

World outrage over the **Tiananmen Square** brutality has been blunted by **President Bush's** attempts to re-establish normal relations with the unrepentant Chinese regime.

Now that the United States has taken the first step, most of its friends and allies are sure to follow. Indeed Japan, which often takes its foreign policy cues from Washington, already has indicated that it will resume a \$2 billion soft loan to China. The World Bank, of which the United States is the largest shareholder, says it, too, expects to resume lending soon.

Australia has dispatched a senior official to Beijing to discuss resolving the Cambodian crisis. Even France, which has held the banner of righteous indignation higher than most others, is testing the waters through a delegation of visiting Socialist Party politicians.

While a reversal may not yet be ruled out if, for example, China's leaders fail to reciprocate the overtures extended by Bush's national security adviser Brent Scowcroft, a clear picture seems to be taking form: China has weathered the storm, its period of international chastisement is ending. As the horror of last June fades slowly into memory, China is returning to the game.

Back to business

"The world seems to have come around to them," said a Beijing-based Asian diplomat. "The West was waiting for the U.S. to take the lead, and the Scowcroft visit did that. This would seem to indicate that what happened around the world after Tiananmen was just an emotional outburst. Now it's time to get back to business."

The speed with which **President Bush** extended his hand to hard-core Communist leaders who are discredited at home and abroad has been controversial.

Ironically, university students who participated in the Tiananmen uprising are among the least critical of Bush's initiative. "While I don't think it's good for the near future of China, because it seems to encourage the hard-liners, it should improve our chances of getting to the United States," said a graduate student in economics from Beijing University.

That cynical judgment reflects the renewed compulsion of students in the repressive post-June atmosphere to leave their country for the West, especially for the United States. Early this fall, when Sino-U.S. relations were at a nadir, Chinese education authorities said that the number of those permitted to enter American universities would be cut back, while those going to socialist countries would be increased. Some students now hope that the equation will be reversed.

A professor of political science said that for similar reasons he and many other academics were quietly encouraging Americans they knew to pressure Congress to end U.S. sanctions against China. "We don't want to comfort our leaders," he said. "We want to improve relations between China and the United States so that we can get on with our lives."

Whose interests served?

While students and intellectuals nurture their newfound hope, some U.S. Embassy officials in Beijing have privately voiced profound displeasure with Bush's decision to send presidential emissaries on at least two secret pilgrimages. The American diplomats said they felt personally deceived as well as convinced that the president's moves ran counter to American interests -- and the interests of ordinary Chinese.

They reason that whatever gestures the Chinese regime may make to appease infuriated members of the U.S. Congress -- perhaps allowing dissident astrophysicist Fang Lizhi and his wife, who have been in hiding in the U.S. Embassy, to leave the country -- the gestures will lack substance.

"The fact remains that true political reform is not in the interest of this gang," one American official said in a personal conversation. "Real reform would put them out of business. Whether Fang is allowed to leave China or whatever, the average Chinese Joe will be as repressed tomorrow as he is today. And the average American Joe has been snookered."

Many resident American diplomats, having witnessed the June massacre and suffered subsequent harassment by Chinese security forces, feel strongly that the Communist leadership should be punished before being readmitted to international society. Instead, they argue, Bush through his initiative has effectively sent the encouraging message: Feel free to act with impunity.

Bitter complaints

"What we're seeing is the personal foreign policy of George Bush, China expert after 13 months of playing tennis in Beijing 15 years ago," one career specialist complained bitterly. Bush headed the U.S. Liaison Office in China in 1974 and '75. This diplomat said that he and many of his colleagues felt that Bush had offered "unnecessary conciliation when hanging tough was all he had to do."

That assessment is based on the presumption that the domino- like collapsing of doctrinaire Communist regimes in Eastern Europe is quickly leaving the Chinese leadership politically and, more important, economically isolated.

