

# How China almost became an American backyard

China versus the United States in comparative perspective

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“We have got to keep the Pacific as an American lake.”

— President Eisenhower, *Security Conference, 2 June 1954 (FRUS)*

“What should we be doing? We should be reaching out to our allies and constituencies within China. There are 500 million internet users in China and 80 million bloggers. They are bringing about change, the likes of which is gonna take China down.”

—Jon Huntsman, former US ambassador in Beijing, *12 November 2011*

“I had in a previous career a diplomatic post where I helped bring down the Soviet Union.”

—Ted Malloch, Deputy Chief at the “United Nations Economic Commission for Europe” from 1988 to 1992.

*16 November 2016 (interview given to the BBC)*

“Current [US] rules on campaign finance are an abomination. A regime that allows a minority of wealthy people to use their wealth to determine a political outcome for the majority cannot be called a democracy.”

—Jon Huntsman, *Lecture given at UCLA on 16 April 2014*

[Speaking of Party Secretary Zhao Ziyang] “A person who denies his own culture does not have a future”.

—Chinese Physics Nobel prize winners, T.D. Lee and C.N. Yang. *cited in Jong 1989*

There is a strong family resemblance about the misdeeds, and if you have all the details of a thousand at your finger ends, it is odd if you can’t unravel the thousand and first.

—Sir Arthur Conan Doyle, *The Valley of Fear* (1915)

Quoi! Des cohortes étrangères feraient la loi dans nos foyers!

—French national anthem (excerpt of 3rd verse), *July 1792*



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## Preface

A distinctive characteristic of the present study is that, as advocated in Roehner and Syme (2002), it uses a comparative approach. We strongly believe that comparisons bring with them a deeper understanding. Comparison makes us realize that people and nations are more alike than might be thought at first sight. Just to give one example in the West it is customary to ridicule the fact that in the USSR photographs were retouched to remove leaders fallen in disfavor. Yet, something similar happened in the United States during the Cold War. When the movie “Friendly Persuasion” was released in 1956 the screenwriting credit was left blank because the actual screenwriter, Michael Wilson, was on the Hollywood blacklist. His credit was officially restored in 1996. The same thing happened in 1957 for the film “The Bridge on the River Kwai”. The screenwriters, Carl Foreman and Michael Wilson, were on the Hollywood blacklist and could only work on the film in secret. The official credit was given to Pierre Boule, the French author of the novel on which the film was based. Despite the fact that he did not speak English the Oscar for Best Screenplay was awarded to him! Only in 1984 did the “Academy of Motion Picture Arts” rectify the situation by retroactively awarding the Oscar to Foreman and Wilson, posthumously in both cases. Incidentally, Wilson also wrote a script for a movie about the “Industrial Workers of the World”. Titled “The Wobblies”, this movie was never produced.

A second characteristic (which is in fact a consequence of the first) is that our approach brings to light *interactions* between countries. All too often interferences of foreign countries are largely overlooked. Taking exogenous factors into account is a crucial requirement of a scientific approach.

As an illustration one can mention the role of US “advisers” in the privatization programs set up in Russia after 1992. Surprisingly, the Wikipedia article entitled “Privatization in Russia” does not mention any foreign advisers. Yet, in the present case, far from being hidden, US influence was channeled through well-known institutions such as:

- The “Gore-Chernomyrdin Commission”, named after US Vice-President Al Gore and Russian Prime Minister Viktor Chernomyrdin. In the Wikipedia article about this commission, its role in the privatization is indeed recognized but described



only very briefly at the end of the article.

- The “Harvard Institute for International Development” (HIID) advised the Russian government on privatization. It was headed by Harvard Professor Andrei Shleifer and supported by funding from the State Department’s “US Agency for International Development” (USAID). Among several other Harvard figures who participated in the privatization, one can mention Jeffrey Sachs (who had already carried out the privatization program in Poland), Jonathan Hay (in 2000 he was indicted for conflict of interest together with Shleifer), Marshall Goldman and Graham Allison. With the exception of Shleifer, none of these “advisers” was fluent in Russian. In fact, although we call these persons “advisers” they were much more than just advisers.

Why did we say that a scientific approach must necessarily take into account external forces? Consider a physicist who wants to measure the period of a pendulum. Suppose that during the experiment he leaves open the windows and doors of his laboratory. As a result, the pendulum will be exposed to fluctuating air flows; certainly this will lead to poor accuracy measurements. Note that even with closed doors and windows one will face the same problem if the pendulum is subject to air flows from the air conditioner. In this case, the device is endogenous but it is powered by an exogenous source of energy. This would parallel domestic groups, for instance non-governmental organizations (NGO), that are domestic but funded from abroad. The example of the pendulum suggests that a study which would ignore external factors will lead to fairly shaky conclusions. Moreover, foreign forces cannot be reduced to their most visible parts such as foreign trade or diplomatic contacts. These parts represent only the tip of the iceberg. When Indian NGOs get part of their funding from the Ford Foundation this will certainly affect their actions although it may not be easy to know to what extent. Identifying and describing (more or less hidden) foreign forces will be one of the main objectives of the present study.

A third characteristic of the present study is that it tries to combine microhistorical views and macrohistorical perspective. What do we mean by that? In all big events (e.g. insurrections, revolutions, onset of wars) there are some defining moments. Unless one can get an understanding of such events it will be difficult to understand the meaning of the big event. So, in order to shed as much light as possible on such moments we will describe them in great detail. In other words, the magnification of our historical microscope will not be kept constant but will have to be adapted to our needs.

## Cold War versus China bashing

During the Cold War, there was a fierce competition between two ideologies. At

that time, the Communist model was still implemented in the Soviet Union in forms which were easily recognizable: state owned enterprises, collective agriculture, little emphasis on consumer products, limited possibilities for Soviet citizens to travel abroad. A number of such aspects, not to speak of the repression of the uprisings in Budapest (1956) and Prague (1968) made criticizing the Soviet model fairly easy.

For China it is a different picture. Its average real annual growth rate of about 8% from 1950 to 2014 has few historical parallels. Moreover, the increase of wages followed the rise of the Gross Domestic Product, at least since the end of the 1980s. This economic success poses a real challenge to the United States. Hence, it becomes essential to criticize the successes, belittle the achievements, stress the failures (such as the crisis of 1960-1961), and emphasize any possible dark aspects whether real or invented. This is the core and rationale of China bashing. Roughly it may be summarized by saying that it is almost impossible to find in American mainstream media any positive assessment about what China has done. “OK, the “Three Gorges dam is the largest in the world but over a million persons had to be displaced”. “OK, the Chinese high speed train network was established in record time, but at the price of a number of corruption scandals”, and so on and so forth.

The crux of the matter is the realization that a free newspaper with a worldwide distribution can be set up for the cost of only one fighter jet. Take the example of the “Epoch Times”. This is a weekly anti-Chinese newspaper with a paper distribution of 1.5 million in about 30 countries<sup>1</sup>.

### **Did President Hu Jintao fall in a trap in 2006 at the White House?**

It is of course impossible to *prove* that President Hu was set up (or stitched up in British parlance). The only thing that can be done is to present the facts and then let readers reach their own conclusions.

So, let us first describe what happened in the afternoon of 21 April 2006 in the backyard of the White House during the welcome ceremony for President Hu.

The weather was beautiful and, with President Bush on its side, President Hu started to read his message. After having spoken for about 20s he stopped waiting for the translation to be given. Just when the translation started another voice was heard which came from the back of the audience where the cameramen were posted on a stage. The translation lasted some 15s but the shouting continued as President Hu was supposed to speak again. Obviously he did not know what to do; should he stop or go on? In a low voice President Bush told him “You are OK” but he did not make any gesture toward the numerous aids which were around to tell them to stop the protestor. So, President Hu resumed his declaration but by now all the

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<sup>1</sup>If the paper were sold it would cost may be 2 euros. Thus, for one year the total cost can be estimated at:  $52 \times 1.5 \times 2 = 156$  million dollars which is indeed of the same magnitude as the cost of a fighter aircraft.



attention was directed toward the shouting woman. Thirty seconds after she started her intervention her image appeared on CNN in a second screen that was in fact larger than the side screen in which President Hu was shown. About 1mn in the incident, while President Hu’s declaration was proceeding, a CNN commentator explained “As President Hu speaks, what you see in the middle of your screen is a protestor. She speaks in Chinese but it is probably about human rights in China”. Eventually, some 2mn in the incident, a uniformed security officer took her gently away while she continued to shout. The whole shouting incident lasted 2mn20s.

Who was the protestor?

Born in the north of China, Wang Wenyi was a dissident working for the “Epoch Times”. The idea (put forward by most American media and which can also be found in the long Wikipedia article about her) that a journalist pass was sufficient to be admitted into the White House is of course just ridiculous for it is clear that the identities of the persons are checked by the security service. These people knew of course that the “Epoch Times” was an anti-Chinese newspaper and that Ms. Wang had already provoked an incident with General Secretary Jiang Zemin in 2001 in Malta. In 2006, as Ms. Wang had not yet been naturalized, she did not have an American passport whereas on her Chinese passport there was a “CANCELED” stamp<sup>2</sup>. In short, when Ms. Wang applied to attend the welcome ceremony she

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<sup>2</sup>The text on the page with the “CANCELED” stamp (it becomes readable when the inset image of the passport is magnified) contains the standard sentence common to all countries. “The Ministry of Foreign Affairs of the People’s Republic of China requests all civil and military authorities of foreign countries to allow the bearer of this passport to pass freely and afford assistance in case of need.” At this point it is unclear whether the “CANCELED” stamp meant a permanent or temporary cancellation. Regarding passport cancellation one may remember that Edgard Snowden’s US passport was cancelled after he went to Hong Kong in June 2013. Ms. Wang’s passport was established on 25 August 1997 at the Chinese consulate in Chicago and its normal expiry date was 26 August 2002. We know that it was still valid in 2001 because Ms. Wang could visit Malta; most likely it was not renewed after its expiry date. We know that in May 2005 Ms. Wang could not travel to China to attend the funerals of her father. The reason for the cancellation given by the Chinese authorities was her activity in the Falun Gong movement.

could show neither an American passport nor a valid Chinese passport. Thus, if the security officers did not know who she was they were clearly not up to their job.

On a Falun Gong website one reads that when Wenyi Wang had previously applied for a press card at the European Summit or the meeting of the EU Parliament in Sweden her card was issued quickly. Yet in 2001, due to Jiang Zemin's visit to Malta, it was denied because she was considered as a security risk. At the White House, not only was she admitted, but she was not searched for she was able to enter with a banner which can be seen in her left hand.

Was she sentenced?

On the same day Ms. Wang was formally charged with "wilfully coercing, threatening or harassing a foreign official", a misdemeanor punishable by up to 6 months in prison and a fine of \$5,000. However, two months later, on 21 June 2006, the US Court in Washington D.C. dropped all charges against her.

How can one explain that?

Well, in a number of years (may be 10 years after Ms. Wang's retirement) we may learn that she was in fact a brave case officer in the employment of the State Department.

What were the reactions of the American media?

The New York Times devoted three articles to her in which her action was described with tacit approval. Thus, a new icon image was set up just like the one of "tankman" in 1989. One must confess that, if our interpretation is correct, this was all very cleverly done.

What alternative had President Hu?

He could have stopped reading until the end of the incident marking in this way that he was upset by the interruption.

Did the Chinese government express some displeasure after all charges against Ms. Wang were dropped? We do not know.

### **Funding of the "Epoch Times"**

Whether or not it is run by the Falun Gong sect is irrelevant. The only features which really matter is that it is assuredly the mouth piece of China's dissident movements in exile, and that its owner and funding are not known (see the 2007 article by Nahal Toosi in the "Washington post"). It is said that the funding is channeled by an organization called the "Friends of the Falun Gong". Unfortunately, this organization is not mentioned in the Wikipedia article about "Falun Gong". However it is known that this organization was established in the US in 2000 thanks to the help of former US Ambassador Mark Palmer, a co-founder of the "National Endowment for Democracy" (an organization funded by the State Department) and who, at that time

was the Vice-Chairman of the Board for “Freedom House”.

## Origin of this study

### Congress of the Communist Party

On my first trip to China in the fall of 2007 I was much impressed by what I saw: modern cities, the first high speed trains (between Shanghai and Hangzhou), beautiful university campuses, relaxed and open-minded Chinese colleagues. Therefore, I was most surprised when in the last days of my stay I saw on TV images of the 17th Congress of the Communist Party.

They gave me the feeling of something weird and very rigid. I saw hundreds of delegates who seemed quite bored as they were listening to a long speech of the Secretary General. For five minutes the camera would show the ranks of the delegates, then it would focus on the Secretary General for five other minutes, then it would move back to the delegates, and back again to the Secretary General. It seemed to have no end. Finally, when the speech was finished all the delegates applauded in a mechanical way.

