Thời sự Xã hội VN **R** À I 2:

CHINA IN THE POST COLD WAR ERA

(By VAN NGUYEN DUONG, May 1997)

Lời Tác giả:

Kính thưa quý độc giả và bằng hữu,

Trên mạng điện tử này của Của Hội cựu chiến sĩ Nhảy Dù QLVNCH, quý vị vừa đã đọc Bài 1 viết về "Đổi mới Kinh tế Xã hội Chủ nghĩa bằng Kinh tế Thị trường". Chúng tôi đã trình bày rõ ràng rằng sự đổi mới đó không xuất phát từ sáng kiến của nhóm lãnh đạo Đảng CSVN mà họ chỉ thực hiện cuộc cải tạo kinh tế đó rập khuôn theo "Cuộc Đổi Mới Kinh tế của Đảng cộng sản Trung Quốc dưới thời Đặng Tiểu Bình". Nước "Cộng hòa Nhân dân Trung Quốc" do Mao Trạch Đông sáng lập, Đặng Tiểu Bình triển khai đến cường thịnh nhờ vào sáng kiến thay đổi nền tảng kinh tế chỉ huy xã hội chủ nghĩa hủ lậu hơn cả thời quân chủ chuyên chế thành nền kinh tế dựa vào phát triển thi trường tự do theo mô hình tự bản, nên Trung Cộng chỉ trong vòng hai thập niên đã trở thành một nước lớn về kinh tế và quân sự chỉ sau Hoa Kỳ. Đặng Tiểu Bình và các lãnh tụ Đảng CSTQ vẫn giữ nguyên cơ chế chính trị cộng sản để giữ vững đia vi và quyền bính cá nhân, từ đó họ đã thao túng nền kinh tế mới du nhập từ Phương Tây này để trở thành những nhà tư bản đỏ -the Red Capitalists. Họ đã thành công trong cuộc đổi mới này. Nhưng quyền lợi kinh tế đã làm phân hóa xã hôi sâu xa và quan trong hơn là tình trang chia chác quyền lợi, giành giựt địa vị trong đảng và chính phủ đưa đến nạn bè phái thanh toán lẫn nhau, từ trung ương đến địa phương, cộng thêm nạn tham những làm cho chế độ càng thối nát, rệu rã. Gần đây Tập Cẩn Bình, với tham vọng muốn làm bá chủ thế giới, bên trong đã thẳng tay thanh trừng phe đổi lập, bên ngoài gây tình trạng căng thẳng ở Thái Bình Dương, trực diện đối đầu với Hoa Kỳ và Đồng minh ở Á châu, đã tạo nên một cuộc chiến tranh lạnh mới. Chắc rằng Trung Cộng chưa làm chủ được biển Đông đã sẽ phải tan ra thành từng mảnh nhỏ trong tương lai vì sự bộc phát quá độ của chủ nghĩa đè đầu cỡi cổ của các lãnh tụ như họ Tập và sự xâu xé lẫn nhau của những con khủng long của chế độ.

Tuy nhiên, việc tìm hiểu lịch sử phát triển kinh tế và chấn hưng một nước Trung Hoa sắp mục nát sau triều đại của Mao Trạch Đông cũng cần được nghiên cứu tường tận vì ảnh hưởng của nền kinh tế xuất phát từ triều đại Đặng Tiểu Bình và sau đó phát triển cực độ, đã làm cho Việt Nam lâm vào tình huống vô cùng nguy khốn ngày nay; các nước khác ở ven bờ và trong Thái Bình Dương cùng chịu chung hiểm họa với Việt nam, nhất là Hoa Kỳ chính mình gieo gió lành sẽ phải gặt bão dữ trong tương lai. Hay nói một cách khác là "dưỡng hổ đi họa".

Chính phủ Hoa Kỳ, nhất là dưới hai nhiệm kỳ của Tổng thống Bill Clinton, qua sự kiện gia đình ông nhận ngân khoản tài trợ khá lớn cho việc ứng cử tổng thống của một tên Hoa kiều mà cánh diều hâu Đảng Cộng Hòa Quốc Hội Hoa Kỳ mở cuộc điều tra cho rằng Trung Cộng đã xen vào nội bộ chính trị của Hoa Kỳ, hay vì các ly do khác như bảo đảm sự an toàn cho Nam Hàn, nhất là Đài Loạn, hoặc sự an toàn mậu dịch cho hơn ba vạn kiều dân Hoa Kỳ sinh sống tại Hồng Kông, như luận điệu của giới báo chí Hoa Kỳ binh vực cho TT. Clinton, mà chính phủ Clinton đã ban cho Trung Cộng chế độ "tối huệ quốc" về mậu dịch, thiết lập hệ thống liên lạc ngoại giao chặt chẽ với chính phủ Trung Cộng. Hơn nữa, đã can thiệp mạnh mẽ cho Trung Cộng gia nhập Khối Mậu Dịch Thế Giới (the World Trade Organization, WTO) và vay tiền từ quỹ Tiền tệ và Ngân hàng Thế giới. Nên nhớ rằng thời điểm đó Khối cộng sản Liên Xô và Đông Âu đã tan ra rồi, Hoa kỳ đâu cần sự liên kết với Trung Cộng. Liên kết để làm gì? Có ích lợi gì. Hoa Kỳ đâu thiếu thị trường tiêu thụ sản phẩm tân tiến của mình, khối Đông Âu, Nam Mỹ, Á Châu, Phi Châu rộng lớn và khối Trung Đông. Lúc đó, Hoa Kỳ đang là bá chủ thế giới, tại sao

