

participate in these projects. The heads of the five powers declared at Almaty, that they attached importance to cooperation in the field of energy on an equal and mutually beneficial basis. India would do well by actively participating in the measures outlined in the Almaty statement, to help build an atmosphere of confidence and cooperation in its neighborhood.

Russia, India, and China make up 22% of the Earth's surface and more than 40% of its population. All three countries have a strong common interest in stability and development in all parts of the world. Their strategic alliance for peace, stability, and development, which is not an exclusive geopolitical military alliance, alone can effectively counteract the Anglo-American bloc from securing the interests of international financial oligarchy. This alliance has all the potential to create a new world financial and economic order, based on equity and justice for all nations.

When Russian Prime Minister Primakov first put forward the concept of a "strategic triangle" of Russia, China, and India during his visit to New Delhi in December 1998, he was fully aware that this idea had an historical basis, and that a certain urgency had been imparted to it in the context of the Anglo-American military action against Iraq. At that time, the initial reactions of New Delhi and Beijing were not supportive, although the idea was not rejected outright. The Indian position, articulated by Prime Minister Vajpayee, was that India had the best of relations with Russia, and was working to improve relations with China.

### Survivors react to NATO bombing

The situation, however, changed in the wake of the NATO attack on Yugoslavia. Prime Minister Vajpayee, while calling on NATO to respect the provisions of their own founding treaty and end the attacks on Yugoslavia, declared that he would be talking to Russia and China on the subject. A Press Trust of India report quoted him saying that the government was considering the possibility of forming an India-Russia-China axis following the unilateral NATO action.

The destabilization of the Vajpayee government, which was defeated in a confidence motion by one vote, so soon after this statement by the Prime Minister, has left many guessing whether Vajpayee has not been penalized for this stand against the Anglo-American bloc. The destabilization game is also going on in Moscow, where the Chubais, Chernomyrdin, Gaidar, and Nemtsov crowd is prodding Yeltsin to sack Primakov. The people in the countries forming the "survivors' bloc" must mobilize themselves for resolute action against this destabilization game. The hope for survival of humankind, in its struggle against predatory attacks on national sovereignty, lies in forming the strategic triangle of India, Russia, and China. This triangle alone is capable of stopping the NATO aggression in the Balkans, which might grow into a world war, and of taking the initiative for creating a new international financial and economic order.

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## Qian Jing

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# Toward a just world order: a Chinese view

**Anno Hellenbroich:** *Thank you, Professor Kaushik, for the optimistic note, for showing us some problems and how they can be solved.*

*I would now like to introduce our last speaker in this session. Prof. Qian Jing is a member of the Chinese Academy of Social Sciences in Beijing. He is an expert on Chinese literature and philosophy. He is now working in an advisory capacity on international affairs, and deals with regional economic development projects in China. In the past, he has published articles on, for example, "The Soros Phenomenon," and an internal memorandum on "Analysis of Recent Globalization and the Chinese Financial Crisis." Today he will speak on the topic, "The Path toward a New, Just World Social, Political, and Economic Order: A Chinese View." Professor Qian:*

### Introduction

I am sorry I can't follow the example of our Prime Minister Zhu Rongji, who can speak without a text.

First I want to say some words about the Kosovo crisis.

As you know, the attitude of our government toward the Kosovo crisis has been restrained.

Among the common people, there is a lot of anger. For example, in Shanghai, movie audiences demanded to see Yugoslavian movies, making many phone calls to TV stations and also through the Internet, asking where they can see movies about the anti-fascist war [Yugoslavia in the Second World War]. So, the television has broadcast two movies, and even at a late hour, people stay up to see them. Many Chinese people are going to the Yugoslavian Embassy to donate money, food, medicine, clothing, and so forth. You should understand our reaction. China suffered so many wars during this century. We really love peace and are against war.

On the level of scholars, including military researchers, I can summarize the conclusions as follows:

We understand very clearly that the so-called "air strikes" are really a touch-stone for practicing the new role of NATO. Thus, NATO is being made into a new tool for military tasks. The first aim, is to take over a military policing role in Europe and to impose the so-called new international order, particularly in the Balkans.

