

China threatens, the West appeases

by Mary M. Burdman

The belligerence of Communist China's threats against Hong Kong, the Republic of China on Taiwan, Tibet, Great Britain, and the United States over the past weeks should be taken as fair warning that the Beijing regime, under terrible economic pressure, is very dangerous to its neighbors, especially Hong Kong. The Beijing leadership has also renewed its threats of military force against Taiwan, where crucial national elections are fast approaching.

Yet, despite the fact that Beijing's leaders have twice warned in recent weeks that sanctions, wimpish as they are, are taking their toll—primarily because of China's desperate economic situation—Western nations, particularly the United States and Great Britain, are vying with each other to restart trade deals, especially in weapons, with China. On Oct. 13, Prime Minister Li Peng said that the sanctions were having an effect and warned the Chinese people that they faced years of austerity. Minister of Foreign Economic Relations and Trade Zheng Tuobing said Oct. 26 that an estimated \$10 billion in loans had been suspended and that "June 4 also had a big impact on China's imports and exports," according to the *Financial Times* Oct. 27. China's trade deficit hit \$6.84 billion by the end of August, as compared to \$2.56 billion last year, prompting discussion of devaluing the renminbi, Zheng said.

Nonetheless, the *Hindustan Times* reported from discussions with Asian diplomats in Washington, D.C. on Oct. 7, after the International Monetary Fund conference, that the West is "quietly working the old relationship back with China." Senior officials said the "experiment" of sanctions had "virtually failed," and Western nations, "led by France and Britain," have already resumed, or will soon resume, arms deals with China. As for new World Bank lending, which would open the floodgates for international banking, the United States "seems more flexible" on the issue than in June, the *Hindustan Times* reported. Of course, as a World Bank press spokesman told this writer Oct. 19, the World Bank office in Beijing is fully staffed, missions are going to China, and disbursements for already-approved projects continue.

On Oct. 18, the West German Foreign Ministry announced that the ban on a group of banks investing DM 460 million to build a subway in Shanghai would be lifted, a first step toward lifting sanctions, according to Bonn insiders. The decision was preceded by the visit of Trilateral Commis-

sion luminary Otto Wolff von Amerongen, president of the Asian division of the West German Industry and Commerce Association, to Beijing at the end of September, to discuss the deal with Li Peng.

The Indian news service Asian News International reported on Oct. 7 that "most of the West, led by France and Britain, has already 'resumed export licenses for defense equipment sold to China.'" French defense industry executives say they will soon announce deals with Beijing. Britain has already agreed to supply advanced radar equipment to China through Pakistan, and representatives of more than 50 British companies, of the 48 Group, are now touring China to come to other deals.

The United States is not far behind. Ambassador James Lilley rubbed elbows with the top brass of the People's Liberation Army at the opening Oct. 17 of the Beijing "Aviation Expo/China '89" show. Some 91 companies from 14 countries participated, including Grumman, Britain's Marconi Defence Systems, British Aerospace, and a display of spacesuits and ejector-seat systems from the U.S.S.R. Both Marconi and Grumman are working on contracts to supply technology to upgrade China's jet-fighters, the British Sunday *Correspondent* reported Oct. 22. And, in the midst of yet another flurry of—never borne out—press reports about the imminent lifting of martial law in Beijing, the *International Herald Tribune* Oct. 25 carried an astonishing public relations piece from the *New York Times* Service defending P.R.C. President Yang Shangkun, the man who summoned the murderous 27th Army troops into Beijing to carry out the June 4 massacre. The article claims that "many Chinese" with high-level connections do not consider Yang a "hardliner," he has "the best sense of humor" in the military and he is a "reformer, backing Deng in everything."

Invasion of Taiwan 'not ruled out'

That bastion of the Liberal Establishment, the New York Council on Foreign Relations, even allowed Chinese Foreign Minister Qian Qichen to dictate the terms for improved Sino-American relations, when he spoke before the CFR in New York Oct. 2. Just days after both Chinese Prime Minister Li Peng and Party Secretary General Jiang Zemin reiterated that "use of force cannot be ruled out" to re-take Taiwan, at their first big press conference in Beijing Sept. 25, Qian told the CFR: "To meddle and interfere in the internal affairs of other countries is more often than not a destabilizing factor which leads to strained bilateral relations."

Qian demanded that the "Taiwan question" be handled "properly." He warned the United States about the the Taiwan authorities "taking advantage" of the strained relations between China and other countries, to improve its standing in the world. Taiwan will not succeed, Qian stated. "We appreciate the U.S. government's repeated declarations of the 'one China' policy. We hope to see these declarations translated into action," he said.