lại phải cần hết mình tài trợ cho Trung Cộng mà không tận diệt nó? Xin quý vị đọc bài viết dưới đây rồi sẽ tìm lấy câu trả lời thích đáng riêng.

Mới đây, ông Donald Trump đắc cử trong Kỳ bầu cử ngày 8/11/2016, sẽ trở thành vị tổng thống thư 45 của Hoa Kỳ. Mọi giới người Việt Nam hải ngoại đã viết rất nhiều bình luận về sự đắc thắng ngoài dự đoán của mọi giới chẳng những ở Hoa Kỳ và nhiều nước khác trên thế giới. Chúng tôi không muốn lạm bàn, nhưng chỉ xin nêu lên một vài yếu kiến nhỏ. Điểm quan trọng nhất về đối nội là triệt tiêu thứ tham những đóng băng hơn nhiều thập niên qua, bắt đầu từ chính phủ Clinton, thành lập một chính phủ nhẹ và hiệu quả và đề nghị một thời hạn tối đa cho các thành viên Quốc hội để mong thay đổi tư duy chính trị và xã hội, mặc dù Ông Trump không nói rõ, hai là khai thác trữ lượng năng lượng phong phú của Hoa Kỳ để tạo thêm nhiều triệu công việc cho người dân Hoa Kỳ và ba là chỉnh đốn lại hệ thống bảo trợ y tế của Chính phủ, bốn là giảm thuế, tăng ngân sách quốc phòng và các lực lượng an ninh quốc gia. Không kể việc trục xuất khối đi dân bất hợp pháp... Về sách lược đối ngoại -foreing policy- Ông Trump có thể cùng những cường quốc khác tạo một trật tự thế giới mới, chó không phải áp dụng chính sách "đóng cửa" hay cô lập như luận điệu bi quan của một vài nhà bình luận Việt ở hải ngoại. Trong sách lược đó Trump muốn hợp lý hóa về NAFTA, nhất là NATO rồi đến chính sách Mậu dịch với Trung Cộng có lợi hơn cho Hoa Kỳ. Có người cho rằng Ông Trump tuyên bố rút quân khỏi Thái Bình Dương bỏ mặc Nhật, Nam Hàn và các nước Á Châu. Nhắc lại ngày trước TT Johnson khi bước chân vào Nhà Trắng đã từng cân nhắc việc bỏ rơi Nam Việt Nam mà lo chú tâm vào việc xây dựng Một Xã hội lớn -A Great Society- cho chính nước Mỹ hơn là tiếp tục giữ Nam Việt Nam. Nhưng chỉ 24 giờ sau khi vào Nhà Trắng ông đã nghe theo các cố vấn và tướng lãnh mà tiếp tục yểm trợ cho nhóm tướng lãnh đảo chính giết anh em Ông Ngô Đình Diệm, lập nền Đệ Nhị Cộng Hòa và tiếp tục lập sách lược be-bờ chống khối cộng sản, mặc dù ông biết họ bất tài. Ngày nay cũng vậy, tân tổng thống Hoa Kỳ đâu có thế nào rút quân bỏ Nam Thái Bình Dương. Một người làm chính trị dù yếu kém cũng nhìn thấy sự thế địa dư chính trị, quân sự và con đường hàng hải thương mại của Thái Bình Dương và Vùng biển Tây Ấn Độ Dương là quan trọng biết chừng nào đối với Hoa Kỳ. Các tướng lãnh và các chiến lược gia lỗi lạc Hoa Kỳ đâu thế nào không thuyết phục được vi tổng tư lệnh của họ hay sao!

Còn chuyện ông Trump tuyên bố hủy bỏ Hiệp thương Xuyên Thái Bình Dương hay các hiệp thương khác nằm trong sách lược duyệt lại toàn bộ chính sách kinh tế và mậu dịch toàn cầu của Hoa Kỳ có thể tạo diễn biến mới về kinh tế và tài chánh thế giới có lợi và tạo thêm công ăn việc làm cho dân chúng Hoa Kỳ, biết đâu cũng sẽ tạo nên chuyển biến dân chủ cho Trung Cộng và có thể Việt Nam sẽ phải tiến hành không những cuộc cải tổ kinh tế thị trường dân chủ mà còn có khả năng giúp cho quần chúng Việt Nam thức tỉnh làm cuộc cách mạng lập nền tảng chính trị đa nguyên và dân chủ sớm hơn Trung Cộng nữa. Chúng tôi không cảm thấy bi quan, ngược lại còn cảm thấy hy vọng vào quần chúng Việt Nam tự mình biết rõ phải làm gì hơn là trông đợi vào thế lực ngoại trợ mang tự do và dân chủ vào cho mình...

