

# High-level visits pave way for China summit

by William Jones

Even while President Bill Clinton was conducting a week-long visit to Ibero-America, the attention of most of the Executive branch has been riveted on the summit with China's President Jiang Zemin, which begins on Oct. 28. As President Clinton himself has emphasized on numerous occasions, the U.S.-China relationship will be absolutely decisive in determining how the twenty-first century will unfold.

A crescendo of high-level visits has been building up to the summit. Following the visit of Vice President Al Gore to Beijing in March, Treasury Secretary Robert Rubin went to Beijing in September, after attending the International Monetary Fund (IMF) and World Bank annual meeting in Hong-kong, where he backed a Japanese proposal for the creation of an Asian Monetary Fund. The Fund was proposed by the Japanese as a means of supporting Asian currencies, presently under attack by rogue financial operatives such as the British Queen's favorite speculator, the Hungarian-born George Soros. The Japanese were picking up on proposals stemming from discussions that Lyndon LaRouche had had with leading Japanese figures on his visit to Japan in 1995.

Shortly after Rubin's trip, a large U.S. government delegation, headed up by Commerce Secretary William Daley, arrived in China on Oct. 6. Knowing that the promise of increased trade with China will help rally support from American business for Clinton's China policy, the Daley delegation was intended to pave the way for greater U.S. investment in China. Although it will probably not be officially announced until the summit, there is a deal in the works in which China would purchase airplanes and equipment from Boeing.

## Nuclear energy

Another element of the summit, which both parties would like to highlight in their meeting, is the long-awaited implementation of the U.S.-China Nuclear Cooperation Agreement of 1985. In order to implement that agreement, however, President Clinton must certify that China does not engage in any activity which would assist a so-called "non-nuclear state" to become a nuclear power. Such certification was tacked onto the agreement that was negotiated by the Reagan administration, by Congress.

The steady drum-beat by anti-China Republicans against the Clinton policy of "constructive engagement" with China

has, however, raised the stakes considerably on the non-proliferation issue. The administration is working to get as many commitments from China as possible before taking up the inevitable fight with the China-bashing Republicans, who are eager to derail the President's policy. In particular, the United States has been demanding that China cease all nuclear trade with Iran despite the fact that Iran, a signator of the Nuclear Proliferation Treaty, has all of its nuclear facilities subject to International Atomic Energy Agency monitoring. The United States claims that despite Iran's official position, Iran is in the process of constructing nuclear weapons. From all indications, it appears that China will try to work out some formulation acceptable to the United States, but without poisoning its relations with Iran—which it considers a key player in building the New Silk Road development corridors from China through Central Asia to Europe.

Two days of meetings were held in Washington on Oct. 9 and 10 between National Security Adviser Sandy Berger and his Chinese counterpart Liu Huaqi, the national security adviser to President Jiang Zemin, at which all the issues that were to be dealt with at the summit were discussed, including some consideration of how to reach closure on the nuclear agreement.

Chief of Naval Operations Adm. Jay Johnson also visited China at the beginning of October, at the invitation of his Chinese counterpart. The military-to-military exchanges have become an ongoing part of the U.S.-China relationship. Johnson held meetings with the head of China's Navy and with the Chinese minister of defense. This was the first time since 1988 that a CNO has paid a visit to China.

More important than any of the individual agreements that may be reached during the summit will be the stabilization of the relationship itself. China is developing into a great power. Given its size and its population, this is only natural. Wisely, the Clinton administration has not placed itself in the way of such a development, but has shown that it is prepared to help China in the process of emerging as a major economic power in the course of the twenty-first century, and by so engaging China, intends to establish a rapport that would be vital in resolving any conflicts that may occur. More importantly, as China develops, it will thus see the United States more as an ally than an enemy.

## The global financial crisis

On the basis of the relationship that President Clinton establishes with his Chinese counterpart, will depend his ability to deal with the overriding question of his second term—the ongoing global financial collapse.

China has already expressed strong reticence at opening up its financial system to a "free market" obviously gone haywire. The recent problems in Thailand and Indonesia, a reflection of the severe crisis in the world banking system, have given Chinese leaders pause.