We should seriously ask the question: since NATO is being used as a new tool, who is the real master of the tool? On the surface, you could say it is America's tool. However,



*Prof. Qian Jing of the Chinese Academy of Social Sciences outlines China's perspective on the global crisis, and looks forward to further collaboration with LaRouche.*

as Mr. LaRouche said, it actually is the tool of the BAC, the British-American-Commonwealth group. When we recall the history of this century, one of the deep lessons is, that when the financial oligarchy group comes to an economic crisis, they always move toward world war. We understand the meaning of the Kosovo crisis also in this sense, that the British-Americans are trying to change the rules of the game, replacing the Security Council by NATO as a tool from the Cold War period. At the same time, the financial oligarchy is trying to turn attention away from the financial crisis, and toward military conflict and war instead. We see NATO as a new tool for them. The WTO [World Trade Organization] as a trade tool, the IMF [International Monetary Fund] as a financial tool, and NATO is a military tool. Yugoslavia is the first sacrifice for testing that new tool and new rules. If the BAC is successful, they will go further. Who will be next? Russia, Iran, India, North Korea, even China?

Concerning ethnic conflict, I want to mention, that in China we have many nationalities that live in one unified country. In Chinese we call this *gong he*—republicanism. Now, everyone in the West knows the Great Wall, but I would like to tell you a story about it. Generally speaking, the Great Wall that tourists enjoy today was built up in the Ming Dynasty (fifteenth century to seventeenth century). At that time the purpose of the Great Wall was military defense, even though often without success. In the eighteenth century, we stopped building up and maintaining the Great Wall. Why?

The reason is, in that new century our people created a new concept: The military and racist prejudice associated with the Great Wall disappeared, and a better relation was created between man and man, between the Mongolian, Tibetan, Han, and other nationalities, of racial equality. So, we are opposed to ethnic conflicts. We believe the different peoples can and must live together in peace. So this one reason why the Chinese people are very shocked about the NATO military action.

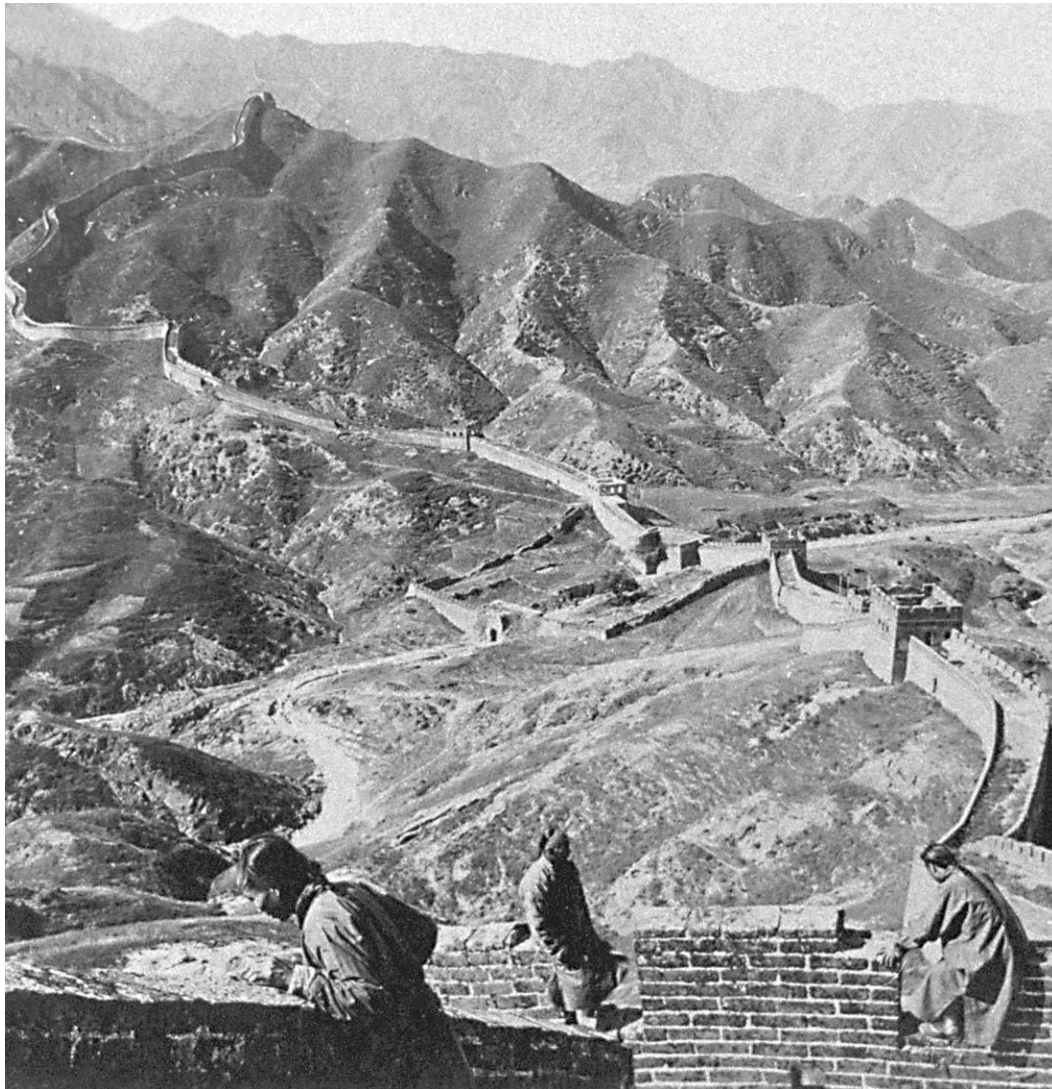
Air strikes, even ground war, won't solve anything. I would tell the NATO leaders, if you want to solve the problem, you must prove to the Yugoslavian people that you really don't want to destroy them. You must offer real economic development for the whole region. This is the way to make positive pressure, to transform the confrontation into a friendship. The bombing just feeds hatred. If the Yugoslav people are convinced that they can have a bright future in peace, and their neighbors, too, then negotiation can be successful. The same principle should be applied all over the world, to all regional conflicts. We cannot tolerate double standards.

