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## The LaRouche Show

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# Da Wei: China's Role in Solving the Global Crisis

*Da Wei, the Deputy Director, Department of American Studies, China Institutes of Contemporary International Relations (CICIR), was a guest June 7 on The LaRouche Show, the web-cast radio broadcast, hosted by Michael Billington of EIR's Asia Desk. Joining the discussion was LaRouche Youth Movement member Liona Fan Chiang, whose family is from Taiwan. The program was videotaped for public access cable TV broadcast on The LaRouche Connection, and is archived at [http://www.larouchepub.com/radio/archive\\_2008.html](http://www.larouchepub.com/radio/archive_2008.html). The discussion has been edited by EIR, and subheads have been added.*

**Michael Billington:** We are pleased to have a very special guest today, Mr. Da Wei, from the China Institutes of Contemporary International Relations in Beijing, who is staying now in Washington D.C., and with whom we are very pleased to have a full hour for discussion. Joining us will be Liona Fan Chiang from the LaRouche Youth Movement. She is currently in the famous “Basement,”—the “Basement” team has been working with Mr. LaRouche on developing, or recreating, the great discoveries of Kepler and Gauss, moving on now into Riemann, and at the same time finding the time to make some very important strategic videos which we'll be able to discuss later on in the program. She'll be joining us for this discussion. . . .

I want to start by asking Da Wei to say a few words about his institute, the history, what its role is today.

**Da Wei:** It's my honor to be here with you, and I'm also very glad to introduce briefly about my institute, CICIR, China Institutes of Contemporary International Relations, and this is, I would say, in terms of the number of researchers and the faculties, the largest thinktank in the field of international relations in China. We can trace its history back to the 1960s. I think it's in 1965. China had very difficult relations with both the Soviet Union and the United States, so the Chinese government felt that it was urgent to know more about the outside world, and to find a way to break those difficult situations in our foreign policy. So, at that time, Mao Zedong and Zhou Enlai ordered the set-up of three institutes—that is the Institute for American Studies, for Japan Studies, and for European Studies.

Many hundreds of experts from all over the country came to Beijing to the location where we are now, and began to

work, to study. But unfortunately, in the second year, the Cultural Revolution broke out, so many of the researchers were dispatched to the rural areas for the labor there, and only after three or four years, the majority of them went back to Beijing. So, they started their research, even in that climate of the Cultural Revolution; and they played a very important role, for example, in the process of the mobilization of Chinese and U.S. relations, because they wrote policy papers for the highest leaders in China. So, I could say they accelerated the mobilization of the two countries.

In 1980, we took this name CICIR, China Institute of Contemporary International Relations, because it's after the opening up and the reform, so we had the need to have some international communication, international exchanges, with our foreign colleagues. I think it was in 1981. And also, our research field expanded to the whole world, not only those three countries but the whole world, and I think it was in 1999, we changed our name again. We put an “s” after the Institute; now it's Institutes of Contemporary International Relations, because we now have seven institutes under CICIR: American, Russian, Northeast Asian, Southeast Asian, and Middle East Studies; and we also have World Security Studies and World Economy Studies. So it's the biggest thinktank in China, and our main task is to write the policy papers for China's leadership, on the current situation in the world, and some policy recommendations for them.

We also do some research for the private companies in China and some organizations, foreign organizations, under contract, and we have a lot of international exchanges with all kinds of universities, thinktanks, government agencies, all over the world.

It's only after I got to the U.S., that I came to know that our research and our institute have academic cooperation with the LaRouche movement. I'm very glad to know that, because I think that at least two of my colleagues—one is Professor Su Jingxiang; another is Professor Ma Jiali—have had cooperation with the LaRouche movement and participated in joint meetings in Berlin. And I think they also have been receiving information and briefings from *EIR*; so I think that's a very good start. And in the future, I hope that my institute can have more cooperation with the LaRouche movement and with *EIR*.



EIRNS/videograb

Da Wei, of the China Institutes of Contemporary International Relations (CICIR), appeared on *The LaRouche Show* June 7, with LYM “Basement Team” member Liona Fan Chiang (right).

## Hyperinflation: Its Effect in China

**Billington:** I hope so too.

Liona, I wanted you to discuss what you’ve been doing with the production of the LaRouche PAC’s “Firewall” video with the youth, and the implications of that in terms of the global hyperinflation.

