

With the blessing of the Bush Administration, Turkey looks as if it will succeed in the dubious goal of obtaining a deal with the IMF. During Ecevit's visit, the U.S. State Department announced on Jan. 16 the creation of a joint United States-Turkey Economic Partnership Commission, thereby upgrading the economic cooperation and the trade relationship with Turkey. At his press conference, the Prime Minister also announced that the Baku-Ceyhan pipeline—a major project for building a pipeline from the Caspian Sea which does not pass through Russia or through Iran, but through Turkey—was again on the table. The pipeline, developed more for political than economic reasons during the first Bush Administration, has remained something of a dead letter, largely due to the lack of funding for such a major undertaking, when it is not even known how much oil can be gotten out of the Caspian Sea.

While President Bush has announced a “new relationship” with Russia's President Vladimir Putin, there are efforts being made by the Brzezinski faction to use the “war on terrorism” to establish a permanent military presence in Central Asia, against Russian influence in the area, and to use Turkey as a counter to Russia in the primarily Turkic-speaking countries in this part of the world.

In addition, Turkey's new strategic relationship with Israel has also enhanced its importance in the eyes of the Perle-Wolfowitz faction, who work hand-in-glove with the “Mega” networks comprising the extreme right-wing of the Israeli political scene. Turkey realizes this carries the danger of being placed in confrontation with Russia, on behalf of this faction of “new imperialist” war-mongers.

In response to another question from *EIR* at his Jan. 17 press conference, Ecevit indicated that he felt that Turkey would not be placed in such a position. “With regard to the Caspian oil and gas, sir, the Baku-Tbilisi-Ceyhan gasline project is a very important project not only for economic reasons, but also for strategic and political reasons.

“Our relation with Russia does not present a difficulty,” Ecevit continued. “I have been able to detect in recent months that a much warmer atmosphere seems to be emerging between the United States and the Russian Federation, and maybe we could all cooperate in other forms of gas and oil pipeline projects so it will not be any handicap in the way of normal and friendly relations between the West and Russian Federation.”

Time will tell whether Turkey will indeed be willing to serve as a “marcher lord” for the New Imperialism. Turkey's own disastrous economic situation would benefit greatly by increased regional economic cooperation, in particular with their great neighbor to the north, Russia.

In addition, there is Turkey's significance over the past century, as a secular nation with a Muslim majority, in which Ecevit takes great pride. Thus Turkey would certainly take a beating in the Muslim world were it to enlist as a centurion in the “New Empire” scenario, which clearly aims to foment a “clash of civilizations” against the entire Muslim world.

## Cooperation Was Focus Of Zhu's Visit to India

by Mary Burdman

Amid a complicated strategic situation in South and Central Asia, Chinese Prime Minister Zhu Rongji made an official visit to India and Bangladesh on Jan. 12-18. The five-day trip to India, the first by a Chinese prime minister since 1991, had been set for November 2001, but was delayed because of the volatile international situation in the wake of the coup attempt against the U.S. government beginning Sept. 11, and the subsequent U.S. war on Afghanistan. Despite the alleged defeat of the Taliban, the security situation in the region has become much worse in the past months: There is essentially a dual-power situation in Pakistan, a long-term ally of China; the violent Dec. 13 attack against the national Parliament of India, one among several attacks on Indian institutions, has sharply raised Indian-Pakistani tensions; the U.S. military deployments, in Pakistan itself and into Central Asian nations, including Kyrgyzstan, which borders China, are obviously of serious concern to Beijing.

One commentary, by a deputy director of a government research institute, in China's national *Outlook Weekly* on Jan. 14, warned not only of the “fundamental impact of the slackening world economy” on China, but also of the critical problem of “China's oil security.”

“In the name of dealing blows to terrorism, the United States launched severe military attacks on the Taliban government in Afghanistan after the Sept. 11 incident. However, many men of insight, pointed out that the real purpose of the United States is to make the presence of its military force felt in Central Asia. This has posed a real threat to the source and channels of China's strategic resources,” the article stated.

Another indication that Beijing is fully aware that the “war on terrorism” has only increased regional tensions, was the State Council report issued on Jan. 21, on separatism in “East Turkestan,” or the Xinjiang Autonomous Region in western China. While noting that the “East Turkestan” separatists “are closely connected with international terrorist forces,” especially the Osama bin Laden network and the Taliban, the paper warns that these forces are going to *expand* their operations—something India has also experienced. “The terrorist organizations in South Asia lost no time in conducting a secret strategic shift, evacuating their members in Afghanistan to the surrounding South and Central Asian and Middle East regions, to preserve and accumulate their strength,” it said.