Chúng ta hãy chờ xem...

Thay vì đọc những quyển sách dày, xin mời xem bài biên soạn không quá dài này. Dù đã viết từ hai mươi năm trước nhưng không mất giá trị lịch sử hiện đại....

Văn Nguyên Dưỡng



The international political environment has direct effects, whether good or bad, on international economics. For this reason, many strive to stay current of worldwide political development to anticipate changes in the global economic environment.

Nowadays, the biggest question that surface among all nation's leaders, politicians, military strategists, and expert economists around the world is the rise of eastern giant, China, that has replaced the former Soviet Union. China's recent modernization has generated awe among its neighbors. Lee Kwan Yee, one of the shrewdest state men in Asia, said in 1994 that China will soon force a restructuring of the world's balance power. "It's possible to pretend that is just another big player. This is the biggest player in the history of man," he said (U.S News Mar. 3rd, 1997, p.76). More pointedly, other nations in Asia are know asking what role the United States intends to play in the Pacific. Will it tries to contain China's growing power, as it once so successfully contained the outward trusts of Soviet Union?

The purpose of this essay is to examine the Deng Xiaoping's modernization policy of China, his successors' policy of development, and the foreign policy of the United States towards China.

I. GENERAL PERSPECTIVE OF THE WORLD AFTER THE COLD WAR.

In the past, European order of the Cold War was structured under the North Atlantic Treaty Organization (NATO) and the Warsaw Pact, as well as under the ensuing confrontation and balance between them. However, by the late 1980's, an astonishing global and political phenomenon changed the geopolitical picture of the world, when tearing down of the Berlin Wall in November 1989 led to the reunification of Germany in 1990, followed by an unexpected suddenness of the disappearance of the Iron Curtain in the Soviet Union. Within a spun of less than three years, the Communist Empire and the Warsaw Pact ceased to exist.

Virtually, overnight the Eastern European countries and the ex-Soviet Union nations, with their total population of 450 million and a combined gross national product (GNP) of 3 trillion US dollars, shifted their political and economic orientation towards democracy and market economy. Initially, the changes in Europe were confined to reducing the thread of a Third World War and redefining many nations's military and political strategies. Consequently, the political environment has been undergone a substantial transformation characterized by the reshaping of political blocs, the formation of new economi-groupings, the breakup of old coalitions, and the integration in the international market of the newly emerging democracies (NEDs) and the newly developing countries (NDCs).

Some expert economists foresee the realignment of global strategic power through the emergence of new political blocs. One such bloc would consist of a reshape do Europe, which would include political and economic membership of 16 European Community nations, the Eastern European nations -the NEDs- and possibly even some of the former Soviet republics. A second bloc in the Western Hemisphere would be led by the United States including Canada, Mexico, and several Central and South American nations. A third bloc would be led by Japan composing of many nations of the Pacific Rim and others in Eastern Hemisphere. Such blocs are primarily trade-based, but could eventually incorporated many political dimensions. On the positive side, due to their relative equality of power, these blocs can be considered precursors of global cooperation, resulting in an even more open and free global business environment. But, on the negative side, by the reason of "national security" and "national interests," an increase in ambivalence and uncertainty between the members of these blocs may produce inevitable shifts in economic and political thinking, which in turn may explode another set of unexpected and undesired results ("Inter- national Business", Third Edition, The Dryden Press, 1995, p. 297).

II. CHINA'S MODERNIZATION UNDER DENG XIAOPING ERA.

The worldwide trend towards democracy has accelerated during the past decade and has led some to claim the inevitable takeover of democracy and free trade throughout the world. This notion has far to go to reach the People's Republic of China (PRC).

The consensus among the international politicians and economists is that the "Socialist Market Economy," which has been a strange hybrid system engineered by Deng Xiaoping (Đặng Tiểu Bình) since 1978 will firmly rule over the Mainland China despite Deng's retiring from the leading position in the Chinese Communist Party, government, and military in 1987 and died in February 1997. The Dengist Policy is in keeping the total governance of the Communist Regime and the application of the "macro-control and micro-liberation" in China's economy as the biggest phenomenon in the world political and economic system for the late three decades of the 20th Century. The Dengist system is neither completely communist nor the democratic with its free market economy.