**Fan Chiang:** Sure. In January of this year, LaRouche said that the U.S. has gone flight-forward for a policy of hyperinflation, intentionally, knowingly. At that point, we launched a project to get out the concept of what the hyperinflation in 1923 Germany actually looked like. Because specifically, in Germany, you have all these rumors about how hyperinflation actually occurs, that money just goes up, there’s just printing. But actually, as in the German situation, it comes first from the destruction of the entire economy, the productive capability of the economy. And you see that now, you see it worldwide. You see hyperinflation worldwide, but it’s all from the standpoint that there’s very little productive capability of the individual. The productive capability of the individual has fallen.

Since then, we’ve produced a video going through the British role in destroying Germany, and creating a situation of hyperinflation, which eventually led to the bringing in of Hitler to so-called “solve” the problem. And then, we also produced some short versions that we have translated into Russian, Chinese, Spanish, and all those can be watched on the website [www.larouchepac.com](http://www.larouchepac.com).

Actually, what I wanted to know, is [addressing Da Wei]: You see it as a general trend globally, but how is the hyperinflation affecting and being treated, by the Chinese government?

**Da Wei:** I think the inflation problem is maybe the most important task that the Chinese government is facing. China has a large number of people still living in poverty, so that will be a challenge for them.

But I think—you just now talked about the British attempts—but in China, I have to say that the scholars, those experts, they don’t see the situation from that perspective. They notice the same problems, but they don’t explain it from, for example, British or any other countries—their attempts. But I don’t think that’s very important. I think the most important point is they notice the problem.

Actually, in China, for a long time, we have based discussions among those scholars and experts on the way of development. On the one hand, is the so-called new lib-

eralism; on the other hand, is, let the country, let the government, the state, play a more important role in the development. For example, the financial market: The government should play a more important role in that as a stabilizer; and for example, in the food supply, the Chinese government has, for a long time, from the mid-1990s, already noticed that there could be a very severe problem for China if the food supply had some problem, because we have such a huge population and our arable land is quite limited compared with the U.S. and other countries, so, at that time, they already began to build many huge storage places for the food, for the grains.

So, yes, we are facing some very serious problems in terms of food and energy and gas prices also rising in China, but generally speaking, I think the situation there is still under control and not very serious.

It’s still a big problem for us, but I think the more difficult thing for us to face up to, is the energy [problem], because we are more dependent on that. Of course, we have already done some things—like we built the Three Gorges Dam on the Chongqing, and we also are trying to build more nuclear plants. But, we don’t have much oil and gas resources in China. We depend heavily on coal, and that also produces the environmental problem. So we are facing a very difficult issue, and we don’t have the silver bullet to solve it very easily. So it’s a long-term problem, I think.

## The Four Powers Agreement: The FDR Model

**Billington:** Mr. LaRouche’s view of the urgency of the four powers agreement—among Russia, China, India, and the

United States—along the FDR model, is that this was the basis on which those nations defeated German and Japanese fascism in World War II. The question I'd like to pose to you is, you indicated that many Chinese don't understand or don't see it as a British problem, but that they recognize it as a global strategic crisis, and are moving dramatically toward alliances with Russia, India, and hopefully with the United States. But do you think that the distrust which has existed historically between these countries can be overcome? Or, how do you see that as a roadblock to forming this kind of an alliance, including with the U.S.?

**Da Wei:** I think you touched on a very important point in China's relations with Russia, and with India. Among these three countries, the two bilateral relations, China-Russia and China-India, the biggest problem is mutual trust, especially between the two peoples. In recent years, after the Cold War, the high level of relations between China and Russia, China and India—we can say it is getting better and better. We have closer cooperation, and we have summit mechanisms, and the leaders of the three countries meet frequently; and also the foreign ministers have a mechanism for meeting regularly. So, I would say, it's good for the three countries to develop their relations. But the problem lies in the average people, because as you said—I think you are very correct—the Chinese people, the Russian people, the Indian people, they have historically some distrust among them, and it's not very easy to solve, of course, because I think the peoples, their feelings, their sentiments, their mindset is always very hard to change. We need time.

Something that makes it more difficult, is that we lack—if we're comparing it with the relations between China and the U.S., I think U.S.-China relations are better in this regard because we have many people-to-people contacts, we have many personal exchanges between our two countries. For example, many American businessmen do business in China, and many Chinese students study here, so the two peoples, I would say, their understanding of the other side is more accurate. But the relations between China and Russia, and China and India—we don't have those lower-level communications.

For example, our economic relations with Russia: We have many kinds of cooperation, like we import their gas and oil, they have arms sales, so there are all those high-level economic relations. We don't have many small businessmen, either Chinese businessmen running their business in Russia, or Russian enterprises investing in China. We lack that kind of cooperation. And it's similar with the China-India relations.