Clearly, there was much to be discussed between the leaders of the world's two most populous nations. The friendly atmosphere of the visit during these tense times, demonstrates the potential for greater cooperation.

As one South Asian analyst recently pointed out, while much emphasis is put on the 1962 border war between China and India, it should be kept in mind that a possibly even more dangerous situation, during the 1971 Bangladesh war for independence, was defused, when China refused to act along the provocative lines set up by the Richard Nixon-Henry Kissinger government in Washington. India took military action to help Bangladesh against Pakistan; Kissinger pressured China to support Pakistan against India; and in December 1971, the United States sent an aircraft carrier to the Bay of Bengal. But China refused to be drawn in, and Bangladesh won its independence.

### **Potential for Cooperation**

In the recent period, China has emphasized that it is going to strengthen its policy to develop friendly relations with *all* nations of South Asia. Beijing has repeatedly and publicly made clear it would not waver from its stance, that the Indian-Pakistani dispute over Kashmir is a bilateral issue, which only those two nations can resolve, through peaceful negotiations.

During December-January, Pakistani President Gen. Pervez Musharraf paid two visits to Beijing, the second on his way to the South Asian cooperation summit in Nepal on Jan. 4. During both visits, all the Chinese leaders consistently called for restraint and diplomatic efforts from both sides to prevent war, in the interests of overall Asian, and international, stability.

Zhu Rongji's visit to India, a year after the visit of China's National People's Congress leader Li Peng, was well received. He led a 145-member delegation, mostly of officials from economic ministries and entrepreneurs. The theme of the visit, was the need for expanded economic and other cooperation. Together, China and India have 35-40% of the world's population. At the same time, despite world depression, these two economies are maintaining real economic growth. What, Zhu asked wherever he went, would be the potential if our nations work together?

Two years ago, the Shanghai Institute for International Studies published an account of China's "national economic security policy," which said that "China shares common interests with other nations to maintain economic development. It is necessary to maintain these interests with other big powers, and China's neighbors. The focus of China's foreign policy, is to make good terms with other big powers, and to seek cooperation and a lasting peaceful and stable international environment that favors economic development."

During 2000, India and China both undertook several initiatives toward Central and Southeast Asia, to increase cooperation with their "national neighborhoods." Economic crisis

and war have blunted those initiatives, but they could be revived.

### **Stability in Asia**

Zhu Rongji went to Bangladesh on Jan. 12-13, the first foreign head of government to pay an official visit since the formation of the new government of Prime Minister Khaleda Zia. The two sides signed seven agreements for economic and technical cooperation. China has already helped Bangladesh build five bridges, and will now assist in building a sixth. With Zia and President A.Q.M. Badruddoza Choudhury, Zhu discussed the importance of stability in South Asia.

On his arrival in New Delhi, his first stop in India, Zhu Rongji stated: "We stand ready to work together with the Indian government and people, to push Sino-Indian relations constantly forward, on the basis of the Five Principles of Peaceful Coexistence," which had been initiated by the two nations 50 years ago. Zhu expressed his hope that his visit would give "fresh impetus" to the China-India constructive partnership of cooperation. In his meetings with India's leaders, Zhu condemned the Dec. 13 attack on the Indian Parliament.

Zhu Rongji met on Jan. 13 with Indian President K.R. Narayanan, Prime Minister Atal Behari Vajpayee, and other government and parliamentary leaders. President Narayanan, who had been ambassador to China, said that India and China are ancient civilizations, which have become important political and economic forces in the world. It is India's view, he said, that the two nations could make important contributions to world peace and development, if they continue economic development, learn from each other, and provide mutual support. Problems still exist, but this should not affect cooperation.

Prime Minister Vajpayee stressed that both countries face the huge task of national building and increasing their economic growth. Peace, stability, and cooperation are essential for this, he said. China does not pose any threat to India, nor does India believe that China regards India as a threat. Zhu invited Vajpayee to visit China.

In a speech that evening, Vajpayee referred to the maturity of mutual relations. Zhu Rongji responded that, "as the two largest developing countries in the world, China and India have on their shoulders important responsibilities for maintaining peace, stability, and prosperity in Asia. . . . There should be only one future for China-India relations—coexistence, in harmony and friendship, from generation to generation. . . . A stable and consolidated China-India relationship will give greater hope to the solidarity, stability, and prosperity of Asia."

### **Joint Group on Terrorism**

Zhu Rongji announced "with great pleasure," that direct air links would be established for the first time between the two countries, when China Eastern Airlines begins regular flights from Beijing to New Delhi on March 28. He called on

Indian airlines to do the same, and invited India's External Affairs Secretary, Jaswant Singh, to take the first direct flight.