A little later, the TV speaker read the names of *all* two hundred members of the Central Committee (and possibly also those of the 170 alternate members). It took almost ten minutes. Who could possibly be interested in listening to all these names except perhaps the members of the Central Committee themselves and some other high ranking party members?

What was the real reason of my uneasiness?

First, it came back to my mind that the debates in the French National Assembly did not necessarily give a better impression although not for the same reason. Ordinarily only one third or one fifth of the members are present. In the United States filibustering episodes<sup>3</sup> would not give a good impression either.

Moreover, it crossed my mind that in western countries many institutions were in fact fully undemocratic.

- The pope is elected by the cardinals who themselves were not elected but appointed by previous popes. This system has been in use for at least 1,000 years.
- Chief executive officers of corporations are chosen by board members who are themselves coopted or named by previous CEOs. Employees and the unions who represent them have no say in this process.
- In the European Union the president of the Commission (that is to say the

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<sup>3</sup>To filibuster is to make a speech which can last for hours in order to prevent a legislative action, for instance a discussion or a vote.

president of the European Union) is chosen through an arrangement between the leaders of the countries composing the Union. It is true that in most countries those leaders were elected by the citizens (whether directly or indirectly) but the president of the Commission is not. The discussions leading to his (or her) designation are conducted behind closed doors. Only once chosen, will he (or she) ask for a fairly formal endorsement by the European parliament.

Eventually, I came to the conclusion that what made me really uneasy was rather the lack of feedback. The Secretary General had no way to measure how well his propositions were received by the delegates or by the Chinese population. The Congress appeared to be a formal ceremonial without life. TV channels broadcast these lengthy proceedings during prime time without caring whether the viewers would be interested.

### **Marxism**

During subsequent stays in China, my students told me that, no matter what field they were studying, they had to follow a course on “Marxist theory” and they gave me to understand that they found it quite boring.

Is this not paradoxical? When it was introduced in the second half of the 19th century, Marxism marked a real progress in our understanding of social systems. Yet, instead of developing it further, instead of constantly confronting its predictions to actual observations with the purpose of transforming it into a real science, Communist countries (whether the USSR or China) had made Marxism into a rigid and useless gospel. No wonder that the students found it boring. In fact, they were even reluctant to talk about it. So, here again, instead of an adaptative system what we have is a rigid system which ignores the students’ feedback.

### **On the usefulness of the Communist Party**

Under Mao Zedong the Communist party was the backbone of the society. It is true that it was a totalitarian system. However, from a scientific perspective one should not make a black and white distinction between democratic and totalitarian systems for indeed all stable, cohesive states are to some extent totalitarian in the sense that all their departments (justice, police, army, education and so on) share a common ideology. If they do not, the state will fall apart.

For instance, in France all components of the state share the republican ideology based on the ideas of the French Revolution of 1789.

In the United States, the history of the 20th century shows that all people who advocated communism, socialism or separatism were *ipso facto* excluded not only from the political arena but indeed from the national community itself.

It is true that the last years of the Maoist era were marked by a very polarized form of

government but at least it offered free education, free healthcare, and laid the foundations of further development. One should remember that in 1949 some 70% of the population could not read or write. In the 1950s and 1960s the transportation infrastructure was developed and the defense capability (H bomb, rockets, satellites) made big progress even during the Cultural Revolution. For instance, on 24 April 1970 (that is to say right in the heart of the Cultural Revolution, China successfully launched its first satellite. With a mass of 157 kg, *Dōngfang Hóng I* (meaning “Orient Red 1”) was much heavier than the first satellites of the 4 previous spacefaring nations, namely the USSR, USA, France and Japan. Moreover, the fact that between December 1967 and June 1974 there were 10 tests of nuclear weapons shows that the Cultural Revolution has had very little impact on national defense.

After 1990 the Chinese government was able to offer rapid growth of individual income. In the process, however, education and healthcare did not remain free and inequality began to increase at an alarming rate. Around 2010 the share of national income received by the top 1% was still much lower than in the United States (a chart will be given in a subsequent chapter) but only because the starting point was a very egalitarian situation.

Seen in worldwide perspective, the rapid growth of wages in the two decades after 1990 was quite exceptional not only when compared with Europe or the United States where wages were almost stagnant (or declining) but even when compared with other Asian countries such as India, the Philippines or Japan. In a sense this achievement should be credited to the Communist Party but discussions with Chinese people show that they rather attribute it to their own hard work and efficiency. The Communist party is rather seen as a bridle and a brake. This bad image is probably in large part the result of a very poor performance in terms of public relations. In many fields China was able to identify and adopt the most effective techniques and methods of western industries, but so far TV, the film industry and the public relations industry have lagged behind.

### **The Communist Party and the state**

In short, ideologically and socially the Communist Party has become a dead branch but at the same time it is still (in 2015) the framework of the state. This is a very dangerous situation and a great vulnerability for China.

A parallel comes to mind with a situation experienced by aircraft carriers during the Pacific War. When all aircraft were on the deck awaiting refuelling, the carrier was in a perilous situation. Even a single bomb dropped on the deck could start a fire and destroy all aircraft. After that, the carrier would be almost defenseless against enemy aircraft.

In this analogy the aircraft represent the Communist Party and the carrier represents the state. If suddenly deprived of the buttress of the Communist party, the state will crumble and collapse. This is what happened in Russia after 1991. Here we do not talk about the secession of the other Soviet republics but about the domestic collapse of Russia itself.

In the chaos that followed the destruction of the state, some 1.5 million Jews emigrated to Israel (1 million), to the United States (0.3 million) or to Europe (0.2 million). That outflow had already started in 1970 albeit at a much slower rate: between 1970 and 1990 some 0.3 million Soviet Jews were granted visas of whom 0.16 million went to Israel and 0.12 million to the United States<sup>4</sup>. So, altogether almost 2 million Jews left Russia. After 1990 this outflow was compensated by the arrival of Russian people who had been living in the Soviet republics which became independent in 1991.

### **Can a dead branch reform itself?**

An article of “The Atlantic” (29 October 2013) by Larry Diamond has the following title: “Chinese Communism and the 70-Year itch”. and the following subtitle: “Will Xi Jinping make the necessary reforms to avoid a crisis? Above all else, Xi desperately does not want to be the Chinese Gorbachev”.

A dead branch will break up and fall to the ground only if there is a gust of wind. It is the same for the Communist Party. The fact that its grip will end only through an exogenous shock is strongly suggested by former historical cases.

- In spite of being despised by a large fraction of the Chinese population, the Manchu Qing dynasty survived until Britain decided that it was time for its removal. This led to the makeshift revolution of 1911<sup>5</sup>.
- Despite its inability to respond to the wishes of its population, the autocratic system of Czarist Russia survived the defeat in the war against Japan as well as the strikes of 1905. It collapsed eventually through a combination of endogenous and exogenous shocks.

Incidentally, these examples also suggest that such rigid organizations are unable to reform themselves. Both the Czarist and Qing regimes tried to reform themselves but they failed to do so because the resistance against any real changes was too strong in their own ranks<sup>6</sup>.

This leads us to the following interrogations which were at the origin of the present study.

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<sup>4</sup>Sources: Wikipedia articles entitled “1970s Soviet Union aliyah” and “1990s Post-Soviet aliyah”.

<sup>5</sup>For more details about this interpretation of the revolution, see Roehner (2014c).

<sup>6</sup>Currently (February 2015) the Communist Party of China has a membership of about 87 millions (about 6% of the population). President Xi wants a smaller but more vibrant party. Will that make a difference?



- What combination of exogenous and endogenous forces may break the power of the Communist Party?

- What consequences will it have for China?

Analyzing the ways through which there could be a collapse of the control of the Communist Party is a fairly simple problem if one assumes that it will occur within a fairly short time span. It will be a kind of epidemic process, similar to what happens in runs on the banks or flight for safety in finance.

What will happen after this breakdown is a much more difficult problem because this second phase covers a much longer time period. In this respect one should not forget that in Russia the Communists won the parliamentary elections of December 1994. If the presidential election of 1996 had not been rigged they would have won it too.

### **Democracy: a picture in black and white without any shade of gray**

For US media the world can be divided into two: on one side are the democracies led by the United States, on the other side are the countries which are not democratic and among them China. For such countries, the usual catchwords are “totalitarian countries” “oppressive political system”, “countries without political freedom”. This makes things very simple. Yet, the real world is not that simple. Let us ask a few questions.

- Was England a democracy in the 19th century?

It is true that there were elections but less than 5% of the people were able to vote; moreover voting took place without secret ballot. In fact, in many constituencies the electors were paid by the candidates.

- On 26 June 1975, Prime Minister Indira Gandhi declared a state of emergency in India which lasted until 1977. During this period, many of her political opponents were jailed and opposition groups were banned (Wikipedia article entitled “Narendra Modi”). Yet, at that time there were few voices which said that India had become a dictatorship.

- In April 2013, French demonstrators were claiming that France was a dictatorship and they demanded democracy. Pictures which illustrate this episode will be shown subsequently. Similarly, in the United States prior to the presidential election of 1936 there were posters claiming that Roosevelt was a dictator and showing him side by side with Hitler and Stalin.

- We are told that in China there is a single union which is under the leadership of the Communist party. However, such a situation is not uncommon in democratic countries. In the Scandinavian countries or in Israel (Histadrut= General Federation of Labour in Israel) there were powerful unions which had a strong connection with a national left-wing party. For instance, in 2005 the leader of the Histadrut became the leader of the Israeli Labor Party. Even in Britain, the Labour Party had strong

historical links with unions. In contrast, in France, in any big company, workers have the choice between several unions, e.g. CGT, CFDT, FO, CFTC. Usually, however, in their negotiations with management these unions fail to agree on a common position which badly affects their bargaining position. Is a multitude of powerless unions better than a single one? Some years ago when the Chinese government set up a plan which aimed at broadening the union's rights, particularly regarding working conditions, foreign companies established in China waged a lobbying campaign to derail it. This suggests that the union controlled by the Communist Party may not be completely toothless.

- Are countries where the right to form unions is denied to some workers really democracies?

The right for workers to form unions is a fundamental human right recognized by the charter of the United Nations. It is probably as important (if not more) as the right to put a ballot in a ballot box every 4 or 5 years. Yet, the right to form unions is denied to the workers of Walmart, the world's largest employer.

Walmart is by no means the only case. Around 2010, Boeing had set up a new assembling plant in South Carolina which is "union free" (more details are given below in relation with the Taft-Hartley Act). When the "Machinists Union" wished to set an election so that the 2,400 production workers at the plant can decide if they want union representation, the "Seattle Times" (March 17, 2015) reported that the governor of South Carolina made the following reply.

Governor Nikki Haley says she will fight attempts to unionize Boeing's massive 787 assembly plant in North Charleston (South Carolina). Haley said in a statement that South Carolina companies understand the importance of taking care of their workers and that employees do not want a middle man between them and management.

This is nothing new. In fact, the United States has a long tradition of repressive action against unions. Detailed accounts can be found in Sexton (1991) and Smith (2004). Except under the New Deal administration of Franklin Roosevelt, the federal government and the state governments have been mostly on the side of the companies. However, this is done very cleverly. Through repeated public relations campaigns and through the medias which they control, US business organizations were able to discredit unions and to turn public opinion against them. This is of course a very effective method for it makes the public's reaction appear as the *spontaneous* wish of the people, which it is not.

- The horrors of Communism are a common theme in our western media, but what about the horrors of anti-Communism?

They are almost never mentioned. Yet, it would be easy to set up a long list of coun-

tries where anti-Communist witch hunts were organized. That list would contain cases where leftists were just deprived of their jobs as well as numerous countries where they were deprived of their lives. In the last category, even conservative estimates of death tolls would run in the millions. Just as examples, it should be sufficient to mention China before 1949, South Korea between 1945 and 1970, Indonesia in the 1960s<sup>7</sup> as three cases for which even the most conservative total death toll exceeds one million.

## What form of conflict? A comparative perspective

### Is there a confrontation?

Few analysts would deny that (as of December 2014) there is a confrontation between the United States and China. It is true that in their official statements the two governments avoid this word and are still insisting on cooperation and partnership. However facts which signal a silent confrontation can be observed in several fields.

- **Tibet** With respect to Tibet, the support provided by the United States to the Dalai Lama and his government in exile has been strengthened over the years. This is shown fairly clearly by the list of the meetings between US presidents and the Dalai Lama (see the Table) but also by other actions such as the “Tibetan Policy Act” passed by Congress in 2002.