This morning I watched President Bill Clinton's speech on CNN, about the shooting which occurred in a high school in Colorado. What Clinton said was basically this: We should teach the younger generation to solve their problems by words, not with weapons. I agree with him perfectly. However, in this case I'll say to President Clinton: By your own actions, please give a good example to the young people, not a bad example.

Now, I want to give a comment about the visit of our Premier to the United States. In our view, Zhu Rongji's visit to the United States was a major success. Under the given conditions, it was not so easy for Zhu to go. In the past, like in the time of the Cultural Revolution, our government would have at least cancelled the visit, and raised a wave of anti-American propaganda. But now, we take a rational approach. Zhu was able to show to the American people that he was very frank, very outspoken, flexible and friendly, not like some bureaucrat. He was able to show what China is, to many Americans who don't know, including many Congressmen. I think this is a new attitude and style for dealing with issues in the twenty-first century—to be constructive, not destructive. The concrete result—for example, whether China joins the WTO or not—is not so important. If all statesmen, like Zhu Rongji, or Lyndon LaRouche, who is such a statesman of the United States, if all such statesmen can discuss in this way, the world's future will be better.

The East Asia crisis did not surprise us so much, for two reasons. First, we had our own internal economic crisis, from our own "bubble economy," in 1993 and 1994. Our scholars gave serious warnings to the government in 1993-1994. Our government, particularly Zhu Rongji, took macroeconomic measures to control the bubble economy, to stop the overheated speculative capital flowing into real estate, the stock market, and development zones.

Secondly, we kept in contact with the Schiller Institute,



*The Great Wall of China near Nankow Pass. "The purpose of the Great Wall was military defense, even though often without success," says Professor Qian. "In the eighteenth century, we stopped building up and maintaining the Great Wall. The reason is, our people created a new concept: The military and racist prejudice associated with the Great Wall disappeared, and a better relation was created between man and man, between the Mongolian, Tibetan, Han, and other nationalities, of racial equality."*

from 1994 until today. Since 1994, Lyndon LaRouche's ideas began to be introduced and spread in China. Our press gave growing attention to him and the Schiller Institute, and even our very high-level officials of the central government knew his main ideas and understood them.