More important, Vajpayee and Zhu agreed to create a Joint Working Group on Terrorism, to cooperate on intelligence and other matters. Cooperation against terrorism, Vajpayee said, must be "at the top of the agenda of all peace-loving countries." India is happy "that we have agreed today to jointly counter this menace."

There were two other indications of the amicable nature of the visit. While Zhu was in India, Chinese President Jiang Zemin and military leaders received Pakistan's Chairman of the Joint Chiefs of Staff Gen. Mohammad Aziz Khan and a delegation in Beijing. Jiang called on South Asia to "preserve peace and stability." Neither this visit, nor the reported delivery to Islamabad of ten new F-7 PG fighter aircraft from China, caused much disturbance in India. The outspoken Indian Defense Minister George Fernandes called the delivery "routine. . . . This is not the first time that Pakistan has acquired weaponry from China. I would not attach any significance to this."

## **Economic Relations**

From New Delhi, Zhu Rongji went to Mumbai, India's business center, where he addressed the Confederation of Indian Industry (CII). "India and China can play a major role if we join hands for peace and economic prosperity in the region," Zhu told the CII.

While telling the press that he is "fully confident" that China's economy would "advance on a larger scale and to a higher level," Zhu was also frank that, due to world economic slowdown and shrinking markets for its exports, "I believe it would be very difficult [for China] to attain last year's level" of growth. He even indicated that Beijing has "room for an interest rate cut."

Zhu Rongji invited Indian entrepreneurs to "explore business opportunities in China," while "we will continue to encourage Chinese enterprises to invest and set up factories in India." In the coming five years, China will import equipment, technology, and products worth \$1.4 trillion, which should benefit China's Asian neighbors such as India, Zhu said. Neighbors will also "benefit directly" from the implementation of China's strategy to develop its vast western regions.

The current level of cooperation is "by no means commensurate with both countries' strength and status," Zhu said. Trade is some \$3 billion; it should triple in worth to \$10 billion. One basis of this is the "marked complementarity" of the Chinese and Indian economies, Zhu said. He pointed to the recent big expansion of Chinese-Russian trade, already worth \$20 billion.

China is stronger in mechanical and electrical products, light industry, and engineering and construction, Zhu said. He was emphatic on the advanced level of India's information technology. "Your achievements have made us, your friendly

neighbor, very proud," he said. He proposed that the two nations "make progress together." India is stronger in computer software and China in computer hardware, Zhu said: "We can set up joint ventures in India, where labor is cheap, and make available IT products at a cheaper cost."

While interesting, this proposal is not what India and China urgently need. Both countries have huge populations, with 75-80% of the people still trapped in poverty and basic agriculture. Both nations need big increases in energy, transport, and other physical infrastructure; and, even more important, the social infrastructure, such as health care and education, to bring their hundreds of millions of peasants into an industrial economy.

Of note was the memo of understanding to study water flow in the Yarlang Zangpo-Brahmaputra. This river rises in Tibet, and flows through India and Bangladesh. India will now receive hydrological data on the river in China, which will help in forecasting the often disastrous floods in northeast India, and in Bangladesh.

What could be of even greater importance is the discussion in China, which has been conveyed to India, on building what would be the world's biggest hydropower project in the great canyon through which the river flows on its way to India. Such a plant could generate 38 million kilowatts of energy—as much as 35-40 European nuclear power plants. Such energy abundance would be of enormous benefit to the entire region.

Further potential for cooperation was noted by Shi Guangsheng, Minister of Foreign Trade and Economic Cooperation who had accompanied Zhu Rongji to India, in Beijing on Jan. 20. China, he said, will focus on increasing machinery and electronics exports to both India and Russia this year. China wants to increase these exports, and must develop new markets due to the slowdown in the United States, Japan, and Europe. Russia's economy has developed rapidly in recent years, and China's exports of machinery and electronics, worth \$370 million, were up 56.5% in 2001. Shi said that he was impressed by the potential of the Indian market, especially since the technical level of China's products has improved.

## **The Visit Was a Success**

As Zhu Rongji left Bangalore for China, Indian Foreign Ministry spokesman Nirupama Rao said of his trip that there was a "a very perceptible improvement" in the relationship with China, and their bilateral ties were not defined by India's stand-off with Pakistan.

Chinese Deputy Foreign Affairs Minister Wang Yi, who accompanied his prime minister, said just before the departure that the visit "has been a big success. . . . Zhu's visit, amid the escalating tension in South Asia, has indicated the Chinese government's positive political will. . . . Only when there is stability in South Asia can there be greater stability in areas around China."