Just to put this in perspective, what would be the US reaction if the Chinese government would adopt a “Puerto Rico Policy Act” which would organize the funding of independence movements in Puerto Rico<sup>8</sup>, would give scholarships to Puerto Ricans for studying in Chinese universities? What would the US State Department say if pro-independence Puerto Rican leaders would be welcomed by Beijing and given the opportunity to meet with the Chinese president? It is true that nowadays few people would probably draw a parallel between Puerto Rico and Tibet. This shows clearly that in handling this problem and in presenting its policy to the rest of the world, the US government was much more clever and successful than the Chinese government with respect to Tibet.

- **Taiwan.** The question of Taiwan is certainly one of China’s “core interests”. Yet, just as in the case of Tibet, US policy has become more aggressive. In the 1970s there had been some discussions about a gradual diminution of US arm sales to Taiwan. In fact, instead of a diminution, there was an increase. Moreover, in the spring of 2015 the United States proposed to Taiwan to assume a greater military

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<sup>7</sup>Messages sent by the US embassy in Indonesia attest the complicity of the United States in the massacre of over 100,000 Indonesian Communists. The US side funded the murderers and gave them lists of names (Blanton 2001).

<sup>8</sup>More information on the semi-colonial political status and economic situation of Puerto Rico can be found in Denis (2015).

**Table 1 Meetings of US presidents with the Dalai Lama**


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Date	President	Kind of meeting
1959-1990		No meeting
Apr 1991	Bush	First meeting
Sep 1995	Clinton	Meeting skipped
Apr 1997	Clinton	Informal meeting
May 2001	Bush	Meeting
Oct 2007	Bush	Private meeting
Feb 2010	Obama	Official meeting
Jul 2011	Obama	Official meeting
Feb 2014	Obama	Official meeting

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Notes: Contrary to what one would expect, the greater economic weight of China did not result in more consideration given by the US to what China calls its “core interests”. In fact, it was quite the opposite. There were no meetings until 1991, not even during 1959-1970. One may guess that Tibet and Taiwan were on the list of the requirements set by Beijing for a normalisation of the relations with the United States. This may explain that there were no meetings between 1971 and 1991. Apart from the meetings with the presidents there were also meetings with the Congress. For instance, on 17 October 2007 the Congress bestowed its highest civilian honor, the Congressional Gold Medal, on the Dalai Lama. China’s protests and objections were ignored. In short, one comes to the conclusion that China’s main interests were better respected under Mao Zedong and Zou Enlai than under their successors.

Source: *New York Times* (search engine)

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role in the Pacific in cooperation with the US fleet.

Officially, the US State Department does not support the independence of Taiwan. However, Ms. Tsai Ing-wen, the candidate of the “Democratic Progressive Party” (DPP) at the presidential election of early 2016 started her campaign by a visit to the United States and in spite of the fact that the DPP is in favor of the independence option, she was received by many political leaders. Moreover, Time magazine (of 19 June 2015) featured her portrait on its cover. Let us see if, Ms. Hung Hsiu-chu, the candidate of the KMT who seems to be firmly opposed to independence, will be given the same treat.

As another illustration of the current trend one can observe that on 3 September 2015 the representative of Taiwan in the United States, Mr. Shen Lyu-shun, was invited by the American side to attend a commemoration of the victory of Allied Forces in the Pacific. Shen joined representatives of the US and Pacific Theater Allies in laying wreaths at the Freedom Wall of the National World War II Memorial in Washington. The wreath presented by Shen had ribbons printed with the “Republic of China” (ROC) national emblem. In an article dated 4 September 2015, the “Taipei Times” (a pro-independence Taiwanese newspaper that is freely available on Internet) observed that this was the *first time* that Taiwan’s representative had been invited to attend such an event in the US after Washington severed diplomatic ties with Taipei. Needless to

say, Chinese Ambassador to the US, Cui Tiankai, turned down the invitation due to the Taiwanese representative's presence. In addition, he voiced a protest against the fact that the "ROC" label would be allowed at the event.

This may be a low-key event, but it shows fairly well that the United States pays less attention than ever to China's "core interests".

- **Regional economic cooperation.** Both the US and China wish to offer a project of economic cooperation to Asian countries. The United States is trying to promote its "Trans Pacific Partnership" (TPP), an ambitious project which has raised some resistance. China has a more pragmatic approach. It has signed bilateral free trade agreements with many countries and it also proposes regional cooperation in infrastructure development. In the fall of 2014, and against the advice of the US State Department, the project of an "Asian Infrastructure Investment Bank" (AIIB) was adopted by 22 Asian countries.

- **Containment policy.** The United States is expanding its military cooperation with Asian countries. As an illustration one can mention the fact that the annual "Cobra Gold" military exercise which started in 1982 as a bilateral operation between the United States and Thailand expanded to many more countries. In 2014 there were 7 participant countries. In addition, the United States holds joint exercises with several close neighbors of China such as Japan, Mongolia, South Korea, Vietnam and the Philippines. Moreover, South Korea is building a new port facility on the southern island of Jeju that the US Navy will be able to use.

It can be useful to put these facts in perspective by asking ourselves what would be the reaction of the Pentagon if Chinese Marines would stage exercises in Mexico or if Cuba would put one of its harbors to the disposal of the Chinese Navy.

- **Tibet, Xinjiang, Falun Gong.** Speaking of these minorities, the Chinese dissident Chen Guangcheng who lives in the United States asks the Chinese government to respect religious freedom. Is it really religious freedom which is at issue? Let us take the example of Lobsang Sangay who is currently the prime minister of the Tibetan Government in exile. In 1995 he won a Fulbright Scholarship to Harvard Law School and after that he has been living in the US until 2011 when he became prime minister.

It may be useful to put these facts in comparative perspective. Would the US State Department be happy to see a person from Puerto Rico who had spent 16 years in China becoming the prime minister of a Puerto Rican government in exile? One should remember that in the 1970s and 1980s under the "Carpentas program" (carpetas means file) the FBI produced extensive files concerning Puerto Rican people. Approximately 75,000 persons were listed as under political police surveillance.

Notwithstanding any rhetoric about autonomy, through its very existence, a government in exile supported by the United States (as directed by the Tibetan Policy Act)

can only aim for independence.

- **China bashing.** In US and European media China bashing is widespread. It pervades newspaper articles as well as TV programs. Just to give an example, most of the reports about the Three Gorges Dam do not emphasize that it is the world's largest power station in terms of installed capacity (22,500 MW equivalent to some 20 nuclear power reactors). Neither do they say that it will prevent floods which in the past had caused many fatalities. Usually, western reports focus on the fate of displaced populations and on the ecological changes that it brought about.

Here is another example.

In May 2014 China deployed an exploration oil rig to waters claimed both by Vietnam and China. Immediately, in almost all western media this was presented as an aggression which heightened tension in the South China Sea. The rig was removed in Summer but one had to wait until long after the incident to learn that the move by China followed more than a year of fruitless bilateral talks with Vietnam over the possibility of *joint oil development* (Wall Street Journal 14 November 2014 p. 4, column 1)

- **Planting seeds.** The United States has many great universities which, at the same time, serve as major tools for foreign policy purposes. The recipe is fairly simple.

Scholarships are provided to a select number of Chinese students who are fluent in English. Naturally, to become familiar with the language one needs also to become familiar with the country. Fortunately, thanks to highly biased CCTV programs, most Chinese people have a rosy view of the US. Staying one or two years on a campus will not change their opinion. More surprising is the fact that they seem to pay little attention to China bashing. Probably they do not read US newspapers and do not watch Fox News. Then, when they come back to China (if they ever come back) they will easily be persuaded that China should follow in America's footsteps. These young people constitute a part of what former US ambassador to China Jon Huntsman called "our allies and constituencies" (see more details in a subsequent chapter).

- **US attitude regarding Taiwan revealed by the "Sun Flower movement".** Contrary to what is often implied, the US State Department does not subscribe to the "One China" principle, it only recognizes and respects China's position in this regard. Anyway, official positions are of secondary importance; what really matters is the position expressed in actual *actions*. For instance, although the US recognizes that Tibet is part of China, it supports the actions of the government in exile and of Tibetan separatists.

It is the same for Taiwan. Officially, the US does not support Taiwan's independence but its actions prevent re-unification. This was illustrated by the so-called Sunflower

movement in the spring of 2014. During 4 weeks, Taiwanese students occupied the National Assembly to prevent a trade pact between China and Taiwan from being approved by Parliament.

During the occupation, most US commentators emphasized that this action was a healthy exercise in democracy. One wonders what would have happened if the Wall Street protestors had occupied the US Senate or House of Representatives. On 25 June 2014, in an interview to “Business week”, US Secretary of State Hillary Clinton gave her implicit approval to the action of the students by saying: “Is all this [i.e. the trade pact] really in Taiwan’s long-term interest? We do not want to see Taiwan’s independence or democracy threatened or destroyed, and we do not want to see Taiwan’s economy suffer from unfair competition. We consider Taiwan one of our highest priorities”.

In August 2014, leaders of the student movement visited the United States and were able to meet with the US Congress, the Department of State and the American Institute in Taiwan (that is to say the unofficial US embassy in Taiwan).

Another indication is the fact that so far (August 2015) none of the demonstrators had been sentenced in relation with the illegal occupation and degradation of a public building. In May 2015, more than one year after the occupation, 39 protestors were charged with trespassing but it is unclear if they will ever be tried.

The forms of protests used in Taiwan are very similar to those used in Hong Kong: mostly young people including high-school students, night attempts at occupying official buildings by small groups of activists, loud protests as soon as a demonstrator is injured by the police, occupation of a square for several days or weeks.

- [The state visit of President Xi Jinping in the US \(22-28 September 2015\)](#). In the climate of confrontation described above one was curious to observe the first official visit of President Xi to the United States. Here are some elements.

(i) On 25 September 2015, that is to say on the day when President Xi arrived in Washington for talks with President Obama, the “Congressional Research Service” released a 34-page report titled “The Chinese Military: Overview and Issues for Congress”. Under this colorless title was in fact an analysis of Chinese plans for an invasion of Taiwan. The article of the “Taipei Times” of 26 September which reported the release was entitled: “US issues China invasion report”. The report observed that, because of US support to Taiwan, the invasion of Taiwan would be a “daunting undertaking” for China.

(ii) Even before the visit started, President Obama made a declaration in which he endorsed sanctions against China for alleged cyberhacking.

(iii) The visit of President Xi coincided with the visit of Pope Francis. Whereas the “New York Times” website published many pictures of the visit of the pope (e.g. he was able to address the Congress), its coverage of the visit of President Xi was

minimal with almost no pictures and no big headlines. One or two pictures in small format could be seen at the bottom of the newspapers's home page and they showed Obama and Xi as two estranged partners.

(iv) A CNN account of 25 September 2015 was entitled: "Expectations low for Obama-Xi state visit". The first paragraph explained why the expectations were low in the following terms.

"Presidents Barack Obama and Xi Jinping will trade platitudes and raise a glass to 40 years of US-China ties at a state dinner on Friday night [25 Sep]. But protocol will not disguise the reality that the relationship between the world's sole superpower and the rising Asian giant is becoming ever more treacherous, with disagreements over Beijing's territorial claims in the South and East China Seas, charges of cyberhacking, military tensions, trade rows and human rights recriminations."

(v) Not surprisingly, the Chinese medias preferred to stick to the diplomatic (and fictional) version. Thus, on 27 September the "People's Daily" [the newspaper of the Chinese Communist Party] wrote:

"The first official state visit to the United States by Chinese President Xi Jinping has been applauded as a great success, despite skepticism expressed by some before the trip. Now is the prime time for China-US sub-national cooperation."

Whereas at that time greater cooperation was still the catchword of Chinese policy, clearly for the US side the main goal was to hold in check a powerful competitor.

### **The predicted downfall of China**

Since 1995 several books and articles predicting the downfall of China were published. This production can be illustrated by the following sample.

- 1995: *The coming Chinese collapse*. This paper by Jack Goldstone which was published in the journal "Foreign Policy" seems to have been the first to predict the collapse of the rule of the Communist party in the period following the opening. The paper is based on a scenario which seemed quite plausible at the time. Goldstone observes that because of the high birth rate prior to the "one child policy" there will be a massive population move toward the cities which the labor market will be unable to absorb because of the inefficiency of state-controlled companies. It is true that at this time few economists would have predicted that China would experience 3 decades of very fast growth. In addition the author assumed that after the disparition of Deng there would be a power struggle within the Communist party. In this paper the "final crisis" was predicted within 10 to 15 years.

- 2001: *The coming collapse of China*. by Gordon Chang. In this book the collapse was predicted to occur within 10 years.

