

Prime Minister Zhu Rongji turns power of wit against China-bashers

by Mary Burdman

Chinese Prime Minister Zhu Rongji demonstrated, in his press conference in Beijing on March 15, just what can be done, to effectively counter the flight-forward of the current world's biggest power—not the United States per se, but the lunatic faction of Wall Street and the City of London, and their power-mad Presidential candidate, Vice President Al Gore. Using truth, history, humility, and, especially, the great power of wit, Zhu Rongji



*Chinese Prime Minister
Zhu Rongji*

punctured the hysteria and lies which are being used, especially in the United States, to attempt to force the United States and China, two nations whose every vital interest lies in strategic cooperation, toward a dangerous confrontation.

Zhu Rongji spoke with the authority of the Prime Minister of the world's most populous nation, a nation with more than 5,000 years of history. He also used gems of Western culture, such as Shakespeare's *Merchant of Venice*, to encourage his listeners to reflect on just where the world's critical problems lie.

Any honest American who learns what Zhu Rongji has to say, would have to first laugh, and then toss his television, newspaper, and, in far too many cases, Congressman, out of the window as liars.

Zhu Rongji gave this press conference for Chinese and foreign journalists at the close of the Second Plenary Session of the Ninth National People's Congress in Beijing. It was broadcast live in China.

Visit to Washington

Asked whether he might "walk into another minefield" by visiting the United States in April, Zhu Rongji said: "Since the exchange of visits between the state heads of China and the United States, the two countries have started to work on building a constructive strategic partnership. The momentum of the growth of the Sino-U.S. relationship has been quite

good. However . . . there has emerged an anti-China trend in the United States. . . . I do not think that by paying a visit to the United States I will step into a minefield. But I do expect to encounter some hostile or unfriendly reactions."

Zhu cited the article entitled "China, What's Going Wrong?" in the Feb. 22 issue of *Business Week*, predicting all sorts of dire calamities for China. "I think the emergence of such an article reflects the emerging anti-China trend, and that the Sino-U.S. relationship has been victimized by partisan politics in the United States," Zhu said. "I am also a victim, for on the cover of that magazine I was portrayed like a dead person," he joked. Many media are predicting that his visit will not succeed, but, Zhu generously offered, "I will go anyway to lend them a chance to vent their anger or complaints."

Seriously, however, he said, "By going to the United States I will try to clarify the truth and also to resume the momentum of developing a constructive strategic partnership between China and the United States."

Zhu Rongji debunked the allegations that China had stolen "U.S. military secrets." Credulous Americans believing these allegations have made two mistakes, he said. First, "they have underestimated the ability of the United States to guard its secrets. To my knowledge, the Los Alamos laboratory has very tight security measures. As each of those working there knows about only a part of a project, it is impossible for them to leak any secrets." No one has any evidence to prosecute accused Chinese-American Dr. Wen Ho Lee, Zhu said; they only have the ability to throw him out of his job.

Then Zhu hit home: "We shall never forget history," he said. "Historically, both China and the United States have experienced such periods when hysteria becomes the norm. A typical example in China is the 'cultural revolution.' "

Zhu also made it clear that China's military capabilities are commensurate with its status as a developing sector nation, which has consistently maintained, throughout its millennial history, a defensive, rather than an offensive, military strategy. Those accusing China, he said, "have underestimated China's military research development capabilities. The Chinese are intelligent and diligent. . . . China independently developed its atomic and hydrogen bombs and man-made satellites. China is fully capable of developing any mili-

tary technology. It is only a matter of time.

“But please keep in mind that China is the first country to declare that it will not be the first to use nuclear weapons. Why should China take the political and moral risk of stealing others’ military technology or secrets? The alleged Chinese theft of U.S. military technology is only a fiction.”

The bankers’ ‘pound of flesh’

On the case of the Guangdong International Trade and Investment Corp. (GITIC), a government investment company which was allowed to go bankrupt in October 1998, Zhu said: “This incident is of great significance, for it has sent a message to the entire world, which is that the Chinese government will not repay debts for financial institutions if the debts are not guaranteed by the governments at various levels in China.” Foreign banks and financial institutions should “act prudently” and assess their lending, Zhu warned. The reaction of some foreign banks and financial institutions, trying to claim that China is undergoing a financial crisis, “is going too far,” Zhu said. The question is not *if* China can repay the debts of institutions like GITIC — which it can — it is “*whether* these debts should be repaid by the government,” Zhu said. “The answer is, of course, they should not.”

Although GITIC’s bankruptcy is lawful, “one should not assume that one can benefit from the bankruptcy,” Zhu warned. “When I was in middle school, I read the *Merchant of Venice* by Shakespeare, translated into Chinese as *One Pound of Flesh*. According to that script, the merchant, Shylock, lent 3,000 ducats to Antonio. According to the contract they signed, if Antonio failed to repay the money in three months, Shylock would have the right to cut one pound of flesh from any part of Antonio.

“Of course, nowadays if one fails to repay debts, he will not face the risk of sacrificing one pound of flesh. But even so, creditor banks will not let you go so easily. . . . The creditor banks should not press too hard for debt repayment beforehand or in advance. . . . If you press too hard, they would have no choice but to apply for bankruptcy.”

‘How can you know?’