Deng Xiaoping, the second paramount leader of the People's Republic of China after Mao Tse-tung (Mao Trạch Đông) died in September 1976, was considered to be an ardent nationalist, a dogged pragmatist, and an unshakably committed socialist. He, with the strong support from the Party and the Army, restored order to an impoverished and chaotic nation that had been reigned by the "Gang of Four" ("Bè lũ Bốn Tên" gồm Giang Thanh, Trương Xuân Kiều, Vương Hồng Văn, và Diêu văn Nguyên). This group was led by the Mao's wife Jiang Qing (Giang Thanh) until they were eliminated in 1977 by Deng. In 1978, Deng authorized a reassessment of the Party's recent history to replace the defiant gang-of-four's program with its philosophy of "seeking truth from facts and

building socialism with Chinese characteristics". Deng used four- modernizations program to restructure China. That meant building up the Chinese economy by breaking the stagnant collective agriculture system, curtailing central economic planner's roles and decentralizing decision-making power especially about production by moving power to lower levels, modernizing the military forces, and opening China's door to the outside world to bring in hard currency and technical expertise ("The Very Last Emperor", U.S. News, Mar. 3rd 1997, pp.24-26).

As a result from this Dengist Policy, in seventeen short years (1978-1995), China experienced spectacular progresses, especially in areas of agriculture and industry, where the private sector became important element of the nation's economy. Deng 's economic modernization benefited a vast portion of the country, particularly in coastal areas and major cities. Shanghai, Quangzhou, and Zhenhen became booming cities that multiplied into deluxe-office towers of foreign companies, state-owned enterprises, and private shops and offices.

Simultaneously, this nation, the most populous in the world, furiously tried to undo the damage of the "Cultural Revolution" and the "Great Leap Forward (respectively in 1960's and 1970's under Mao Tse-tung reign). China's gross national product has increased 500 percent from 1978 to 1995, raising per capita income from barely measurable to 1,800 US dollars. The average annual growth exceeded 8%, among the highest in the world. Saving deposits grew 14,000 percent; exports went up from 10 billion US dollars a year to 153 billion. With the surprising mushroom of electronic and high-technologic companies such as the Legend Group, the Beijing Founder Electric, the Great Wall Computer Company, and other 6,000 smaller electronic companies, China's high-technological exports were expected to zoom from 2.1 billion US dollars in 1994 to 8.7 by the first years of XXI Century. The typical development of China's top electronic companies show that Chinese have changed to compete internationally with very modern yet cheaper products" (Business Week, April 14th, 1997, pp. 57-58).

In military arena, recently Lt. General Patrick Huges, the U.S. Defense Intelligence Director, told a Senate Committee that China, with its 3,000,000 men and women in the armed forces, could be a "large-scale regional threat to the United States interests within the next 10 to 20 years." Previously, the U.S. Defense Intelligence Agency (DIA) had been dismissive of China's military. "The real fear of many military strategists is that China's build-up will feed a cold war hysteria as Beijing upgrades its backward military." (Business Week, Mar. 17th, 1997, p. 55).

In reality, while China's military spending declined during the early 1980's, it has increased by 50% in real terms between 1988 and 1995. Some expected that China's military budget will have risen to more than 8.7 billion US dollars in 1996 and that tieu will have begun building a modern navy and air force. In addition, China is the biggest nuclear power in Asia. In 1964, China exploded its first atomic bomb and in 1967 it

continued by exploding its first hydrogen bomb. China became the world's fifth nuclear power. In October, 1966 China reported firing a nuclear missile. This was its fourth nuclear explosion, but the first in which actual weaponry was tested. Under Deng Xiaoping's military modernization policy, in May 1980, China continued a tested-launch of an Inter-Continent Ballistic Missile (ICBM). It was its first successful tested-launch of an ICBM. The missile traveled 6,200 miles (The Harper Encyclopedia of Military History, Fourth Edition, 1995, pp. 1429 and 1530). In the last decade had been twice hit with the U.S. economic sanctions for the transfer of its M-11 Missile technology to Pakistan and Iran.

China's population is five times larger than that the United States. It's military is the largest in the world. It has a steady growing list of trade partners to choose from. It has foreign-exchange reserves over 100,000 billion US dollars, more than Germany, and it has recently emerged as a buyer of U.S. Treasury Security. Last year, China attracted 42 billion US dollars in direct investment, a third of all investments n the development world. The way China manages its economic growth under Deng's four- modernizations economic program has and will continue to have more impact on the world environment than wealthy nations imagined. Some predict that China cannot be "contained" because it's effect on the world is already so profound (U. S. News, April 7, 1997, p.46).

