elections; The Law and Current Issues," a report which states: "Section 441e of the FECA [Federal Election Campaign Act] prohibits contributions by foreign nationals in connection with any election."

However, in the one-worldist spirit of international globaloney, the U.S. Federal Election Commission (FEC) has opened loopholes for U.S. subsidiaries of foreign companies, permitting them to give unlimited amounts of money to parties. All they have to do is demonstrate that the money did not come from the parent company, and that foreign nationals did not participate in any decisions related to the contributions. That loophole differentiates these "legal" meddlers from the South Korean Cheong Am America (whose \$250,000 was returned by the Democratic National Committee), because its subsidiary was not yet fully operational.

The rule against foreigners backing candidates has never been enforced against British Empire companies. Perhaps because of their increasing domination of U.S. news media and