- 2006 *The coming China wars: where they will be fought and how they can be*



*won* is a book by Peter Navarro. In the title “wars” is understood in an economic sense. On the Amazon website one reader comments “China bashing at its worst”. The following excerpt gives the general tone of the book: “endless cheap labor, a lack of spending on health and safety nets for workers, currency manipulation, export subsidies, and the literal counterfeiting of everything from condoms and razor blades to car parts and baby food”. After obtaining his bachelor degree from Tufts University in 1972, Navarro served in the “Peace Corps” in Thailand from 1973 to 1976. Not surprisingly a fairly laudative review of the book was posted on the website of the “Peace Corps”. From 1976 to 1977 he served as a policy analyst for a Washington-based consulting firm.



**Fig. 1** Cover of the DVD of a book published in May 2011. The author of this book targets Chinese exports to the US but seems to forget that they largely resulted from relocated production subsidiaries of US companies.

- 2011. *Death by China. Confronting the Dragon. A global call to action* is a book written by Peter Navarro and Greg Autry.
- 2013: *The China crisis. How China's economic collapse will lead to a global depression.* is a book written by James Gorrie.

## Worldwide media blanket

Nowadays (2015) the suggestion that the world media are strongly influenced by the US State Department is taken seriously by very few people. Most of the citizens and political leaders just do not seem to care and whenever the question is raised by somebody the notion of US influence is usually dismissed as being a kind of conspiracy theory.

Below is a brief chronology of the first steps in the development of the US media program. (FRUS 1952-1954, National Security Affairs, part 2, p. 1601-1662)

1 The “Voice of America” radio broadcasts started in 1942. Nowadays VOA broadcasts in 46 languages and is also available on the Internet. However, this is probably not the most effective program because it does not follow what is considered as the first principle of successful public relations campaigns, namely that the message should be spread by a third party rather than by its sponsor.

2 In 1948 the “Smith-Mundt” Act was passed by the US Congress. It organized the “United States Information and Education” (USIE) program as an organization employing 1,500 persons and receiving an annual funding of \$20 million. By 1954 the USIE had expanded to 8,900 employees and an annual funding of \$100 million.

3 The themes of the campaigns organized by the USIE were carefully planned, e.g.: Slave labor in the Soviet world. Parallel and similarity between nazism and communism, Lenin, Hitler, Stalin and Mao shown side by side. Emphasis of Gulag (presented as a concentration camp rather than as a labor camp). Exposing the falsification of Soviet statistics which try to cover economic failure. Exposing brain washing propaganda in Red China. Many of these themes are still in use nowadays.

4 The means of communication which were used comprised books, leaflets, movies, press features and so on. One of the most effective was certainly the system of “[Special article placement](#)”. It was defined as follows (4 February 1953, p. 1662).

“The US policy story can be told most effectively by providing well documented background material to respected local writers whose articles then appear in various publications under their own names with no attribution to USIS. These articles will be placed through personal contact with influential local editorial writers, commentators and free-lance writers. This technique has been employed successfully by many diplomatic and consular posts”.

This system is in full agreement with the first public relations principle and it has been used ever since in almost all countries, including the European countries and China.

Naturally, the Soviet side tried to spread its own propaganda message but this was done very poorly. As an illustration of how wanting it was, one can mention the “Democratic German Report”. Started in 1952 and published every two weeks this

periodical was mainly directed against Western Germany. Not only was it not in agreement with the “first principle”, but in addition by targeting Western Germany instead of the United States it was taking aim at the wrong country. For instance, the issues of 1958 did not say a single word about the Civil Right struggle in the US.

### **The spread of the American gospel**

Do you know an organization called “Gideons International”? I did not know it until I met it. One day around noon at the entrance of our university there were about half a dozen mid-aged men in dark suit who were distributing Bibles. The man who handed me one (and even wished to give me a second one for my wife) told me that for the organization each booklet had a cost of one euro. As always in such cases one is interested in the question “Who pays?”.

Well, the story that one can read on the Internet is simple. This organization was created in 1908 for the purpose of distributing Bibles worldwide and it is funded by individual donors and sponsors. In other words, it is supposed to be a private organization without any kind of contact with the US State Department. Yet, one can make the following observations<sup>9</sup>:

- Despite the word “International”, “Gideons International” is an American entity. It was created in the US, is based in Nashville (Tennessee), and all its International Officers (i.e. board members) are either British or American.
- In the US the organization is recognized as a public tax-exempt charity and donations qualify “as tax-deductible to the fullest extent of the law”. More precisely, donations are deductible for income tax purposes up to 50% of adjusted gross income. In other words, the organization is funded, at least indirectly, by the US government.
- Gideons Bibles circled the Moon with the astronauts of Appollo 8. Needless to say, this required the agreement of NASA.
- On the organization’s anniversaries (for instance for completion of the first billion bibles distributed) US presidents are used to accepting the gift of a Bible.
- The organization does not only distribute the Bibles, it does also provide a framework for its members in the form of so-called “camps”. In 2015 there were 3,181 camps in the US.
- In addition to the regular distribution of Bibles, “Gideons International” also organizes what it calls “blitzes”. “Blitz” which according to the Longman dictionary, means a “sudden heavy attack usually from the air” sounds more a military than religious operation.

Since 2000 there has been an impressive acceleration of the activity of the Gideons. Indeed, between 1908 and 2000, Gideon distributed one billion Bibles, and in the 5

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<sup>9</sup>The following information is given on the official website of “Gideons International”

years between 2000 and 2005, another billion was distributed which means that the rate was multiplied by  $92/5 = 18$ .

What is the activity of Guideon in China? In June 2014 - May 2005 there was a Blitz action which targeted Hong Kong but only 24,000 Bibles were distributed; this is really a small number if one realizes that in the same time some 630,000 Bibles were distributed in Kenya. It is true that the population of Kenya is 6 times larger than the population of Hong Kong but the number of Bibles is 26 times smaller.

In mainland China some 3.2 million Bibles were distributed between 2011 and 2015 which represents an annual average of 600,000. During 2015, the last year for which statistics are available at time of writing (January 2016) only 270,000 Bibles were distributed which is less than half the annual average. With respect to the population of China this is indeed a surprisingly low number. It is all the more surprising because in a video (available on Internet) which shows a winter time distribution in the north of China it is emphasized that there is a great demand in the Chinese population.

What does the case of “Guideons International” tell us? First of all, it must be observed that this is a completely asymmetric situation in the sense that Bibles are distributed in Kenya or China but these countries do not sponsor any similar distribution of documents in the United States that would describe and promote their own religion or civilization.

Secondly, apart from Guideon there are several other American organizations which publicize the Christian gospel across the world. One can mention: (i) The Jehovah’s Witnesses (ii) The Mormon Church (iii) The Seventh-day Adventist Church. Because all these movements started in the United States, what they propagate is an American vision of the Christian faith. In fact, in their organization these movements share many aspects of the big US corporations: an activity which extends to the whole world, a centralized structure of management and robust sources of income.

### **US dominance in the software industry**

In present time (2016) it is banal to write that the United States dominates the software industry. Everybody has in mind such companies as Google, Amazon or Facebook. However, one should realize that ever since the industrial revolution there has been no situation in which one country has had such a dominant position in a crucial industrial sector. In addition, there are two features that are special to this industry which suggest that this situation is likely to last for decades.

- It takes time to get used to a software tool and once used to it people are unwilling or reluctant to switch to another.

- It is in the United States that the computer revolution started in the 1950s, but in the following decades instead of being able to catch up the European countries fell behind even more.

The first feature can be illustrated by the enduring presence of Microsoft’s Windows operating system in China. In May 2014 in response to the fact that Microsoft had ended its support of “Windows XP” (used by about 70% of Chinese computers) the Chinese government announced that it did not allow state administrations to buy the Windows 8 system and that it was starting a plan to move toward “Ubuntu Kylin”, a Linux based operating system. However, in the following two years I did not see any change in the Chinese universities that I visited. There was no attempt to teach Linux to faculty or students; as a result everybody stucked to Windows. “Ubuntu Kylin” may be used in the Chinese armed forces and other sensitive areas but it is likely that its spread to the rest of China will take decades (if it ever happens).

The fact that instead of getting reduced Europe’s backwardness is rather becoming worse can be illustrated by the observation that in the 1980s a few programming languages (such as TurboPascal<sup>10</sup> or Prolog) were created in Europe. In contrast, as shown by the following tables the European countries had no role whatsoever in the development of the Internet<sup>11</sup>.

**Table 1.1a The 10 most popular websites (August 2015)**

Rank	Site	Service	Country
1	Google	Search engine	USA
2	Facebook	Social network	USA
3	YouTube	Video sharing	USA
4	Baidu	Search engine	China
5	Yahoo	Internet portal	USA
6	Amazon	E-commerce	USA
7	Wikipedia	Encyclopedia	USA
8	Tencent	Internet portal	China
9	Twitter	Social network	USA
10	Taobao	E-commerce	China

Notes: The ranking was established by a subsidiary of Amazon called Alexa and is based on a 3-month average (15 May-15 August 2015). Several of these companies (e.g. Google, Yahoo, Amazon, Tencent) offer a wide range of services.

Source: Wikipedia articke entitled “List of most popular websites”.

<sup>10</sup>TurboPascal was developed by Borland, a company which was started in Europe; its first CEO, Philippe Kahn, was a French mathematician but he moved to California early in his carrier as so many other European computer scientists.

<sup>11</sup>The www (world wide web) was started at CERN, the European Council for Nuclear Research, but this was a breakthrough without any following.

**Table 1.1b The 50 most popular websites (August 2015)**


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	Country	Number of websites	Percentage
1	USA	26	64%
2	China	13	26%
3	Russia	4	8%
4	Japan	1	2%

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Notes: Subsidiaries of US companies (e.g. “Google India”) were discarded. The first European website, namely “BBC Online”, came in 70th position. The first French website, namely “Daily motion” (video sharing), came in 80th position. There was no German website in the 100 most popular.

Source: Wikipedia article entitled “List of most popular websites”.

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At first sight one may think that Table 1a merely reflects the prominent positions of the two biggest economies. However, in 2014 the European Union had a GDP which was only slightly lower than the US GDP (14 trillion euros against 18 trillions). Therefore the fact that there are no European websites in the 50 most popular is certainly of great significance. Curiously, in European media this dramatic situation is completely overlooked.

### **Political consequences of the US control of the Internet**

Evidence presented by Edward Snowden, a former employee of the NSA (National Security Agency) and CIA (Central Intelligence Agency) back in 2013 showed that most US Internet companies such as Google, Yahoo, Facebook, Twitter and so on had entered into arrangements with the NSA to supply information. As this story is well known, we will rather focus on an incident which, although of minor importance in itself, is also quite revealing.

A non-profit organization called “WayBack Machine” headquartered in San Francisco is creating the archives of the Internet in the sense that all (or almost all) information found on the Web at a given time will be archived. Thus, for the website of the laboratory to which I belong, it is possible to view what was its state back on 26 March 2010 by accessing the following Internet address:

<https://web.archive.org/web/20100326070027/http://www.lpthe.jussieu.fr>

However, it turns out that these archives are not created in a completely unbiased way. In mid-2002 a number of web archives giving a critical view of the “Church of Scientology” suddenly became unavailable. The error message indicated that the removal was done at the request of the websites’ owners. This was not true however. On the contrary, the owners protested, and asked for the error message to be changed but got no reply from “WayBack Machine”. Later on, it became known that removal

of these websites was asked by the “Church of Scientology” itself and that “Way-Back Machine” complied<sup>12</sup>. Of course, we will probably never know for sure why it complied. However, the fact that the US State Department was eager to come to the defense of the “Church of Scientology” when lawsuits were brought against it in Germany in the 2000s suggests that “WayBack Machine” may take special care of US interests.

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<sup>12</sup>This story is reported in the French version of the Wikipedia article entitled “Internet Archive” but not in the English version.

# Chapter 1

## The sweet power of Americanization

The expression “sweet power” used in the title of this chapter is proposed in analogy with the well-known concepts of “hard power” and “soft power”.

- Hard power is basically military occupation. As examples one can mention the US invasions of Afghanistan in 2001 and Iraq in 2003.

- Soft power is the worldwide control of news agencies, plus covert interference in the internal affairs of other countries. An example is US influence in the European Union and Japan<sup>13</sup>. Free Trade Agreements also give the United States the opportunity to shape the legal system of other countries on the model of its own.

- Sweet power consists in the fact that in almost all countries the people want to watch Hollywood films, listen to US music, use American expressions mixed with their own language, play base ball and American football, celebrate Halloween and so on and so forth.

Whereas soft power still requires a measure of coercion, in the case of sweet power the people themselves bring about their subjugation.

### The promotion of American football

It may seem strange to start the present study with a section about American football. It will serve as an illustration of what can be called “American cultural expansionism”.