Right now, our government's view could be summarized as follows:

First, to cure the problems of our own internal economy, for example by reforming our state-owned enterprises, reducing the amount of bad debt in our banking system, and speeding up the reform of the banking system. Also, allowing some non-banking financial organizations to go into bankruptcy, such as the GITIC in Guangdong Province. On the other hand, after the outbreak of the Asian financial crisis, the Chinese government introduced a new policy to stimulate the economy by big investment into infrastructure projects. This policy has produced some success, maintaining a relatively high growth rate in spite of the Asian and world crises. In fact,

the economic situation in China in 1999 may be better than in 1998.

Second, to find the way toward reforming or reconstructing the international financial system. Our experts pay attention not only to financial security, but also to economic security. After the outbreak of the Kosovo crisis, we have started to think about the connection among economic security, political security, and military security.

We understand the point, that the virtual economy or speculative bubble is always drawing money out of the real economy, and when the virtual economy comes to a crisis, it pulls the real economy down. And the poor people suffer. If we want to have social progress, we need a rational financial order and a rational economic organization. Therefore, we support the ideas of Lyndon LaRouche for a New Bretton Woods System. We don't want to only discuss in general, but we want, that concrete proposals for a New Bretton Woods be placed on the table for practical adoption.

## Some detailed experts' view on the Chinese government's economic measures

The Chinese government has adopted many measures to stimulate our economic growth (not lower than 7% in 1999) and has committed 100 billion renminbi (RMB) for infrastructure projects involving railways, harbors, highways, water facilities, and so forth.

It is true to say, however, that many problems still exist: For example, a) the banking and non-banking financial system

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bad debts still occupy a large proportion of the banks' capital; b) state-owned enterprises as well as town-owned enterprises still show low efficiency levels.

In this situation, government-lent money from banks actually was a huge loan from the people's savings—it was their money which was put into infrastructure projects. It is difficult for these loans to get a stable guarantee of success.

One of the main reasons for this lack of financial security is corruption at the local government level, which undermines the quality of projects. An appropriate metaphor for the Chinese people is that such projects are like *dou fu* [soybean curd, tofu]—if you touch the *dou fu*, it is destroyed, broken, wrecked. This was evidenced most recently by the Rainbow Bridge near Chong Qing city. A modern bridge was finished late last year, but in February this year, it suddenly collapsed, with a loss of life of more than 30 people.

### Scholars' current thinking on financial security

a. The capital market should be open to the whole society, to allow the public and individuals to invest in commerce and industry.

b. Concomitant with this opening of the market, is the need to evaluate and improve the legal system in order to ensure the protection of investors' interests.

c. The exchange rate should be adjusted flexibly and regularly to take advantage of the situation and to protect our economic security.

d. There needs to be more control of financial debt, especially the scale and types of investment debt. Such debt should

be controlled to fall within a reasonable range.

e. In order to enforce limited—I say limited—financial intervention in the financial market, other relevant measures need to be taken:

First, establish long-term investment management companies.

Second, add heavier taxes to the speculators' capital flow.

Third, build up new companies, i.e., financial capital management companies, as well as other companies, to ensure the protection of peoples' savings.

### Concerning China's entry into the WTO

Our government has made many important concessions in negotiations with the U.S. The Chinese government really wants to improve the relations between China and the U.S., which will remain a superpower in the next century. So our government has tried to do its best to create a peaceful and reasonable atmosphere.

But we have our own principles for international relations. On the principal issues, we never made concessions that would threaten or sell out our security or our sovereignty. We are not beggars. Without the WTO, China will still be China. Perhaps we may encounter problems in the future, but we can find a way out. Nobody can threaten us. So there is a possible turning point, where sovereign states may ally to resist the famous globalization which is being manipulated by the BAC.

1. In regard to the possibility of China joining the World Trade Organization, obvious differences have appeared in the White House. [U.S. Trade Representative Charlene] Barshefsky, [National Security Adviser Sandy] Berger, and the CIA supported the signing of the agreement. Yet, according to the *Wall Street Journal*, [Treasury Secretary Robert] Rubin, and others, thought that the agreement needed to be concluded later, in order to assuage Congress.