The Japanese calls for the creation of an Asian Monetary

Fund, however, have given considerable momentum toward the only real solution to the ongoing collapse—scrapping the bankrupt IMF system and establishing a New Bretton Woods system as outlined by LaRouche. Only President Clinton could call together the necessary forces, including China and Russia, which could carry out such a policy.

In explaining his China policy at a Democratic National Committee dinner on Oct. 9, President Clinton attempted, however, to place his China policy in the context of the phony-baloney “global warming” debate. “The President of China is about to come visit me,” the President said, “and we once had an interesting conversation in New York, when he said, sometimes I think the United States is trying to contain us and we don’t want to be a threat to you and we don’t want you to think we are. And I said, the only threat you propose to us right now is I’m afraid you want to get rich the same way we did, because if you do it in exactly the same way we did, all your cities will be clogged with pollution and will be heating up the atmosphere so fast that nothing I do will turn it around. And I could tell he’d never thought about it in those terms.”

If the President, however, tries to couch the terms of the U.S.-China relationship in some “global warming” rhetoric in order to force China into “environmental” policies that will undermine U.S. and China economic development, such a policy will only lead to disaster.

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## Documentation

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*From a press conference by U.S. Commerce Secretary William Daley, in Washington, D.C., on Oct. 2, on the eve of his visit to China.*

“The evolution of China as a global power in the next century will have an enormous impact on the security and prosperity of the American people. That is why engaging the Chinese and advancing our commercial relations with China and Hongkong is a top priority for President Clinton and this administration.”

Daley stated that he saw the most important purpose of his trip as being “to continue to build the relationships with China that will last forever. My visit should send a message that the United States is committed to being involved and also being active in the Chinese market for the long term, not the short term. We are not here for quick fixes or big money deals but, rather, for the tremendous long-term opportunities that exist in the market that will bring economic prosperity to China and create jobs in the United States.”

*From remarks by Commerce Secretary William Daley to the American Chamber of Commerce in Beijing, on Oct. 9.*

“China has had a historic role in global economic integration that dates to the Silk Route in 200 B.C.,” Daley said. “In the fourteenth century, the voyages of Admiral Zeng Ho to Southeast Asia, India, and East Africa, where he brought giraffes back to the emperor’s court, were closely followed by Chinese traders.

“One of the administration’s top goals is to encourage China’s integration, as a fully responsible member, into the global system,” Daley said. “That is why China has been visited this year by Vice President Gore, Secretary of State Albright, Treasury Secretary Rubin, and National Security Adviser Berger. That is why I am here today, and why we look forward soon to welcoming China’s President Jiang Zemin in the United States. We are focussed on building a constructive relationship across the full range of issues. China will choose its own destiny, of course. But, in President Clinton’s words, ‘We want a China that works with us to build a secure and prosperous future.’ ”

*From remarks by U.S. Assistant Secretary of State Stanley Roth, delivered at the World Economic Forum, in Hongkong, on Oct. 13.*

The United States “will oppose any efforts to contain and isolate China,” said Roth; such efforts “would be misguided and in the end unsuccessful.”

Roth said that change will continue in China’s economic, political, and social life, “and our challenge is to exert a positive influence on that change.”

“We cannot do that if we isolate ourselves from China or cut off our relationship in pique over their behavior,” he said. “Indeed, if we fail to engage China, we risk reinforcing inward-looking, nationalistic forces that will move China’s policy in a negative direction.”

Roth described a number of areas in which China’s foreign policy has changed considerably over recent years, noting that China used to see itself as the enemy of the United States and supported Communist insurgencies in Southeast Asia, but that China now is part of the four-party talks on North Korea, and is a “dialogue partner” along with the United States with the Association of Southeast Asian Nations.

Roth cited “human rights” as one area where there are serious differences between the United States and China. “We have a long way to go on human rights, but that is precisely why we need to continue engagement on this sensitive topic.”

“U.S. policymakers recognize that China will determine its own course in international affairs,” Roth said. “We know, however, that the policy choices the United States makes—and the kind of relationship America seeks to develop with China—can influence Chinese decisions and the outcomes they produce. We see comprehensive engagement as key to the future of the U.S.-China relationship, and hope that the upcoming summit will lead to friendly, cooperative and fruitful relations in the twenty-first century.”