#### American cultural expansionism

This expansion started right after World War II when American troops brought with them Hollywood movies, American music, American food, American cartoons (such as “Mickey”) for children and many other items. Thanks to a broad program run together by US film companies and the War Department American movies were translated and adapted for all countries where US troops were stationed.

For instance, between July 1946 and December 1951 the US Department of the Army sent more than 800 films to Japan. In addition in 1948 the “Civil Information and Education Section” (CIE) of the US Headquarters in Japan had contracted with 4 Japanese film companies for two kinds of operations (i) Production of Japanese ver-

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<sup>13</sup>More details can be found in “How did Europe become an American turf” by the same author.



sions of American movies. (ii) Production of Japanese movies based on CIE scripts (Tsuchiya 2002, p. 198). In addition, broadcasting stations were established in all countries where American troops were stationed. Some were destined to broadcast programs for American troops but the musical parts of such programs had also an audience in the general public.

It is probably the first time in history that military occupation was accompanied by such a massive public relations campaigns.

Often cultural expansion comes under the cover of commercial deals. Thus, in November 2014 Tencent<sup>14</sup> signed a deal with the “Warner Music Group” which will allow Warner to expand its online music distribution (Wall Street Journal 14 November 2014, p. 18). According to the agreement Tencent’s own services will promote American musicians. Thus, the QQ Music service will back Warners’ artists and Tencent’s concert ticketing service will launch special offerings when Warners’ artists are on a tour in China.

This would all be well and good if there would be a measure of reciprocity. That is not the case, however. In recent decades non-American music (whether Chinese, Italian or French) has hardly been promoted in the US<sup>15</sup>. In other words, the Warner-Tencent agreement (as well as similar deals) is kind of a Trojan horse through which Tencent sells away the soul and spirit of its country in exchange for short term business profit. The problem is that such changes are irreversible. Once, thanks to massive and long-term promotion campaigns, the Chinese public will get used to American music. it will be very difficult to reverse this trend.

As another case in point, in the next subsections, we describe the slow but steady diffusion of American football in China and other countries. This case is quite interesting because it shows that even a “product” which in itself is not very attractive can gain a share of the sports market if it benefits from a clever, long-term promotion campaign.

### **American football in China: 2007-2014**

My interest for American football in China started in 2007 when I saw a presentation of American football on the TV screens located in the carriages of the Shanghai subway. At that time, I did not understand its purpose. It was not an advertisement but rather a brief introduction to the basic rules of American football explained by an attractive young lady.

Another way to promote American football in China is to send US teams to the campuses of top universities. Organized in a festive way usually over a weekend, these

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<sup>14</sup>Tencent Holdings is a major Chinese company in social networks (particularly through the highly popular QQ network) and online games.

<sup>15</sup>In 2013 a South Korean group became fairly popular in America, but most likely this will remain an exception.

demonstrations attract not only students but also children from the neighborhood along with their parents. Naturally, during such weekends the loudspeakers deliver not only stories about American football but also American music.

Such observations made me wonder what was the organization behind these promotion campaigns. I got an answer 6 years later.

On 9 November 2013 there was a long article in “China Daily” which eventually provided a clue. It started with the following sentence: “History will unfold at the Capital Gymnasium in Beijing on Sunday afternoon [10 November 2013] when American football makes its long-anticipated debut in China. “It has been a long journey but I am thrilled to be the one who sponsored what we believe is the biggest thing to hit China’s sporting scene in a very long time” said Martin Judge who had sunk more than \$10 million into making his dream a reality. He added “We could not have hoped to come this far without the support and cooperation of the Chinese government”.

In the first year, 70% of the players will be American; then, in subsequent years the proportion of Chinese players is expected to rise. The kind of football which will be played is so-called “Arena American football” which features much less interruptions than standard American football in which the action usually stops some 30 seconds after it started.

What is really surprising in this story is not the fact that the United States is trying to promote its culture abroad. After all, Germany has the “Goethe Institutes”, France has the “Alliance française” and other countries have similar organizations. What seems really surprising is the fact that this promotion campaign benefited from “the support and cooperation of the Chinese government”.

Would the US government provide similar support for Chinese cultural organizations in the United States. In recent years, China has created “Confucius Institutes” for the promotion of Chinese culture overseas. According to what the medias reported from Canada and the United States, it seems that those Confucius Institutes raised suspicion rather than support on the part of US and Canadian authorities.

### **American football in the wake of political changes**

Is it not revealing that in many countries the establishment of domestic American football federations followed political changes? One can mention the following cases<sup>16</sup>.

South Korea (1947 in relation with US occupation which started in 1945), Belarus (1991), Hungary (1992), Czech Republic (1993), Estonia (1995), Poland (2004), Ukraine (2005, after the pro-US Orange Revolution of 2004), Romania (2007), Mon-

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<sup>16</sup>The source is the official website of the International Federation of American Football (IFAF).

golia (2009, after the United States was able to gain significant influence in the country particularly by training Mongolian armed forces), Kuwait (2012).

### **Emergence of “big money” sports in China**

The sports which were introduced in China in the 2000s were mostly what can be called big money sports.

- A case in point is golf which was introduced and promoted by Secretary General Zhao Ziyang. In 2015, despite the water scarcity, there were over 50 golf courses in Beijing.

There may have been a slight change in policy in early 2015. In the New York Times of 19 April 2015 one reads that the government has shut down dozens of golf courses across the country that were built in violation of a ban intended to protect China's limited supplies of water.

- An annual professional tennis tournament held in Beijing, the China Open, was started in 2004. The winner gets 2.1 million US dollars.
- The Formula 1 Chinese Grand Prix is organized annually in Shanghai since 2003.

In contrast, more popular sports such as ping pong are not often shown on Chinese TV.

## **Examples of veiled influence**

### **“National Geographic”**

Perhaps one may be tempted to say: “Well, this is only about sport, so why should one worry?”. This is precisely the trap. We will see that this argument is used over and over again. “This is only about TV series, this is only about public health. However, any smart political leader will understand that all these topics have also a political dimension and significance. It is all about the confrontation between different cultural systems. Eventually, the smartest and strongest will prevail.

As another illustration one can mention the case of “National Geographic”. This is a well-known American publication which is translated into many languages. At first sight one might think that it is only about nice landscapes, beautiful monuments and exotic people. Geography and politics are supposed to be two different topics. However, in the articles of “National Geographic” they go together.

Consider for instance the articles published about South Korea during the American occupation 1945-1949.

In June 1947 National Geographic published an article by General John R. Hodge, the commander of US occupation forces in Korea. Three years later, in June 1950

shortly before the beginning of the Korean War there was an article about the election of 10 May 1948 in South Korea (Chetelat 1950). The article sounds interesting and fairly plausible when one ignores the real conditions but it appears delusive otherwise. Here are some excerpts.

- “May 10, 1948: South Koreans flocked to the polls for their first free election in their country’s history” [the expression “free election” appears several times in the article].

- “In Pyongchang a full 99% of the registrants voted” (p. 789).

- “The only serious incident in my gun was the shooting of a Communist by Korean police at Poll No. 42. During the previous night a band of roving troublemakers had come south from the Russian Zone and clashed with a Korean patrol.”

In short, according to this article, everybody wanted to vote and the only people who opposed the election were Communists coming from North Korea.

In fact, even moderate South Korean leaders like Kim Koo refused the election and showed his resolution by attending a meeting in North Korea which took place shortly before the election. Since 1946 leftists were in hiding, in prison or had been killed. As far as turnout was concerned (which was a major issue), Koreans who did not vote were deprived of their rice allowance. So, the candidates at this election either belonged to Rhee’s party or were “independents” who would later be lured into supporting Rhee’s party<sup>17</sup>.

### “River Elegy”

Another episode in which the same argument was used occurred in China in June 1988. A 6-part documentary entitled “River Elegy” was broadcast on CCTV, the Chinese state television network. Basically, it argued that the downfall of China had been brought about by Chinese culture and that progress will come through opening to western culture. Whether true or not, this claim had obvious political implications. Yet, Party Secretary General Zhao Ziyang argued that an artistic work like “River Elegy” conveyed cultural rather than political implications and should not be discussed at political meetings (Wikipedia article entitled “River Elegy”). It seems that the two physics Nobel Prize winners Yang Zhenning and Li Zhengdao<sup>18</sup> were smarter than Zhao for they criticized the film and pointed out that “a person who denies his own culture does not have a future” (Jong 1989)

“River Elegy” is available on the Internet in a version with English subtitles. It lasts about one hour but has very little real content. There are endless pictures of the

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<sup>17</sup>More details can be found in the account of the occupation of South Korea by the same author: “Relations between American Forces and the population of South Korea, 2014b.

<sup>18</sup>Their names are more commonly written Yang Chen Ning and Lee Tsung Dao. They received the Nobel prize in 1957. They were born in China in 1922 and 1926 and became naturalized American citizens in 1964 and 1962 respectively. They were the first Chinese scientists to be awarded the Nobel prize in physics.

brown, muddy water of the Yellow River and of poor peasants tilling their fields. The Revolution of 1949 is almost not mentioned. The film might describe a poor sub-Saharan African country but not a country like China which detonated its first hydrogen bomb in 1967 and put a satellite in orbit in 1970. Such achievements are completely omitted. The fact that Zhao Ziyang appears three times (in parts 4, 5 and 6, whereas Deng appears only once and Chairman Mao is briefly mentioned as a “head strong leader”) suggests that the film was inspired by Zhao or by his friends. There is an apology of Adam Smith and the benefits coming from what is called a “perfect market”. In 1989 Zhao was advocating the privatization of state-owned companies. Such an experiment was indeed tried in Russia with the help of US advisers (more details will be given in a subsequent chapter).

### **The case of the WWF**

Regarding the extension of US cultural influence, an effective strategy is to set up organizations that are controlled by a board of Americans but funded by the rest of the world. The “World Wildlife Fund” (WWF<sup>19</sup>) provides a good illustration of this strategy.

A superficial investigation based on popular Internet websites, e.g. Wikipedia articles, would suggest that the WWF is an international organization similar for instance to the UNESCO, the “United Nations Educational, Scientific and Cultural Organization”. After all, the headquarters of the WWF are located in Switzerland and one of its founders was British.

An examination of the leadership gives a very different view. The leadership comprises 3 elements: The President and Chief Executive Officer, the “Senior Management Team” and the “Board of Directors”. As of June 2015 the situation was as follows.

- The CEO, Mr. Carter Roberts, was American.
- The “Senior Management Team” comprised 13 persons all of whom were American.
- The “Board of Directors” comprised 24 persons. All of them were American except Mr. Wang Shi who is a Chinese citizen from the PRC and the founder of the “China Wanke Company”, the largest Chinese real estate company<sup>20</sup>.

How is the WWF funded? Part of its resources come from major US corporations such as Procter and Gamble, McDonald’s, Walmart, Coca Cola. Another part of its resources comes from the public. It may be of interest to understand how such small

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<sup>19</sup>In fact, in 1986, the organization changed its name to “World Wide Fund for Nature”. The WWF acronym was not changed.

<sup>20</sup>The adoption by the WWF of a panda as its logo occurred in 1961 and is therefore unrelated to Mr. Wang’s membership in the board of directors.

donors are recruited.

At the entrance of places such as universities or cultural centers one may see young people wearing WWF teeshirts who are trying to speak with potential donors. At first sight one may think that they are unpaid WWF volunteers. In fact, they were recruited, trained and paid (fairly well paid, around 50 euros a day) by a company who specializes in collecting donations and to which the WWF outsources its fund raising campaigns.

How many donors will be recruited in one day by those young people? According to their own testimony, on average a good recruiter will recruit 2 or 3 donors a day. This may seem insignificant. In fact, the donors will give about 10 euros *every month*. In other words, the daily salary paid to the recruiters will be covered within two or three months.

Thanks to the panda logo, one would expect fund raising campaigns in China to be more successful than elsewhere. Probably most of the Chinese donors may think and expect China to play a role in the WWF's policy and decision making process that is much greater than it actually is.

## Shaping historical accounts

It has often been said that "information means power". Although to some extent this was already true in the past, in our time the media have unparalleled power. Thus, more than ever, the country who can control the supply of information will be in dominant position.

### Tiananmen

What does Wikipedia say about the events of June 3-4, 1989 in Tiananmen Square?

There are uncertain reports of few and isolated deaths of civilians inside Tiananmen Square (extracted on 18 July 2015).

On the contrary there are reliable reports of the negotiation which took place in the early morning of June 4 and which led to the withdrawal of the demonstrators. Yet, the myth of a massacre of demonstrators in Tiananmen Square is still upheld by almost all western media. As will be seen in a subsequent chapter, in the weeks following the event the Chinese authorities provided pictures as well as official casualty figures. The fact that in subsequent years the discussion of this question was discouraged in China left the field open for all misrepresentations.