But while many analysts believe the Bush administration's thinking was conditioned by the staccato developments in the Soviet Union and Eastern Europe, there is disagreement over how. Some claim the president felt compelled to strengthen ties to China because he lacks confidence that Gorbachev can survive.

"Despite the bonhomie at Malta and all the nice, new words of support, Bush is terribly concerned that Gorbachev will fail and that when he goes, the entire Warsaw Pact will sink into incredible chaos," said a specialist in East European affairs. "It's not an unreasonable conclusion, and for that reason Bush feels the United States must have China on its side as a counter to whatever is coming."

Others argue that Bush was most influenced by the isolation argument: With no one to rely on except a handful of radical Marxist states such as North Korea and Cuba, neither of which is in a position to offer much more than applause, China would soon have to make amends to the United States and the West, pleading for cash infusions. Therefore, this contention holds, the United States should be in position to take full advantage.

In part because of fears generated by the Tiananmen crackdown, as well as uncertainties over the direction of Chinese economic policies, American and other foreign businesses have cut back on existing operations and shelved new project plans. Furthermore, reacting to the disruptive outburst of pro-democracy sentiment, the Communist leadership is tightening its grasp on development, returning to the centralized control being junked throughout the Eastern Bloc. Under these circumstances, Chinese workers feel bereft of incentive and their productivity is rapidly dropping, dragging exports down as well.

In the first eleven months of this year, export growth rose by just 11.3 percent, compared with 18 percent for all of 1988. This sluggish performance, combined with a precipitous drop in hard-cash income from tourism, a direct result of the Tiananmen violence, has seriously impaired China's ability to pay off its \$44 billion in foreign debts, which start falling due in 1991.

"The economy is sliding into a real trough," commented a Western expert, noting that in October, for the first time since 1978, there was no growth but instead a decline. "The government manages the economy like piloting an airplane, one where the only control is turning the engines on or off," this specialist said. "Right now they're trying to jump-start a dead engine."

Thus, Western logic would hold, China's leaders could be forced to back down and beseech the West to come to their rescue. But others point out that for 30 years China steadfastly, and at great sacrifice, did without the friendship of the Soviet Union, its onetime mentor, military and political ally, chief aid donor and all-around strong right arm. The estrangement ended only last May, when Soviet President Mikhail Gorbachev journeyed to Beijing to offer his hand to Deng Xiaoping.

Most Chinese, including the regime's most ardent foes, appear to take the Gorbachev visit, as well as the two more recent Scowcroft missions, as perfectly natural: Throughout 5,000 years of Chinese history, foreign barbarians always have come to kowtow before the emperors of the Middle Kingdom.

Thus, the ultimate reason for the United States leading the West back to the court of the new Chinese emperors may be little different than the thinking of foreigners as diverse as Marco Polo and Napoleon:

China, with its huge land mass and crucial geopolitical location, its vast population and its untapped market potential, cannot be ignored.

China's need for foreign trade

China has grown increasingly dependent on foreign trade

for its well being. A flattening of export growth

threatens the country's ability to meet payments on its

\$44 billion in foreign debts, which begin coming due in 1991.

Figures are in billions of dollars; the 1989 export figure

is through November and the import figure is

an official projection for the end of the year.

1984 1985 1986 1987 1988 1989

Exports 24.0 25.1 25.7 34.7 41.0 45.70

Imports 23.9 38.2 34.9 36.4 46.4 55.0

Source: Chinese government, International Monetary Fund

CITATION (CMS STYLE)

SIMONS, LEWIS M.. "WITH U.S. IN LEAD, NATIONS RESTORING CHINA TIES." *San Jose Mercury News (CA)*, December 31, 1989: 21A. *NewsBank: Access World News*. <https://infoweb-newsbank-com.atxlibrary.idm.oclc.org/apps/news/document-view?p=AWNB&docref=news/OEB73165BAA00862>.

Copyright (c) 1989 San Jose Mercury News