After his death, Deng Xiaoping, one of China's powerful leader, is.still seen as the capitalist of bold reforms that triggered an unprecedented economy boom nearly two decades ago. Over the long term, many believe, the open door policies set in motion by Deng will lead to freer, more democratic society, as China huge population grows wealthier and demands greater rights. Nonetheless, in 1989 when students challenged the Chines Communist Party to add a fifth modernization, democracy, to its four-modernizations economic program, Deng, after weeks of debate within the Party over how to handle the growing students' demonstration in Tiananmen Square, ordered the Army to assault the demonstrators by tanks and bullets. Hundreds students were killed. Then, with the relentless hunt for remaining leaders and followers, police and army arrested and imprisoned hundreds more. Five days after the event, Deng appeared on national television to justify his decision, "if some people practice bourgeois liberalization and create turmoil by demanding bourgeois human rights, we have to stop them," he said (U.S.News, Mar. 3, 1997, p.25). Then, the economic reforms to market economy in China was firmly standing with its communist regime.

Deng's economic legacy to China will stand along with his legacy of Tiananmen Square human rights abuses... To sum up, Maurice Meisner, professor of history at the University of Wisconsin, in his new economic book "The Deng Xiaoping Era", related that: "Rather than promoting better society, Deng's reforms have risen to a 'bureaucratic capitalism' dependent on the Communist State and its repressive apparatus for survival. By emphasizing economic well-being over everything else, Deng's approch led to a 'death

spirit', and the combination of Stalinist bureaucracy and capitalist economics has created massive social upheaval." (Business Week, Jan. 13, 1997, p. 18).

Meisner argues that, politically, under Deng's economic reforms, the Communist Party bureaucracy swelled enormously. Groups of officials used their privilege Communist Party positions to become a new "capitalist class". They supported the political status quo because they were psychologically as well as economically dependent on the Communist state for political protection as well. On the other hand, Meisner states that, economically "the savage capitalism" that operates under the cloak of a socialist market economy is ushering in more intensive forms of exploitation, greater alienation, enormous gap between rich and poor, and growing economic and social differences between urban and rural country people.

III. CHINA'S POLITICAL AND ECONOMIC PROBLEMS UNDER

JIANG ZEMIN (GIANG TRẠCH DÂN) TENURE.

Jiang Zemin's emotional speech at the eulogy for Deng Xiaoping, who died on February 19, 1997, conveyed the enormous strain that he will face in living up to his promise to "make greater contributions" than his master Deng.

It is true that Jiang has amassed the most powerful titles in China, Party General Secretary, President of the State, and Chairman of the Central Military Commission. But it is unclear whether he can tackle the biggest challenge of all: easing recent external and internal political problems beside stimulating more economic reforms.

Externally, Jiang faces the constant international campaigns against China's "human rights abuses", as from the U.S. Congressional hard-liners. The Congressional "Hawks" are against China's desire to enter the World Trade Organization (WTO) despite whatever President Bill Clinton has promised with Beijing. They want to hold off the renewal of the China's most-favored-nation trade status (MFN, qui chế "tối huệ quốc"). Other political problems are the sovereignty of Taiwan, the conflicts with several nations in Pacific Rim over the rich oil islands in China Sea, and the return of Chinese sovereignty over Hong Kong on July 1st, 1997.

Internally, Jiang faces his political opponents such as the Premier Li Peng (Lý Bằng), the Vice Premier Zhu Rongji (Chu Dung Cơ), the Maoist ideologue Deng Liquin (Đặng Vĩnh Siêu), and the Chairman of the National People's Congress Qiao Shi (Vạn Lý) in the next National Party Congress, which will be held during Fall 1997. For now, Jiang appears to have the backing of top military leaders, who have a strong investment in maintaining the status quo.

In the meantime, the most piquant internal problem that Jiang Zemin and the Chinese Communist Party have to face is the China's whole periphery, from Xinjiang to Tibet and Yunnan, recently forming a necklace of ethnic discontent (this discontent would last for decades in the future). Beijing seems stunned by the possibility that ethnic unrest might be infectious. Xinjiang's Uigur Muslims delivered their separatist message with bombs after Deng Xiaoping's death. Now, they are calling for strikes. "Xinjiang has the potential of becoming China's Northern Ireland," warned Barry Sautman, professor at the Hong Kong University of Science & Technology. Also the Hui Muslims in Xinjiang launched a series of bloody bomb explosions in Beijing and in Xinjiang to oppose the Han people's dominance over the Hui. Beijing will have to react carefully to experience calmer times. But initial omens are not promising (Business Week, Mar. 31, 1997, p.57).

In economics, although Deng Xiaoping's modernization policy has made China becoming the third economic powerful nation of the world (after the United States and Japan), there were several economic and social problems that Deng left without fixing. Important areas that remain unresolved include: subsidies to under-productive state-owned industries, huge debts, growing income gaps between rural regions and the booming, industrialized coastal areas, limited arable land to feed a large rural population, and the production standards that discriminate against imports. "The reality difficult part begins now," say Konrad Seitz, Germany's ambassador to China (Business Week, April 7, 1997, p.52). Chiefly, the three biggest problems are the corruption and nepotism over the regime, the subsidies of state-owned industries, and the slippage of the mass' ideology.