It may be that what decided the Chinese government to discourage the discussion of these events is the fact that the uprising was not limited to Beijing. In the chapter devoted to these events it will be seen that there were also violent incidents in Xian (Shaanxi), Guangzhou, Shanghai, Chengdu. It is likely that similar incidents

occurred in many other places for which we have little information. In short, it seems that it was really a nation-wide uprising.

The fact that many workers were involved suggests that they were not all happy with the shift to a market economy, a shift which also brought about the end of free education and free healthcare<sup>21</sup>. If this interpretation is correct, there were in fact two movements:

- (i) the students' drive for political rights and
- (ii) the workers' request for higher salary and better social conditions.

A similar conjunction of a student movement with a worker strike had occurred in France in May 1968.

## Syria

The case of Syria is quite interesting because there has been a shift in the misrepresentation. For over two years in 2011-2012 day after day, week after week, all Western media told the public that the Syrian army was shooting and killing peaceful demonstrators. Almost every day (and especially on Fridays) the media echoed the statements made by the "Syrian Observatory of Human Rights" without telling the public that this small organization based in Britain was a mouthpiece of the pro-western opposition groups in Syria.

In 2013 the media came to recognize that the protesters had weapons; however, we were told that they were brave "freedom fighters" battling the Syrian army. Then, suddenly, in 2014 we were told that one of those groups of rebels called the ISIS group which was already holding about one third of Syria, mostly in the north-east, had crossed the border into Iraq. Suddenly, they were no longer brave freedom fighters. Instead they were demonized and painted as barbaric terrorists. Did this organisation really change from good to evil almost overnight? Although this seems a fairly natural question, few (if any) western journalists seem to be willing to raise it.

## Official history

The US Department of Defense has an agency headed by a colonel who is in charge of collecting information about the action of US armed forces overseas and writing an official history. This does not only concern wars but also occupation episodes. For instance, the history of the US occupation of Japan comprises some 40 volumes. Strictly speaking, nothing that is reported is really wrong but there are glaring omissions which result in a completed distorted account. For instance, the official history maintains that there were no incidents whatsoever between US occupation forces and the population of Japan. In fact, according to US archives, there have been hundreds.

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<sup>21</sup>In addition one should remember that the two prominent leaders, Hu Yaobang and Zhao Ziyang, did not only want to modernize China but also to westernize it (for instance Hu wanted to change Chinese ways of eating).

## Rewriting history

In the case of Syria the “story” had to be changed in the course of time. This is uncommon. Misinformation works much better when the story can be set in stone once and for all, when it can be repeated over and over again in the same way. Then, whether true or not, it *becomes the truth*. This is what happened with the Tiananmen story of June 1989. Currently (around 2014) discussion of these events is not welcomed in China even in intellectual circles. As a result, the western account is not challenged in any way and has probably become the only truth for most Chinese people. Yet, in the months following June 1989 a series of pictures were released by Chinese authorities which tell a very different story (for more details see the chapter entitled “Hu Yaobang, Zhao Ziyang and Tiananmen”). Over subsequent years it seems that this version has been completely forgotten, not only in the West but also in China.

## Selective oblivion

When accounts cannot be altered altogether, then another technique can be employed which can be called the technique of “selective oblivion”. It can be illustrated by the following comparison.

Whereas in western countries almost everybody has heard of the “Tiananmen Square massacre”, who among the general western public has heard about the Taiwan massacre by Kuomintang troops in February 1947, the Mexico City massacre of October 1968, the Bangkok massacre of October 1976, the Gwangju (South Korea) massacre of May 1980, the Bangkok massacre of May 1992 or the Russian Parliament massacre<sup>22</sup> of October 1993?

All those cases were similar to Tiananmen in the sense that the demonstrators (or, in the last case, the legislators) were asking for more freedom. The numbers of fatalities were also similar, either larger or of same magnitude. So, why do most persons have a good recollection of Tiananmen but hardly of the other cases? A major difference is that in those other cases the governments which ordered the repression were close allies of the United States.

It is of course tempting to accept the view of history that is presented by our media for the task of restoring the truth seems just insuperable. My wife sometimes tells me “Why do you bother, who cares?” Well, it would also have been easier for Copernicus or Galileo to accept the mainstream “truth”, that is to say the vision of the universe promoted by the Church. Whether the Earth goes around the Sun or vice versa seems to make little difference for our everyday life. Yet, for Copernicus

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<sup>22</sup>The labeling is instructive. On Wikipedia (and elsewhere) the massacre of Russian legislators is called the “Russian constitutional crisis”. It is true that killing the law makers solved the political stand-off between the parliament and the government.



and Galileo it mattered.

## Wall of silence

What happens when an author tries to publish an historical account that is at variance with the official version? One might think that there is a sharp difference between western countries and so-called totalitarian countries. In fact, the goals are the same but the methods which are used are very different. In countries under one-party rule there is usually a rigid but not very effective pre-censorship. It is not very effective because people will find many ways to circumvent it for instance by changing the dates and the names but keeping the same account.

In western countries “softer” methods are used to prevent official accounts from being challenged. What are these methods? In order to explain them it is perhaps best to give a few examples.

### Hussey and the writing of the Japanese constitution

Nowadays it is commonly recognized that after World War II the bulk of the Japanese constitution was written by American officers from the political department of the US occupation force. Yet, in the 1960s this was still a sensitive topic. Among these officers there was Alfred Hussey.

In 1962 at the age of 60 Hussey wanted to publish his memoirs. Quite understandably he thought that they would represent a major contribution to the post-war history of Japan. Probably did he assume that almost 20 years after the war the real story could be told. He was wrong. In principle, it should have been easy for him to find a publisher: not only did he have an interesting story to tell but in addition he had personal connections with the editors at three publishing houses, namely Lippincott<sup>23</sup>, Little Brown, and Simon & Schuster. On 7 May 1962 in a letter to Mr. George Stevens at Lippincott, he wrote<sup>24</sup>:

“I am grateful for your expression of interest in my project for a book on the occupation of Japan.”

Despite that expression of interest Lippincott did not publish the book.

Then in July 1963 Hussey sent his manuscript project to Little Brown. He received an answer only on 2 December and it was negative:

“Please forgive me for keeping your material so long without reporting. I’m not sure it will be a book for the general public.”

In parallel, Hussey had proposed a research project about the occupation of Japan to the Rockefeller Foundation, but on 30 December 1963, he wrote in a letter:

<sup>23</sup>To the editor at Lippincott, he wrote: “I’m an old friend of your sister Peggy and her husband.”

<sup>24</sup>The source for the following excerpts is Hussey Papers, reel 11.

“It is distressing but not fatal that Rockefeller turned me down.”

Then, Hussey contacted Simon & Schuster, but on 27 May 1964 he received the following negative answer from Joseph Barnes:

“It is a book I would like to read but it is not a book I would like to have to promote.”

Quite lucidly, Hussey responded on 2 June 1964:

“Your letter while disappointing did not come as any great surprise.”

Alfred Rodman Hussey died in November 1964.

Hussey is not the only example of a person who tried to publish his testimony but was unable to do so because what he had to say contradicted the version spread by the State Department.

### **Robinson and the US occupation of South Korea**

Richard D. Robinson is a similar case. After being a member of the Military Government in South Korea from 1946 to 1947, he wrote a book about his experience which is entitled “Betrayal of a Nation”. He was not able to find a publisher in 1947. He tried a second time in 1960 but once again to no avail. Later on, he became a professor at MIT and published several other books but “Betrayal of a Nation” was never published. Nevertheless, the manuscript can be found in a few libraries, e.g. at Harvard Yenching Library.

### **Rebattet and US funding of European “unification”**

Between 1945 and 1949, the expression “European Union” appears in 567 articles of the New York Times and the expression “United States of Europe” 182 times. The objective of US diplomacy was to create an European Union under US leadership on the model of NATO.

The fact that the US State Department sponsored non-governmental organisations working in favor of European integration has been documented in the works of Rebattet (1962) and Aldrich (1997). It has been estimated that between 1949 and 1960 (at least) \$4 million were distributed (Aldrich 1997, p. 211).

François-Xavier Rebattet was the father of George Rebattet, who played a key role in the “European Movement”, a lobbying organization funded by the US State Department. His Oxford thesis provided the first detailed description of US involvement in the promotion of European unification. However, for some reason, this thesis was closed to consultation from 1962 to 1971. The ban was lifted by the Oxford Faculty Board in 1971. Then, on 26 June 1975 the “Washington Post” devoted a long article to the thesis. Two months after the publication of this article the thesis was again closed to public consultation. Nowadays, it is still impossible to get photocopies of

the thesis. If one wants to read it one must travel to Oxford.

The WP article was written by the renowned journalist Bernard Nossiter. It provided the first information of the funding of pro-European movements by the State Department through the CIA, the Ford Foundation or other agencies.

### **Endogenous versus exogenous control**

The cases of Robinson and Rebattet illustrate fairly well the whole pattern. Except during the Cold War when some books (as for instance the novels written by Howard Fast) were removed from the shelves, there does not seem to be any official blacklist of books in the United States. Yet, by a kind of common agreement, the books which present evidence that can be an embarrassment for the Department of State will not be published. Or, if ever published, it will be by a small publisher and with a very limited distribution. The copies available in a few libraries will be ignored by scholars in the same way as Robinson's book was (and is still) discarded. Making access to the document more difficult without closing it altogether is a time honored technique.

In short, there are two systems. One is open censorship that citizens and particularly intellectuals will naturally resent. In the US system the censorship is implemented internally by academics, librarians and publishers. The first system may be labeled as rigid totalitarianism while the second may be called soft endogenous and veiled totalitarianism. With respect to the word "veiled", one should remember that when Japanese and German newspapers were subject to censorship in the wake of World War II, the main requirement was to prohibit the admission that there was any censorship. Once people become aware that there is censorship, they become suspicious with the result that the whole machinery becomes useless.

## Chapter 2

### Dollar versus renminbi

As indicated by its title, this chapter will focus on the currency issue. However, in the coming decades there will also be a growing US-China antagonism at the economic level. It will be briefly described in the following section.

#### Economic issues

##### 1949-1980

Contrary to what is often claimed both in the West and in China, the economic development of China did not start with Deng Xiaoping. It started in 1949. According to Chinese statistics the average annual growth rate of the real Gross Domestic Product (GDP) was 9.8% from 1952 to 1982 and 9.9% from 1983 to 2014<sup>25</sup>. There may have been some blunders such as the one which led to the famine of 1960-1961 but the achievements are impressive nevertheless. One should particularly mention the following.

1 In 1949 some 75% of the population could not read nor write. One generation later, that proportion was reduced to less than 10%.

2 The infant mortality rate (that is to say mortality in the interval between birth and the age of 1 year) fell from about 200 per 1,000 in 1949 to 50 per 1,000 in 1975 (Pison 2010). Not surprisingly, the fall was particularly fast during the Cultural Revolution<sup>26</sup>. Official Chinese statistics tell us that the crisis of 1960-1961 cost about 12 million excess deaths with respect to normal years. During the whole decade 1962-1972 the average number of annual births was 30 millions. Thus the fall in infant mortality translated annually into 4.5 million babies saved from death which means that the toll of the 1960-1961 crisis was evened up within 3 years. Somewhat surprisingly, the data show that, compared with other developing countries like Brazil or Tunisia, the pace of the reduction of infant mortality slowed down after 1990.

3 After the end of the civil war in 1949 the country's infrastructure was largely destroyed. In the following decades it was rebuilt.

4 China exploded its first atomic bomb in 1964 and its first hydrogen bomb in

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<sup>25</sup>Actually, the most conspicuous difference between the two periods is that in the first growth was much more irregular than in the second. The coefficients of variation of the annual growth rates were 194% and 27% respectively.

<sup>26</sup>This should not come as a surprise because one of the main reasons which led Chairman Mao to start the Cultural Revolution was that whereas medical care had progressed in the cities the countryside had been largely left behind.

1967, two years earlier than France. Then, China launched its first satellite in 1970.

During this period (at least until the visit of President Nixon in 1972) the United States initiated and led an economic embargo directed against China. Moreover, after a few initial years, the USSR slowed its economic cooperation with China. It ceased completely after China became a strategic partner of the United States in the 1970s.

### **1980-2010**

This period was marked by economic cooperation with American companies because the USA and China had complementary interests. China needed capital investments and technology transfers. US companies needed places where their products could be manufactured at a fraction of what it would cost in the US. The same observation applies of course also to European and Japanese companies. Within 30 years, China became the World's Factory.

### **2015-**

The third phase started after a huge increase in wages had made labor intensive production no longer profitable in China. For China, as for other countries in the same situation, there are only two alternatives: (i) the development of robotics. Encouraged through government subsidies, this evolution has already started. (ii) The second possible direction of development is to concentrate on high end products such as aircraft, pharmaceutical drugs and above all software. Europe has completely missed the train of software development. This is an industry in which it is very difficult to recover lost ground. How can one convince millions of users to move from Microsoft's Windows system to another operating system even though Windows is beset with many technical problems?