Zhu Rongji directly challenged the incompetent, insane policy being pushed by U.S. Secretary of Defense William Cohen and the rest of the “new Cold War” crowd in the Principals Committee led by Gore, to develop (or, to try to develop) a Theater Missile Defense (TMD) system for Asia, which might be extended to Taiwan. Stating his firm opposition to the TMD, and especially to including Taiwan in this system, Zhu mocked the alleged basis for this flight-forward operation. “The reason given for the development of TMD is the allegation that China has deployed 600 missiles along the Taiwan Strait and that in the past only several dozen were deployed there. But I did not know that. How could you know that 600 missiles have been deployed? I did not know that.”

The deployment of any missiles is a sovereign issue for

China, Zhu stated. Unlikely as it is that China would ever use them, especially against Taiwan, “We could not but deploy the missiles,” he said. “We cannot declare that we renounce the use of force in this regard, because otherwise Taiwan would be in a state of perpetual separation from the motherland.” As to the line that China “has not exerted its influence” to contain North Korea, Zhu asked: “How could you know that; why do I not know that? How can we exert influence or how can we interfere in the D.P.R.K., which is an independent country?”

“I think there is an overestimation of the so-called threat. As all those advanced weapons originate in the United States, then what is the need for the United States to be afraid of that, anything?”

Russian-Chinese friendship

While describing the “very significant achievement, mainly in the field of economic cooperation and trade,” of his recent visit to Russia, and the growing warmth of Chinese-Russian ties, Zhu said he thinks that his reception in the United States would also be warm.

“I can reveal a secret to you,” Zhu said. “I received a very warm welcome in Russia.” President Boris Yeltsin embraced him, and told Zhu “that just as President Jiang Zemin is his best friend, I am also his best friend,” Zhu said. “As one belonging to a people known for its courtesy, I also embraced him,” Zhu said. “I view this as an indication of true friendship. I believe that upon my visit to the United States I will receive the same warm reception. I do not think I will step into a minefield. Maybe President Bill Clinton and I will not necessarily hug each other, but we can shake each other’s hands very firmly, which might be no less than a strong indication of true friendship.”

Zhu was cautious about the speculation that there may be some “breakthrough” on China entering the World Trade Organization (WTO). Zhu noted the absurd length of this process. “Thirteen years have passed since China started its negotiations, first for resuming contracting-party status in GATT [General Agreements on Tariffs and Trade] and then for applying for WTO membership. The black hair has turned grey. So now it is time to conclude such negotiations,” he said. But for any who might hope that China could be forced into the disastrous concessions being demanded by Western free-marketeers, Zhu stated: “The gap between the positions of China and its partners is narrowing. But there remains a considerable gap.”

Financial policy

Much more important than speculation on China joining the WTO, is what Zhu stated about the Chinese, and the world financial situation. Already in 1993, he said, “China set up its policy of macro regulation and control.” While China had been successfully carrying out its policy of “opening up to the outside world,” the speculative bubble economy had also

penetrated China. Speculation in real estate and the stock markets pushed China's inflation rate to over 20%. Under the leadership of Deng Xiaoping, the Chinese government took rapid steps to bring the situation, especially of the banking and financial sectors, under control. Within two years, the country was able to resume real economic growth, Zhu said.

"The reason why China had managed to avoid the impact of the Asian financial crisis last year was that it already experienced such a kind of financial crisis in 1993. Fortunately, we managed to check such financial crisis before it spread. It was precisely because of the accumulated experience of macro regulation and control, that we were able to stand rock-solid last year amid the Asian financial crisis," Zhu said.

Zhu referred his audience to a Feb. 16 article in the *New York Times*, which had reported that the United States has played a role in flooding Asia with the speculative capital which led to the outbreak of the financial crisis in 1997. Then, the International Monetary Fund and other institutions stepped in with their "bailout" programs, demanding austerity, higher interest rates, and other policies "which were not appropriate to their national conditions," and worsened the crisis, Zhu said.

"I expressed the very same view last year during discussions with many foreign visitors, including [Federal Reserve chairman] Mr. Alan Greenspan, [U.S. Treasury Secretary] Mr. Robert Rubin, and [Deputy Treasury Secretary] Mr. Lawrence Summers, who were on the cover of the Feb. 15 issue of *Time* magazine. . . . I discussed this question with all these three gentlemen, and I believed they agreed with me on that," Zhu said. However, Zhu drily noted, he does not intend to ask the *New York Times* authors for shared royalties, since he did not patent his viewpoint.

"Economic development and financial liberalization must be accompanied by proper macro regulation and control," he stressed. "Different strategies of macro regulation and control should be adopted according to the specific conditions of different countries."

Finally, Zhu patiently took up the question of "human rights," the obsession of so many Western visitors. One especially obsessive Westerner is U.S. Secretary of State Madeleine Albright, who sang and danced her way to the defense of mega-speculator George Soros, who has done so much to wreck the economies of so many Asian nations and the lives of so many of their people.

Albright had nothing to dance about during her visit to Beijing at the beginning of March. At his meeting with Albright, Zhu said, "I told her that I started my struggle for the protection and preservation of human rights much earlier than she did. She asked, 'Really?' That shows she did not quite agree with me. I replied, 'Isn't that the case?' I said I was 10 years older than she is: When I took part in the movement for democracy, freedom, and human rights against the Kuomintang government at the cost of my life, she was still in middle school."

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