

China exploits crisis to target Taiwan

by Mary M. Burdman

Although the Iraq-Kuwait crisis is forcing Beijing to shuffle between its fears of offending the United States and pretensions of leading the Third World, the Chinese Communist leadership is doing all it can to benefit from the crisis. Since China and Saudi Arabia established relations on July 21, Chinese Prime Minister Li Peng has been on a diplomatic offensive which he called a "complete success": a nine-day tour to Indonesia (where diplomatic relations were reestablished after a 25-year rift) and to Singapore and Thailand. The "complete success" of Li's visit is doubtful, but there is no question about the offensive. Its immediate target is Taiwan.

Taiwan President Li Teng-hui's assessment of Saudi Arabia's shift in relations to the mainland was blunt: "This fully shows that the Chinese Communists are anxious to subjugate us. . . . Their purpose is to seize Taiwan."

The reason for this is simple enough. China's State Statistical Bureau report of July 31 called the "industrial and economic situation as a whole still rather grim. . . . There is still not the basis for the industrial economy to develop continuously, steadily, and harmoniously, nor is it time for it to develop in full swing." Government spending has gone up 16.4% in the first seven months of the year, primarily in massive subsidies trying to keep the bankrupt state sector industries going.

Hence, despite Li Peng's invoking of the "Bandung spirit" during his visit to Indonesia—referring to the 1955 founding meeting of the Non-Aligned Movement in Bandung, Indonesia—promised technology deals with the United States caused Li to assure Kuwaiti Foreign Minister Sheik Sabah al-Sabah in Beijing on Aug. 22 that China would abstain rather than veto the proposed U.N. Security Council resolution to allow military enforcement of the embargo against Iraq.

Muted success

The trip, which the Chinese press hailed as "historic," had its limitations, however. The Memorandum of Understanding issued by Indonesia and the P.R.C. on Aug. 8 had an embarrassment for China: It emphasized that China has no claim to sovereignty over Chinese now living in Indonesia. Overseas Chinese families, with great wealth at their command, are a primary target of Beijing's foreign policy.

In Singapore, Li called the reestablishment of full official relations between China and Singapore "an inevitable historical development" that should take place "at an early date."

Singapore Prime Minister Lee Kuan Yew responded that Singapore hopes to establish relations with China "in the next few months." However, Li Peng conceded that China would not object to Singapore continuing to train its military in Taiwan, because of lack of space on Singapore island.

In discussions in Bangkok Aug. 13, Li Peng softened China's hardline position of support for the genocidal Khmer Rouge in Cambodia, by "strongly endorsing" the Security Council position. Li pledged to halt all arms supplies to the Khmer Rouge, now on a military offensive—of course, after the formation of a Supreme National Council of the four Cambodian factions as an interim authority until general elections.

But all this relative warmth toward Southeast Asia does not bode well for Taiwan, which has been more and more surrounded and isolated by mainland China.

There was a sobering note during Li Peng's visit to Singapore. During talks Aug. 11, Lee Kuan Yew called the international situation "extremely delicate." He said: "The old balance is no longer in existence. It is hard to say when a new balance can be reached. The problem is, how is it possible to proceed from the present balance to the future balance without a regional war?"

'Arc of Crisis' spreads eastward

Senior military analysts in Europe have warned that the "Arc of Crisis" is spreading eastward from the Persian Gulf. In Hong Kong, the magazine *Ming Pao* wrote Aug. 13: "Recently, two events prompted Taiwan authorities to review relations between the two sides of the strait, and Taiwan's 'mainland fever' may be thus cooled down somewhat. The first event was the establishment of diplomatic relations between Saudi Arabia and China. . . . The second event was Iraq's aggression against Kuwait. Iraq's size of territory, population, and military strength were all much greater than Kuwait's, but Kuwait was much richer than Iraq. This was quite similar to the differences between China and Taiwan."

The article emphasized that Taiwan must consider its investment policy in the mainland in the light of Kuwaiti and Saudi attempts to appease Iraq by large investments. Hong Kong's offers of foreign exchange to the mainland did not postpone Beijing's desire to absorb Hong Kong.

On Aug. 9, Radio Beijing broadcast its "sympathy" to Taiwan for its "current economic predicament" due to the Gulf crisis. Taiwan depends heavily on imports for oil and raw materials, Radio Beijing stated, and "it is devoid of feelings of security for long-range political and economic development." The efforts of the Taiwan government to cool down trade relations with the mainland are "regrettable," Radio Beijing said. The broadcast called on Taiwan to establish trade relations "so that the economies on the two sides of the strait can supplement each other and achieve common development to resist hardships and pressure coming from abroad."