The only way to avoid complete "invasion" is to keep big monopolies like Google, Amazon or Windows outside of the country until indigenous products have been developed. After all, back in the 19th century, keeping high tariff barriers was also the strategy used by the United States to protect and encourage its own industrial development.

The development of Taobao (the analog of Amazon), of Baidu (the analog of Google) and of social networks like QQ shows that China will not go down the same road as Europe.

Needless to say, this brings China in direct conflict with big US software companies and with their main sponsor, the US government.

**The franchise system: Coca-Cola, Monsanto, and others**

In their worldwide expansion US companies such as Coca Cola, Monsanto, McDonald's, Century 21 and many others rely on a clever implementation of the franchise system. Just as an illustration, Monsanto sells only 2% of its Bt cotton seeds directly to Indian customers. The rest is produced under a licence system by Indian companies which then sell to retailers or farmers. Similarly, Coca Cola has agreements with bottlers who produce the product and sell it to local retailers. Since the early 1980s, Coca Cola has actively encouraged the consolidation of bottlers with the Company often owning a share of the largest of them.

What is the great advantage of this system?

As was demonstrated by the British Empire in India, colonial occupation and exploitation is much better accepted when local dignitaries find an advantage in it. That is why local maharajas were kept in power at least nominally in the part of the country which was not under direct British rule. That is also why the armed force of about 100,000 which supported the British rule<sup>27</sup> in the part of the country under direct administration was mostly composed of Indians with only the officers being British.

Thus, when Indian cotton farmers are tempted to protest against the failure of genetically modified cotton plants to kill resistant forms of bollworms, they will likely be dissuaded from doing so by the local partners of Monsanto and by the media which support them. In other words, control is internalized.

European or Chinese companies rather rely on the subsidiary system which is a form of direct administration whereas the franchise system is a form of indirect administration. As a means of soft power the latter seems much more effective than the former.

The next sections will be devoted to the currency issue.

## The currency issue

Currently (April 2015) the United States enjoys two major advantages.

- The fact that English is quickly becoming the universal bridge language<sup>28</sup> in the same way as Latin was the language used in Europe during the Middle Age by educated persons not sharing a native language.
- The fact that the dollar is by far the most used currency for trade, financial

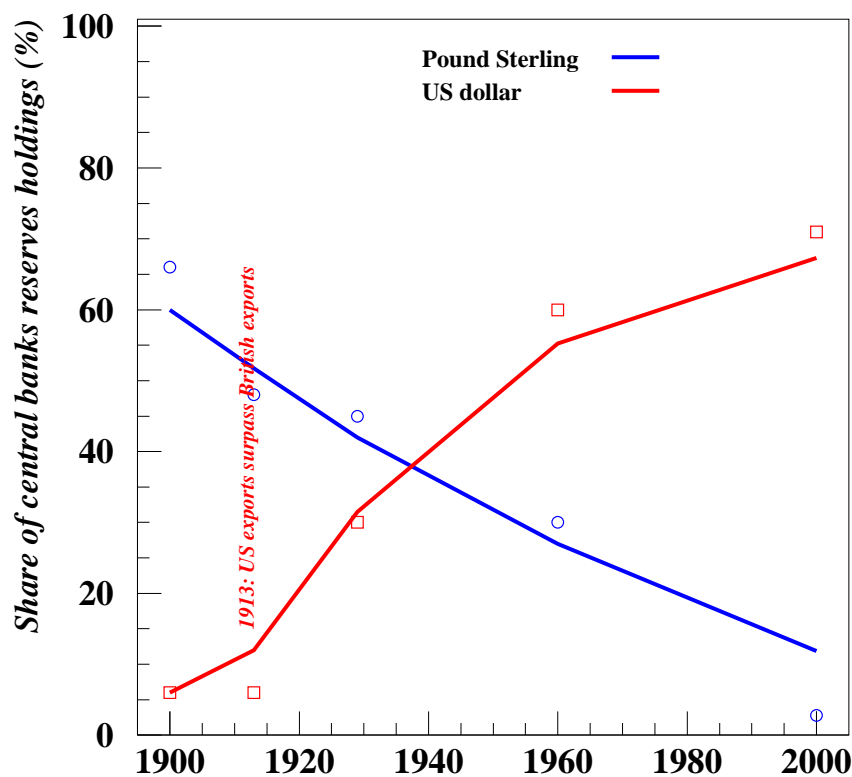
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<sup>27</sup>It is called the British *raj*, where the word *raj* means rule in Hindi.

<sup>28</sup>The expression "bridge language" suggests the idea that it helps two persons who do not share the same mother tongue to communicate with one another. Other expressions are also used which have the same meaning such as vehicular language or *lingua franca*. Historically, the *lingua franca* was a mixture of roman languages used in Mediterranean ports. A bridge language facilitates international contacts. Before the Second World War, French was the bridge language of diplomatic contacts. Thereafter, English became the bridge language not only of diplomacy but also of science, finance, management and trade.

transactions and as a reserve currency by central banks across the world. There is a broad consensus among economists that this situation has many benefits for the US economy. Needless to say, the US government will do everything possible to preserve this advantage.

In a lucid paper published in 2004, Prof. Avinash Persaud, the founder and Chairman of “Intelligence Capital”, concludes his discussion by saying: “The most likely candidate to replace the dollar is not the euro, it is China’s renminbi. The principal risks to this forecast are whether China can maintain a degree of political stability”. What makes this paper insightful is the fact that it relies on another case of replacement of one dominant currency by another, namely the replacement of the pound sterling by the dollar.



**Fig. 2.1** Share of central bank reserves of the pound sterling and dollar respectively. The US GDP surpassed the GDP of Great Britain in 1872 but this was not of great significance because in addition to its domestic part, the economy of Great Britain also incorporated the vast British Empire. That is why world trade is a better indicator. Needless to say, by increasing indebtedness toward the United States, the two world wars damaged the international standing of the pound. *Source: Chinn et al. (2008), Persaud (2004).*

## The US tradition of quantitative easing

The expression “quantitative easing” was used in the wake of the financial crisis

of 2008 to designate the massive increase of the currency supply by the Treasury of the United States, Japan, the UK and eventually also in the European Central Bank. Although implemented somewhat differently in each case, in their principle the operations consisted in what is commonly called “printing money”.

This was not the first time that the United States resorted to this means.

During the American Revolutionary War a paper currency was created which eventually led to an hyperinflation process through which its value was considerably reduced. It was one of the first experiments in paper currency. Incidentally, a similar experiment took place on a larger scale a few years later during the French Revolution when a paper currency, the so-called *assignats*), was created. During the first years it was issued in limited supply but when the necessities of the war required a larger supply the experiment also collapsed through a hyperinflation which reduced the value of the *assignat* to almost nothing.

- Quantitative easing was not easy to implement for currencies based on gold as was the case of the dollar in 1933. However, after 3 years of deflation something had to be done. This was the objective of Executive Order 6102 issued by President Roosevelt on 5 April 1933 (that is to say a few days after assuming power). It forbade and criminalized<sup>29</sup> the possession of gold by individuals or companies. The gold had to be delivered to the Treasury in exchange of certificates based on a price of \$20.67 per ounce.

The main rationale was to remove the constraint of 40% gold backing which prevented the Federal Reserve from increasing the money supply during the depression.

The operation had another important usefulness. As the price of gold for international transactions was raised to \$35 an ounce (which amounted to a devaluation of 75%) the resulting profit that the Treasury realized funded the “Exchange Stabilization Fund” established by the “Gold Reserve Act” of 1934.

In order for the dollar to keep its present privileged status it must remain the *only* global currency because the very existence of a credible alternative would allow a possible flight from the dollar. In the following sections we discuss the chances of the euro and renminbi to breach the monopoly of the dollar.

## Mild US opposition to the euro

The creation of the euro was not really welcomed by the United States. This was seen fairly clearly during the debt crisis of 2010-2013. For US media (e.g. the New

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<sup>29</sup>The penalty consisted in a fine of \$10,000 and possibly 5 to 10 years imprisonment. However, according to “A Monetary History of the United States, 1867-1960” by Milton Friedman and Anna Schwartz, only 22% of the 432 tons of gold in circulation in the US was turned over to the Treasury.



York Times) the question was not whether the eurozone would collapse but rather when this would occur. This can be illustrated by the titles of some of the articles that were published at that time.

- Europe's piecemeal failure (NYT 5 December 2010)
- My current best guess, wrote Gideon Rachman in the Financial Times, is that the single currency will indeed eventually break up and that the euro's executioner will be Germany. (NYT 7 December 2010)
- Let me say that in English: the European Union is cracking up. (Thomas Friedman in the NYT of 27 August 2011)
- This is the way the euro ends (NYT 9 November 2011)

Officially, however, the US government maintained the myth that it was not opposed to the euro. There were two good reasons for that. First, the European countries which belong to the eurozone are allies. Secondly, for the State Department it had been fairly clear from the beginning that the euro would never be a threat for the dollar because it was not backed by a strong government with a clear political will. As a matter of fact, many economists agreed with Milton Friedman about the fact that without such a backing the euro will not survive. The future will tell us whether they were right or not.

The Chinese renminbi is a different matter in the sense that it is the currency of a single and vast country. That is why from the very beginning of the internationalization of the RMB around 2000, it was immediately perceived as a threat by the US government.

## US opposition to the internationalization of the RMB

### What was the situation before 2010?

Around 2010 the role of the RMB in international trade was completely negligible. It was the dollar which was used even for Chinese imports and exports. Thus, in order to buy cars from Toyota in Japan a Chinese company had first to buy dollars from an American bank. After the transaction had been settled, Toyota would have to exchange its dollars against Japanese yen in order to be able to pay its personnel. Such a system allowed US banks to collect exchange fees but for Chinese and Japanese companies it was an expensive and very inefficient system. It was in the interest of both sides to set up a better system. This was done in 2012 when the two countries agreed on a plan for direct exchange of their currencies. This was one of the earliest agreements of this kind. There had been a similar agreement with Russia in November 2010 which marked the start of the internationalization of the RMB but the agreement with Japan covered a much larger volume of trade.

For a better understanding of the following sections it is useful to keep in mind the following orders of magnitude.

- Chinese exports in 2014: \$2.4 trillion which represent about 10% of total world exports. US exports in 2014: \$1.8 trillion.
- China's total Gross Domestic Product amounted to \$17 trillion in 2014; thus, Chinese exports represented 14% of the GDP. In the same year the GDP of the United States was also \$17 trillion; thus, US exports represented 11% of the GDP.
- In April 2015 the dollar-RMB exchange rate was \$1=6.2 RMB or 1 RMB=0.16\$.

## 2010-2015

Broadly speaking, between 2010 and 2015 there were three main steps for the internationalization of the RMB.

1 China signed bilateral currency swap deals with some 30 countries. Such deals are similar to the arrangement with Japan mentioned above except that a maximum amount is specified. These agreements represent a total amount of \$ 0.5 trillion. This may seem impressive but it represents only 20% of Chinese annual exports. It should be noted that these swap deals do not include the agreements with Russia and Japan which covered all trade flows without limitation in value.

- In November 2014 at the APEC Summit in Beijing, China proposed the project of an “Asian Infrastructure Investment Bank” (AIIB) to his partners. The AIIB is seen as a rival for the International Monetary Fund (IMF), the World Bank and the Asian Development Bank (ADB). The IMF and the World Bank were created in the wake of the Second World War and, as so many other international organizations set up in the late 1940s, are dominated by the United States. Created in 1966, the ADB is dominated together by Japan and the United States which are its two main donors<sup>30</sup>.

- In March 2015 it was announced that the “China International Payments System” was ready and would be introduced for transactions involving the RMB around the end of 2015. It will replace a patchwork of existing systems that make processing RMB payments a cumbersome process. Its introduction was planned for 2014 but had to be postponed for technical reasons. In the 6 months between March and September it will be tested by 13 Chinese banks and 7 foreign banks. It is commonly expected that it will boost RMB transactions.

What were the US reactions to these projects?

## US attitude about currency agreements with China

As for the US attitude toward the euro one cannot trust official statements. It has

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<sup>30</sup>According to the Wikipedia article about it the “Asian Development Bank” has been accused of pushing loan conditions that pressure governments to deregulate and privatize agriculture, leading to problems such as the rice supply shortage in Southeast Asia. The same can be said of the IMF and the World Bank.

been said that the US State Department put pressure on its allies (e.g. Australia, Japan, New Zealand, the Philippines, South Korea) not to take part in the AIIB. One would wish to know what kind of pressure was used but as such information is hardly available one needs another way to assess the real US attitude.