I think that side, that level of exchanges, can enhance the mutual trust of the two peoples, but now, unfortunately, that is still low—at least, it's not enough. So, in the future, I hope the three countries can do more to enhance the people-to-people communications. Then we can have better and more solid relations between China and Russia, China and India,

that can support the high-level economic and political relations.

**Fan Chiang:** It reminds me that the way the U.S. and Russia collaborated was through building their transcontinental rail system. We had U.S. engineers go there and help them build their country up. So, that type of collaboration, for example, what's being promoted on the Eurasian Landbridge, the international rail system, is not just having a rail system, but it's also the collaboration around building that system, including the energy, the sharing of knowledge, that's really what's going to create the type of collaboration where you're going to be working on ideas together, not just trading back and forth.

### **Tibet: It's Not an Ethnic Conflict**

**Billington:** I want to move on to the Tibet issue, which I know you've looked at very closely. You're familiar with the situation there from before the recent crisis, and, as you know, the Western world went crazy after some of the Dalai Lama's followers unleashed a violent, deadly riot in Lhasa. And yet all of the world press denounced China for this racial riot by a small clique of Tibetans under the Dalai Lama's control. What happened, and what's going on?

**Da Wei:** In regard to Tibet, or the Tibet issue per se, I would say it's first, not an ethnic conflict. It's a problem, or issue, in the process of social development pretending to be an ethnic conflict, or it shows up as ethnic conflicts in China. You know, many Westerners, when they look at China, when they research China, they use the models, for example, in American politics or in European politics. They use that model in China's case, and that will always oversimplify the situation there.

For example, in China, I don't think we have the problem of discrimination. By saying that, I'm not meaning there are no problems in ethnic relations. I mean, there are some ethnic conflicts in China, but it's not because the majority people, like the Han Chinese, discriminate against the minorities. Or, when they have some behavior of discrimination, it's not because they believe the minorities are inferior to them. It's because of the ignorance about the other side. They don't know, for example, their traditions, their customs, their culture. That causes some conflict, but the context is different than that in the Western world.

And back to Tibet itself: I think the Tibet issue is, first, an historic problem. We have the Tibetan issue after the British—yes, that's the *British*—invaded Tibet [in 1904—ed.], and actually, I think that invasion created the Tibetan issue. And now, in recent years, because China's economy is developing very fast, and that happens too in Tibet. After the Chinese Communist Party came into power in 1949, it established an ethnic autonomous region in Tibet, and adopted some affirmative action there. For example, they gave Tibetans some support for their education opportunities, or their working opportunities.





EIRNS/Ali Sharaf

*Young Chinese patriots abroad held pro-China rallies in many cities around the world at a time when their nation was unjustly attacked in Western policymaking circles and media for its Tibet policy. These photos show demonstrations in Berlin, Germany April 19 (left), and Melbourne, Australia April 13.*



EIRNS

But now, in recent years, we have more and more small businessmen and small businesswomen—for example, they run their restaurants or run their small shops in Tibet, and this is the development of the local market economy. But those old affirmative actions don't affect these parts—for example, when you run a restaurant or shop in Tibet, you will not follow those old government instructions or policies on affirmative action. You don't have the duty or obligation to hire some local people. So there are some conflicts in the economic development process.

And this kind of problem happens all over China, not only in Tibet. Like me: I am from Shaanxi province, a western province in China; it's also an economically backward province. We also have a similar problem. Those businessmen from the coast, they have their own factories there, but they also bring their own engineers and their staff, so we're still facing some unemployment problem. That happens all over the country. So it's a problem in the process of development. But because when that happened in Tibet, people think that it is due to the ethnic conflicts, that is, due to the discrimination of Han Chinese, but I don't think that is true. I think that is a problem in the economic development.

But I do think we can do more in Tibet to solve this problem, to push new affirmative actions which are suited to the

market economy, the new economic situation there. I think that can be helpful to solve the problem there.

And beyond the Tibet issue, I think more important for us, since we sit here in the United States, is the implication of the riots, and the uproar about the Olympic Torch relay. I think that is more important, because what I saw from recent developments after the riots, was a feeling of frustration among the elites, and among the younger generation of China. I think that has a very, very important influence in the future relations between China and the U.S., and also China and the European countries. I think that's really important.

There is a very interesting poem on the Internet that expresses the feeling of frustration very well. It's very long, but basically it says, "When we're poor, you say we are Yellow Peril. When we are rich, you say we are a threat to the world."