China recognizes the need for concessions. We have promised that to open the Chinese market of agricultural products, e.g., for beef, we must reduce the tariff from 45% to 12% in the next five years. For cheese, the tariff will be reduced from 50% to 12%. China has agreed to open its cotton and wheat markets.

2. Now, if the U.S.A. does not sign the agreement, China is likely to turn toward European countries, to Canada, Australia, and New Zealand, and other countries instead. We will soon find out who is the loser and who is the winner. Chinese scholars believe that China has reached its limits in compromising, and that further compromise is not a possibility. If the Clinton administration makes further demands, then we feel there is no room for further compromise.

3. China joining the World Trade Organization is a method—a means to an end. Our government's intention is to stimulate our domestic market, to stimulate our state-owned enterprises, including China Telecom, and commercial banks, and to improve the all-round capability of Chinese

enterprises so that they can stand up independently in a competitive environment.

### **China's relations with Russia and India**

Now, before speaking about the new "strategic triangle" China-India-Russia, I want to make a few comments first on China and Russia.

China and Russia have an established, sound political relationship based on an equal, peaceful strategic partnership which provides a solid basis of confidence in dealing with each other.

Some of the problems encountered in recent years between China and Russia:

Some Chinese have stayed longer in Russia than permitted (this was especially so in the Siberian area).

We still have not resolved the issue of the satisfactory settlement of accounts between the two countries. Many Russian trading companies need currency, especially hard currency. The Chinese side tried to meet this demand, and to help reduce the reliance on barter, i.e., exchanging goods. Establishing a stable settlement system will greatly encourage the growth of trade. On the other hand, we acknowledge that under certain conditions, barter can be useful. So, a flexible approach can be used.

The transportation system between the two countries does not operate efficiently, and deliveries are often delayed. This makes it difficult to fulfill business contracts.

As a result, the following approaches are considered to be necessary:

a. Encourage big business in both Russia and China—big businesses which have sound reputations and favorable credit conditions—to increase their trade.

b. It is my personal opinion that large Russian companies should find suitable Chinese partners in the areas of the Yangtze River Delta and the Pearl River Delta.

c. Another suggestion which I wish to recommend, is that both countries make strong efforts in the value-added industries and in the energy industry. There are already several notable, successful, new type enterprises in China—the Legend Computer Group and the Haier Group in Qing Dao.

I think our success in improving relations between Russia and China can give useful lessons for our relations with India and other countries.

### **On the China-Russia-India triangle**

In combined population and territory, Russia, China, and India are the giant countries in the world. They are neighbors and their economies are complementary. Each has a long history and highly developed culture. Each has fought bitterly for its sovereign rights against foreign invasions and foreign occupation, in spite of big losses. These countries have a tradition of pride and independence. Therefore, it is natural that they should cooperate to create a rational economic order in the twenty-first century.

There are many things we must do to improve the relationship among these three countries. In my view these can be divided into several levels: the government level, the enterprise level, the academic level, and the media level. I want to make some remarks about the academic level. Scholars can play an important role as a bridge.

I suggest that we should build up a special foundation. Its name could be: "The New Triangle Foundation." Its function will be to bring together experts from all three sides—China,

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Russia, and India—to design an economic cooperation plan, and to prepare documents concerning:

a. How to speed up the trade among the three countries. For example, we should consider a customs union to increase trade and technical exchange.

b. Industrial cooperation. Also, cooperation on software and information development.

c. How to promote and improve infrastructure construction, including the whole network of the Eurasian Land-Bridge.

d. To cooperate on advanced technology, including military technology. Very advanced technologies from the military area, can be very efficiently spread to the civilian area and promote rapid economic development.

e. How to set up a three-way credit mechanism. As a first step, to set up an institutional mechanism to settle trade accounts and facilitate trade.

We should conduct research about creating a new international financial order around our three countries, as a first step.

In addition, form a new type of association: India-China-Russia, and influence the mass media to educate mass opinion.

At the same time, we should work to make sure all three countries have strong governments.

### **Conclusion**

In the same way that Spring creates new life, it is my fervent wish that we here can create new solutions for the future.

There is a Chinese saying, which is appropriate to leave you with: "The new day begins with morning; the new year begins with spring."