Jiang Zemin inherited these problems and, so far, he has managed to fill Deng's shoes by maintaining the status quo: tinkering with the economy, fighting corruption and nepotism, battling ideology's swing between the socialist order and the democratic values, and preventing social unrest and chao (or "luan", in Chinese, "loạn" in Vietnamese). Maintaining status quo and really solving problems are very different challenges.

The first problem, corruption and nepotism, seems not to be simple for Jiang to solve. In fact, the Party wields enormous economic influence through powerful ministries. Cadres and their children, wives or relatives hold high positions in state and local enterprises. The upside is that many Communist leaders now have unofficially vested interests in exercising corruption without any interception of the judiciary branch. they promote their family's members to official posts and preventing any big rollback of market reforms. The interests of the cadres often collide with the interests of the nation. "Everybody who has any power supports reform for selfish reasons," said Shan Li, an executive of the Goldman & Sachs Co. in Hong Kong (Business Week, Mar, 10, 1997, p. 48).

The second problem, subsidies state-owned industries, seems to be a big hole of the national budget. In 1996, Beijing was budgeting 3.7 billion US dollars to write off bad debts of state-owned enterprises that have been taken over, otherwise they go bankrupt.

Some leaders, eager to preserve one of socialism's last bastions, want to bolster the state sector rather than shrink it. Furthermore, cadres running these enterprises do not want to lose their power or perks. These state dinosaurs account for about 40% of industrial output and have run up to 240 billion US dollars in bad loan. Overall, in 1996 losses increased by 38%.

Therefore, with Deng gone, there is pressure on Jiang to distinguish himself as the new top leader and this industrial battle-ground will decide his fate and his nation's leadership. Recently, he has made state-enterprise reform a top priority as he bids to consolidate his power. A pillar of Jiang's plan is to let small and mid-size state-enterprises sink or swim, while focusing on assisting the largest enterprises from textile to machinery and metallurgy. Sectors such as likely to remain firmly under state control for many years as Jiang says: "Grasp the big, release the small." (Business Week, April 21, 1997, p.54). Jiang's campaign is likely to fall far short of mass privatization, a step that might make economic sense but would spell political suicide for Jiang.

The third problem, slippage of ideology and social unrest, seems to be the biggest of all. There are legitimate reasons for Jiang and the Chinese Communist Party to worry. One is the fear that workers will take to the streets to protect job losses and revolt against the Party and government leaders. Diplomatic sources say that as many as 60% of state companies' workers in northern industrial city of Shenyang have not been paid for months. Similar problems are arising in Tianjin, a city not far from Beijing. Meanwhile, the most visible problem in China's major cities is the incredulous number of 100 million of people who left their home provinces to become a floating population in search for jobs. Migrants in dusty clothes from Henan cook their meals on the streets of Beijing and haunt illegal open-air job market places to find employment as laborers. Chinese officials recently lamented to visiting U.S. Commerce Under Secretary Stuart Eizenstat that Chinese state enterprises would have to lay of 40% of their workers to straighten things out. With its weak tax system, Beijing cannot afford to take over housing, schools, day care, and other services now provided by state companies. In such social conditions, a slippage of ideology from socialism to democracy among the mass population is probable.

The risk is that social pressure will explode. Perhaps because of a sharp economic downturn. That would force the Party to come up with a new justification for retaining control.

For now, Jiang and other party's leaders seem intent on the World Trade Organization entry. Global prestige and permanent most-favored-nation trade status are big reasons for repairing internal economics and social troubles. China is supported by its coastal provinces, which account for most of China's exports, imports and investment. They are accesses to overseas markets. However, many expect that political, economic and social stability, the keys for Jiang and his party's survival, depend mostly on the China's policy

towards the United States. But no one knows what path China will take following the recent death of Deng Xiaoping. Jiang Zemin's action will be watched as in April (1997) he visited Moscow and signed the "Border Military Forces Cutback" treaty with Prsident Borris Yeltsin (Vietnam News broadcasted, Channel 9, April 8, 1997).

IV. THE UNITED STATES' FOREIGN POLICIES TOWARDS CHINA.

International expert economists predict that unless the country flies apart in the succession, China will almost surely continue its economic surge and soon resume its historic role as the most powerful nation in East Asia. With growth rates average around 9 percent a year, it's economy has already vaulted into the third-ranking position in the world and sometime in 21st Century could surpass the United States. As the largest.

With the rapid rise of China, Asia is becoming a growing flash point for the greatest conflict in the post Cold War era. The United States must decide what kind of relationship she want with China. U.S. needs to consider several major issues of importance about Asia today such as the rise of China power and its nature, the proliferation of ballistic middle and nuclear arms in the region, the maintenance of U.S. Forces in the Asia, and the possibility of Japan's military rearmament.