When we have a large population, you said we will use all the resources. When we try to control the population, you say we are violating, abusing the human rights.” So the feeling is, whatever we do, we will always be criticized by the Westerners. Maybe that kind of argument is not fair. I’m not saying it’s fair or not fair; but what I want to say is, this kind of feeling of frustration has a very long influence on China’s foreign relations with the Western world, especially what we saw in April: those demonstrations happened in Paris, in London, in Los Angeles, and also here in D.C., organized by those young Chinese who started here, who started in Europe and in the U.S. They know this society very well, they can speak English or the local language very well. They are not those xenophobic people who don’t know the outside world. They know the outside world, but still they feel that it’s unfair that China, or themselves—they feel that they were treated unfairly.

### Both Sides Need To Reflect

**Billington:** You’re referring to the demonstrations by the Chinese supporting China against the accusations.

**Da Wei:** Yes, yes, they are pro-China or pro-Olympic demonstrations. For example, a friend of my friend organized that demonstration in Paris. More than 10,000 Chinese students participated in that demonstration. They are called April Youth in China, just like the May 4 movement. What happened outside China formed, or shaped, the opinion of the younger generation, and that will have a longer-lasting implication for China, and on China’s foreign policy with European countries and the U.S. I think that is very important. I think both sides, both China and the U.S., or the Western world, need to reflect on what happened. I think both sides should be criticized to some extent. Of course, China has some things it needs to do, needs to improve. Also, I think China’s media, their reporting or their coverage, needs to be more balanced. I think so. But, here in the U.S. and especially in Europe, I think the problem is more serious, because I think many Westerners don’t understand China’s situation.

I can give you a very small example. When you read all those Western media, when they report about Tibet—this is the research of one of my friends—he told me that, look at this: They always use Tibet vs. China, and the Tibetans vs. the Chinese; they use this kind of language to describe the issue. What they implied from that usage is: Tibet is not part of China, Tibetan is not Chinese, they are different from Chinese. So for the American audience, you can imagine, if a Chinese media did not use “African-American,” but they use “African vs. American,” to describe some riots in Los Angeles, what would you feel?

So you know, for us, you can find that this kind of mindset is already very deep in many Westerners’ mind, it’s hard to change. They think the only thing Chinese is Han Chinese, while Tibetan is not Chinese. That is really offensive to some minorities. Like me: I am not Han Chinese. I am Hui Chi-

nese, but according to their standard, I am not Chinese! So that’s ridiculous, I would say.

So I think that both sides need to reflect on the Tibet riots. Of course it’s a bad thing, but it provides us the opportunity for deeper reflection. You know, what is missing in our knowledge toward the other side. I think that’s very important.

**Billington:** How has the earthquake affected this?

**Da Wei:** The earthquake, I would say, shifted the focus of the public media, public opinion, very quickly, because of course it’s so massive and, you know, the Chinese people suffered so much, we lost so many—almost 100,000 people. I think the earthquake also provides us a challenge and opportunity at the same time. Just now, we discussed the Tibet issue and Olympic Torch Relay, and that already posed a challenge, or raised a challenge to both Chinese and Westerners. After the earthquake—that itself is, of course, a bad thing—but it provided us an opportunity, it gave us a good starting point, because after the earthquake, public opinion in China is cooled down. Their strong feeling toward the outside world has been cooling down, because they, on the one hand, are preoccupied by the earthquake, but on the other hand, they saw the help from the outside world, including the U.S. and many other countries, and also, very important, from our neighboring countries and the regions, like Japan, Korea, Taiwan, Hong Kong, Singapore, Pakistan, and Russia, of course.

So all those countries sent their rescue teams to China and provided many relief materials to China. We can feel this kind of help and the friendship from the outside world. So this is a positive development. It gave us a good starting point to, just as I said just now, have reflection. But if we can base this reflection on this positive development, I think it will be better, rather than be forced by those bad things to reflect. So I think that provides us an opportunity in terms of China’s relations with the outside world.

And also, I think it has a very important domestic implication in China. What amazed me after the earthquake is the civil—actually, I’m reluctant to use the term civil society, but it’s a kind of civil society in China—their mobilization after the earthquake. I read statistics that said that more than 100,000 volunteers went to the earthquake zone, to help the relief [effort], and you know, the PLA, the People’s Liberation Army, also sent their rescue teams. They only have 140,000 people there, but the volunteers have almost the same number. It’s amazing for me. Many people, some live in Beijing—they drove 1,000 miles down to Sichuan. They drove their SUVs—they are the new middle class in Beijing; they have some money, so they want to reach out and help their people.