In the early 1979 the United States set up again diplomatic relations with the People's Republic of China (the first diplomatic relations were the visit Beijing of President Nixon in February 1972 and several secret talks between Henry Kissinger and China's Premier Chow En-lai to set an end of the Vietnam War). However, since the Tiananmen Square massacre in 1989, the euphoric relation between the two nations has shifted dramatically to usher in more tense relations. During the late nine years, the Bush and Clinton Administrations have carefully pursued a policy of "engagement" towards China. This policy is supported by most of the American policy elites and business leaders. The policy's strategy involves a series of short-term initiatives to help open the Chinese economy, to challenge China into responsible international behavior, and to maintain security relations. The prime idea has been that as China power inevitably grew, economic and political interaction would be the best promising way to avoid showdowns or new emergence of another cold war.

Nevertheless, that engagement has suffered recent intense pressure. Allegations exist that China attempted to influence the 1996 American elections with the John Huang's fundraising scandal now is at the center of the nation's political problems. This dilemma has strengthened the voice of critics of the "hawks" who argue China has become a adversary. In the meantime, a chorus of voices on right and left has proclaimed that engagement approach is falling. The hawks do not support that China is a vital to the United States economic interests as opponents tress. They feel issues such as human rights and Taiwan should not be down played. They question Beijing sincerity about bringing its trade practices in line with world norm, otherwise, protectionism is likely to

continue. They feel China's military will not stay undeveloped, which could be to imperil U.S. Interests and eventually dominate Asia. By the same token, China, in the past ten years has had repeated violations of the weapon non-proliferation agreements with the United States. They suggest that the United States should move towards a policy of "containment" and begin treating China as a "Evil Empire" (U.S. News, Mar. 3, 1997, p.76).

Particularly, Ross H. Munro and Richard Bernstein, both journalists and co-authors of "The Coming Conflict with China" said: "China identifies us as the enemy, and it's time we recognize it." They observe that the Chinese, in the past five years, have staged U.S. as a raising hegemonic power out to "contain" China economic and political emergence. They argue that China, not paranoid Americans, is putting the two powers on course for a military collision. "China goals, is to become the paramount power in Asia and to supplant the United States in that role," explained the authors. They believe China's growing foreign reserves, ballooning trade surplus with the United States, prying technology from multinationals, and acquiring of modern weapons are part of its unchallenged super-power. Munro and Bernstein also said "strategically, Beijing bureaucrats may indeed dream of becoming global powers in autos, electronics, aircraft and telecommunications" (Business Week, Mar. 24, 1997, p. 18).

The hawks are calling for the Clinton Administration to whittle down the 39.5 billion US dollars in 1996 trade deficit, which they argue is helping to finance China's military build up. They want an escalation of present strategies: pressing human rights complaints in international forums and bolstering regional-security to preserve the balance-power. That means continuing U.S. military bases whenever possible in Asia, and urging Japan and Asian allies to assure a greater defense burden. The hawks ask "why shouldn't the United States tell Asia's Tiger-economies (new economically developed counties in Asia, such as South Korea, Taiwan, Thailand, Singapore, and Malaysia) to share the costs and political risk of keeping the region stable or don't expect American help if China tries to grab your oil-fields" (Business Week, same issue, same page).

Other hawks voice the since China's military, political, and economic goals vary more and more from America's, in this view, it is time to get tough with China by a variety of punishing moves such as expelling diplomats, avoiding high level contacts, withholding technology, or once again, firmly linking trade to human rights.

In the meantime, a very sensitive opposition against "engagement policy" is that the House Democratic leader Dick Gephardt, a possible contender against Al Gore in the 2,000 party's presidential election, may oppose the Clinton Administration's effort to usher China into the World Trade Organization and vote against the renewal of China most-favored-nation trade status. The concerned issue is that recently Washington is hoping to use the WTO to bind China into the system of international trading norm.

Beijing also wants to join permanently favorable tariff rates for its exports and to resolve its internal troublesome affairs (U.S. News, April 7, 1997, p. 45).

The eruption of these new China's oppositions greatly complicate to the Clinton-Jiang summit which will be held in Fall 1997.

On the other side, supporters of "engagement" policy argue the United States can help shape the future by turning China's desire to enter the WTO into an opportunity for future pluralism. The reason is that Chinese Communist Party 's reformists, on of them is Vice Premier Zhu Rongji -a possible second Deng Xiaoping- wants downsize the huge state-owned sector, create an independent Parliament, build a new legal system, and open the entire economy to market forces. A mercantile economic policy favors their rule. "By insisting on serious WTO entry rules, the United States can bolster the reformers, help spread the pluralism-producing solvent of market capitalism, and peacefully integrate China into the global system" (Business Week, Mar. 10, 1997, p. 126).

In addition, major U.S. companies are part of the investment wave and see their presence in China as vital to their global strategy. Their interests have played a much more decisive role in administration policy than has any suspected Chinese political contribution. These companies such as Eastman Kodak, Coca-Cola, AT&T, Motorola, General Motor, and Boing have placed huge bet on China. Northwest' managing director for Greater China and Southeast Asia, James P. Rennolt, said during his second trip to Beijing "we deem the China market to be a major part of our future." (Business Week, May 12, 1997, p. 58).

The China debate comes at a moment when China is in midway through its economic reforms and its leaders are maneuvering to establish themselves as successors to Deng Xiaoping. China's power and national pride on one hand combined with its insecurities on the other make it difficult to come up with a consistent U.S. policy. So does the fact that very conflicts potentially loom in the future.

Therefore, the current opposition of the American hawks and their demand for reassessment of China policy or the current inquiry of Republicans in the Congress on the "Donorgate" (the Chinese American Huang's donated a great sum of money to Harry Clinton to help her husband, Bill Clinton -on his presidential election in 1996- as it was stated above) may do real harm to the Sino-American relations and to the Clinton's presidency, the recent U.S. Policy towards China cannot be changed. There are some important reasons to keep the policy of "engagement".

The first reason is that Washington needs to maintain Chinese cooperation on the sensitive subject: Hong Kong. When the British colony returns to Chinese sovereignty, the signals from Beijing are that it will limit political rights such as freedom of expression. With Hong Kong as a center of American business activities throughout the

Asian-Pacific region and home of 36,000 Americans, a perilous U.S. policy could lead to break in the Sino-American relations and influence American interests. China's control of Hong Kong means Washington's and Beijing's interests will overlap to an extent in maintaining the territory's communications, transportation, and finance roles.

The second reason is that Washington needs China to help maintain stability on the Korean peninsula, where 37,000 American troops are on the frontline with South Korean armies against a million men of North Korean military. With North Kora chronically appearing to be on the brink of economic collapse, Americans want Chinese cooperation in avoiding military explosion.

The third reason, is the biggest conflict, however, is Taiwan. At the time diplomatic relations were established with the United States in early 1979, the People's Rebublic of China considered Taiwan a province of China. However, the United States continued to support Taiwan building up its military and economy. Taiwan stood itself as a nation and became one of the five Tiger-economies of Asain-Pacific. It was only a year ago that China staged military exercises in the Formosa strait to intimidate Taiwanese voters during their first presidential election. Three months before this election, in February 1996, Chinese Premier Li Penguin warned the world: "We have consistently encouraged the peaceful reunification of the motherland, but it final analysis we cannot promise to give up the use of force." Since then, China has only grown more bellicose by launching missiles in the direction of Taiwan and conducting military exercises calculated to keep Taiwan thinking about the possibility of an invasion. (U.S. News, Feb. 12, 1996, p. 44). Still, despite the heat from Beijing, there remains a clear Taiwanese consensus against reaching the solution of reunification with China. Many people believe that Taiwan can only be secured with the backing of the United States. In fact, the diplomatic relations between the United States and China are governed by the "Taiwan Relations Act" of 1979, which promised the U.S. arms assistance to Teipei and pledged unspecified action in case of China attack. Therefore, an "use of force" to attack Taiwan would lead China to a real war with the United States. Instead, after China regains control of Hong Kong, many experts believe it will tries anew to bring Taiwan into its embrace.

The United States ice in delicate situation to maintain the status quo of the "two Chinas" without upsetting Beijing. This is the biggest problem at all, because Chinese President Jiang Zemin once declared, a week before his summit with President Bill Clinton in November 1995, that: "We can discuss anything except Taiwan independence, or Two Chinas, or one China one Taiwan." (U.S.News, Oct. 30, 1995, p. 47).

So far, Clinton's policy-makers have prepared arguments for the next brutal debates in Congress to convince Republican Hawks for the allowance of a most-farrowed-nation trade status renewal for China and its entry into the World Trade Organization. The Clinton Administration recently has reached an agreement on nuclear tests with China

and gotten high-level signals that top Chinese leaders are serious about resolving their differences with the United States.

Indeed, the Clinton Administration is asking for patience. In other words, it would mean that the real issue now is how the United States carefully manages the conflicts with China in a way that does not jeopardize the U.S. economic and geopolitical goals in the face of deep cultural and political differences. Of course, China knows that America's military commitment to keep the power-balance stable in Asia is certain, firm, and constant. On the contrary, the United States is also alarmed tha China will never again be s sleeping giant. Those days are over. What the two governments could develop is a way for getting along and resolving disputes. Clear, constant, and frequent communications is part of that. That is what the two are attempting to do. Al Gore's trip to Beijing last March cleared the way for Chinese President Jiang Zemin to visit the United States this fall and for President Bill Clinton to visit China in 1998. Thus, "Engagement Policy" may eventually work better than American Hawks believe, says David Gergen, editor at large of U.S. News (U.S. News, Mar. 3, 1997, p.76).



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