This kind of development is very important for China, because we are in a huge transformation, not only a political and economic transformation; it’s also a social transforma-

tion from a more traditional society to a more modern society, and those kinds of civil organizations are very important for future China. I call it a political awakening of average Chinese people. So I think that's very important. It's an opportunity for China.

## The Impact of Globalization

**Billington:** I thought I'd bring up a discussion between yourself and LaRouche earlier. As you know, one of the points that LaRouche has made very strongly, is that the globalization process which made a handful of people very rich in China, was based on underpaying China for the output of its industries, its exports. And the underpayment is evidenced by the fact that you did not have, from this, the resources to begin to deal with the poverty of the vast majority of the population in the rural areas, nor even the urban workforce, which you've indicated did not increase its standard of living that significantly over the past years. And also, you have severe air and water problems, meaning that you simply weren't paid what it really costs to produce in that kind of economy, and you're now paying for that. I believe you see the current administration as recognizing that as their primary concern, to deal with this. Do you want to discuss that a bit?

**Da Wei:** Of course. I think the social equity, generally speaking, is the most important, or the top priority of the current administration. I think after they came into power in 2002, they began to talk about politics based on—we can translate it as “for the people, of the people, by the people.” In Chinese, we call it something like: “You should build your politics, your ruling legitimacy, on the people's needs, the people's demand.” And then, after the SARS crisis and other things, they raised the concept of the harmonious society. Actually, that means the society needs to be more equal, or people have to have more equal opportunities. You are pretty correct that we have huge gaps between the rural area and the urban area, between the poor and the rich, and between the coastal area and the inner land; they already realized these three huge gaps, and began to try to solve this problem.

For example, they invested more money in the West, and they, like in the U.S., issued a new labor law to guarantee the labor standards in the joint ventures and the foreign investment. So all this kind of development, the evidence of this administration, their efforts to solve this problem, to solve this gap; I think they have done a lot, but it's not very easy and, if the effort is only from the top down, I think the effect is limited. At the same time, we need some bottom-up efforts, from the society itself. Only when we can combine these two kinds of efforts together, can we achieve the biggest effect in this regard.

The challenge here is, these two kinds of direction, how can they build mutual trust in this process? Because China is a big country and very complicated, so the government, but also the average people, think political stability is very, very important. So they don't want to see any instability, inability

in the process of economic development and in the process of the social achievement of social equity. Mutual trust between the government and the society is very important. When we see some bottom-up efforts like after what we saw after the earthquake—I think that is also an opportunity that the earthquake gave us. It's mutual trust between the society and the government in the efforts to build a better society.

**Billington:** That's where the youth come in. I know that our youth movement here actually ended up making a lot of contact with the young Chinese who were angry about the Torch demonstrations. Do you think we can build a LaRouche Youth Movement in China?

**Fan Chiang:** We can begin to; we'll see.

**Billington:** We have things moving here, in terms of a lot of contacts, I understand.

**Fan Chiang:** Yes, of course. We've got a nationwide youth movement, a worldwide youth movement, actually, and this, especially over the past several months, dealing with the whole food crisis leading up to the FAO conference, the youth have responded. You know, there's something to say about not having food, something you really can't deny, as opposed to other things, other political issues. And so, we've had several town hall meetings. We've finally been able to pull at least state officials, but also several U.S. Congressmen, into the fight. Because the real fight right now is really around this question of globalization.

I don't know how well it's recognized among the Chinese government that all these other issues about collaboration and the class divide and things like that—a lot of it's caused from outside, by this push for so-called liberalization of trade, which is pretty much freedom to loot from anywhere you'd like. So, I don't know if you'd like to say any more on that.

**Da Wei:** I agree with you that, now what we are facing—because my specialty is U.S.-China relations—the most important issues in the bilateral relations are almost all related to the globalization process. For example, we have the product safety problem here, and the toys. But those kinds of toys or other products are merely produced by those foreign investors, and they invest in China, and they pollute China's environment, and because China's laws and the regulations are not so strict, that's the reason they invest there. Then they produce unsafe products and import again to the U.S., and then it becomes a problem of China. And many people here [in the U.S.] began to criticize China. And also we are facing the global climate problem, because they move those factories to the developing countries and they pollute our Earth, but then they criticize China and India, saying, “You are polluting the Earth, the planet, you should take more responsibility.” All this I think is related to the globalization process. What we need is a fair process, fair economic globalization, and that needs the cooperation, collaboration between the major countries.