A fairly clear indicator is to see to what extent American banks and government organizations have taken part in the currency agreements or in the AIIB. It turns out that so far (April 2015) no US financial institution has taken part in these projects. This is all the more surprising because of the broad participation of other countries, including most US allies.

Let us have a closer look.

### **Internationalization of the renminbi**

On Wikipedia there are two interesting articles on this topic. One is entitled “Internationalization of the renminbi” and the other is about the AIIB. The first article gives a list of the 32 countries which have signed currency exchange agreements with China. Among them are almost all major allies of the United States, including Australia, Canada, the European Union (including the UK) Japan, New Zealand, Qatar, South Korea, the United Arab Emirates, Ukraine. In fact, it is more instructive to see what are the countries which are *not* in the list. Among the absents there are several important countries<sup>31</sup> particularly India, Iraq, Mexico, the Philippines and Saudi Arabia, .

The internationalization of the RMB is not limited to those bilateral currency agreements. There is also a need for RMB offshore clearing banks and clearing hubs. This function is mainly carried out by foreign subsidiaries of Chinese banks which have obtained permission from the monetary authorities of the respective countries. Thus, there are such clearing institutions in Australia, Canada, France, Germany, Singapore but none so far (April 2015) in the United States although there are ongoing negotiations for a clearing hub in San Francisco.

### **Founding members of the AIIB**

The list of the 57 countries which applied to be founding members of the AIIB is even more revealing. Despite its name the Asian Infrastructure Investment Bank is open to all countries. The first European country to join the AIIB was Luxembourg on 11 March 2015. The UK followed on March 12, Switzerland on March 13; France, Germany and Italy signed up together on March 16. On 26 March 2015 the “Financial Times” observed that “the decision by several US allies to sign up to an institution Washington had said was off-limits is one of the most powerful symbols

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<sup>31</sup>Iran is not on the list but it seems that due to international sanctions and to its substantial trade volume with China (\$ 52 billion in 2014) it has already stopped using dollars in its foreign exchanges.

to date of the eastward shift of global power”. At the same time, not surprisingly, human rights groups have complained that the UK has become too willing to placate China.

Among the participants are also: India, Iran, Israel, Jordan, the Philippines, Poland and Saudi Arabia.

There are only two industrialized countries which do not take part, namely Japan and the United States. Actually, it is fairly surprising that the US did not wish to participate for that would give it a greater influence than by staying outside.

## How the US benefits from the dominance of the dollar?

This is a much debated question. In the debate that led to the creation of the euro Milton Friedman stated that a currency that is not backed by a state will not be viable, in which he was perhaps right; more surprisingly, he also argued that the US did not draw any benefit from the fact that the dollar was the world currency.

### The petrodollar system

In 1973 President Nixon asked King Faisal of Saudi Arabia to accept only US dollars as payment for oil and to invest any excess profits in US Treasury bonds. In exchange, Nixon pledged to protect Saudi Arabian oil fields from the Soviet Union. By 1975 all of the members of OPEC agreed to sell their oil only in US dollars.

Until November 2000, no OPEC country had dared to violate the US dollar-pricing rule. It seems that between 2000 and 2003 within the framework of the oil-for-food program set up in Iraq by the United Nations some countries (including Russia, France, China, Switzerland and even the US) were able to “buy” Iraqi oil by paying it in the form of semi-official kickbacks. This was of course fairly marginal because at that time the Iraqi oil production was limited.

### The breach of the Iran-China trade

Chinese oil purchases of Iranian oil were probably one of the first cases of an OPEC country accepting another currency than the dollar.

The Iranian Oil Bourse was created on 20 March 2006 with the purpose of selling petroleum and gas in various currencies other than the US dollar, primarily the euro, Iranian rial and a basket of other non-US currencies. The geographical location was at the Persian Gulf island of Kish which is designated by Iran as a free trade zone. From 2006 to 2008 the Bourse was working in semi-official way. It is reported (see the Wikipedia article about the Iranian Oil Bourse) that in 2007-2008 China was buying oil in euros and that Japan’s Nippon Oil had agreed to buy Iranian oil using yen (dropped subsequently under US pressure). The Bourse was officially

inaugurated on 17 February 2008.

In April 2015 the Iranian Oil Bourse was still in operation but it appears difficult to know the volumes which are being handled. Actually, the reports that can be found on the Internet are very confusing. For instance, on 18 July 2011 a website called “oilprice.com” posted the following title: “Iran opens Oil Bourse<sup>32</sup>. Harbinger of trouble for New York and London?”. Clearly, given the fairly small volume, such a sensationalist title will appear excessive to any informed reader. The same article mentions that in 2010 Iran supplied about 12% of China’s total crude imports and that in early 2011 China imported about 2 million tons monthly. However, the article does not say in which currency the crude was paid.

On 8 May 2012 an article of the BBC was entitled: “China is buying oil from Iran with yuan”. It says that the statement was made by Mohammed Reza Fayyad, Iran’s ambassador to the United Arab Emirates and it adds that China is buying some \$ 25 billion of oil from Iran annually.

In the coming years the question of the petrodollars will probably remain a point of contention between China and the United States.

### **The dollar as a means of political leverage**

It is often said that the main privilege of the dollar is the fact that the US Treasury can print money at will. Regarding this ability to print money it is important to make a clear distinction between domestic money supply on the one hand and international money supply on the other hand. While the first one is (at least in principle) shared by all currencies, the second one is specific to the dollar.

### **The “exorbitant privilege” of the dollar**

The term “exorbitant privilege” refers to the benefit the United States enjoys due to its own currency being the international reserve currency. The expression was used in the 1960s, particularly in France. In more recent time it was used in the title of a book by Prof. Barry Eichengreen (2011).

It is indeed an exorbitant privilege. Probably for the first time in history a country has the power to print unlimited amounts of a currency that is accepted worldwide. There are far-reaching implications among which one can mention the following.

- For the United States the notion of deficit of the federal budget or of the balance of payments has no longer any real meaning. Even the very notion of debt has lost its meaning because any debt can be repaid by printing the required amount of dollars.
- For big US corporations the bankruptcy risk has vanished. This was shown clearly during the crisis of 2008-2009. AIG, Freddy Mac and many other compa-

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<sup>32</sup>The article does not ignore that the Bourse in fact opened in 2008 but it says that so far it had sold petroleum products rather than crude oil

nies which were too big to fail were bailed out by the federal government. In fact, US companies are propped up by the federal government even in normal times (see below).

- Because the US government can afford to run huge budget deficits, it can allow US companies to pay low income taxes. For instance, Between 2003 and 2014, that is to say over the whole development period of the 787 Dreamliner, the tax rate paid by Boeing was *minus* 3% meaning that on average Boeing got a net federal tax refund (more details can be found in Gates 2015).

- Because, US companies are awash with liquidity, they can afford to buy almost any foreign company that they wish.

At first sight this view may seem excessive. It is true that in order to keep up appearances, the US government is selling Treasury bonds, bills and notes instead of just printing the dollars that are needed to offset the deficit. Because trust is crucial, this kind of window dressing is important. However the bottom line is that at the end of the day all those Treasuries can (and will) be repaid with printed dollars.

However, even for domestic money supply there is a difference between the dollar and other currencies in the sense that its status allows more massive operations. The next subsection discusses this point.

### **Post-Nixon era versus pre-Nixon era**

President Nixon's decision to end the convertibility of the dollar to gold was a watershed. Before 15 August 1971<sup>33</sup>, it was possible for central banks of foreign countries to exchange their dollars for gold at a fixed rate of \$ 35 an ounce. This was not only possible in principle, in the 1960s it was really done by the central banks of several countries, particularly France, Germany and Switzerland. As a result, the US gold reserve dwindled and at the same time there was a trend for the price of gold to climb over the \$ 35/ounce limit. That meant a de facto devaluation of the dollar.

The articles published on this issue in the New York Times reveal a great anxiety. Worried by the gold purchases made by France and Germany, the US government asked all western countries for their help. Several international conference were convened to find a new arrangement. The creation of the special drawing rights by the International Monetary Fund was decided but this was not sufficient to solve the problem. Eventually, the problem was solved by the unilateral decision of August 1971. Whereas previously the issuance of dollars had been limited by the gold reserve of the United States, after the end of convertibility there was no longer any limit for the creation of new dollars.

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<sup>33</sup>In May 1971, Germany had left the Bretton-Wood system and in the following months the transfers of gold from the US to the central banks of France, Germany and Switzerland accelerated which shows that there was a real confidence crisis.

### The dollar in disarray in the 1960s

**Jan 8, 1965** France announced the first two steps in implementing President de Gaulle's decision to cut back her dollar reserves in favor of gold.

**Jan 10, 1965** The magic word "gold" flashed into the world's headlines this week and the result, as is so often the case, was a wave of financial jitters.

**Feb 8, 1965** President de Gaulle's call for a return to the gold standard has split the European Economic Community into two camps.

**Mar 6, 1965** Four nations deepen drain on US gold. Belgium, the Netherlands, Spain and Switzerland joined France as major takers of United States gold in the final quarter of 1964.

**Mar 19, 1965** Bonn outdid Paris in switching to gold from dollars in 1964.

**Mar 20, 1965** The United States should refuse to sell France any more gold until she pays her World War I debts to this nation.

**May 20, 1965** Continuing her program of monthly conversion, France has converted \$60 million of her dollar holdings into gold this month. At a price of \$35 per ounce, the \$60 million represent about 50 tons of gold.

**Jul 3, 1965** British gold loss widened in June. As the pound is under pressure, Britain drew on US credit during June to bolster lagging reserves.

**Dec 11, 1967** At the Basel conference the US may request new aid to maintain the price of gold at \$35 an ounce.

**Mar 7, 1968** The United States sought, with mixed results, to get the industrialized nations of Europe to do more to help it reduce its balance-of-payments deficit. Italy offered most help and France least.  
(continued below)

### Would it have been possible to keep the Bretton Woods system?

Apart from Nixon's drastic decision what other solution could have been considered? The world's global money supply had to increase in line with the development of production and trade. How could that have been achieved? With a combination of the following measures it would have been possible to continue the Bretton Woods system.

- By increasing the price of gold, more dollars would be made available without changing the world's gold reserves. For instance, with the price of gold set at \$ 70/ounce, the dollar supply would be doubled.
- Giving to other currencies a greater role in world trade would limit the pace at which the dollar supply has to increase.
- At which rate did the available amount of gold increase?

In the 40 years between 1971 and 2011 the average annual production of gold was

(continuation)

**Mar 10 and 15, 1968** The dollar under siege. A worrisome “gold rush” developed in Europe last week, as private speculators and hoarders bought about \$200-million worth of gold. Corporations have joined the speculators in a massive demand that reflects their fear and distrust.

**Mar 15, 1968** The Senate narrowly voted this evening to remove the gold backing for the dollar, thus freeing \$10 billion in gold reserves to help meet the international demand.  
[This vote anticipated Nixon’s decision by 3 and a half years.]

**Mar 24, 1968** It was revealed that on 20 November 1967 France had withdrawn from active participation in the London gold pool [whose role was to maintain the price of gold at \$35 an ounce].

**Jan 17, 2013** The Bundesbank will repatriate some overseas gold reserves. After World War II, vanquished Germany had no gold reserves. The Nazis had used most of it to finance the war, and much of what was left vanished mysteriously in the postwar chaos. German reserves peaked in 1968 at about 4,000 tons. Today, the German gold reserve totals 3,740 tons of which 50% (1,870 tons) are stored in New York, 13% (486 tons) in London and 11% (411 tons) in Paris. The German plan is to repatriate the gold stored at the Banque de France in Paris and 300 tons of the gold held in a vault at the Federal Reserve Bank of New York.

**Box. 2.1: Some titles of articles published in the New York Times in 1965-1966 when the dollar was under pressure.** The dollar and the pound were the two reserve currency recognized in the Bretton Woods agreement. In the late 1960s the pound was even more under pressure than the dollar. It is remarkable (and somewhat illogical) that today although the dollar is so to say based on thin air there is much more confidence in it than when it was based on gold. The “too big to fail” rule is probably an explanation of this paradox.  
*Source: Adapted from the New York Times article index.*

about 2,000 tons. Thus, in the 40 years some 80,000 tons were mined. Of that amount, some 15% were used in industrial production, 55% in jewelry and the rest, i.e. 30% or 26,000 ton, could be used in the financial sphere, e.g. for investment, or central banks reserves.

In 1971 the total amount of gold available in central bank reserves was about \$30 billion, of which one half was in the US and the other half in foreign central banks. At the official price of \$ 35/ounce this represented an amount of about 1 billion ounces. As one ounce is equivalent to 28g, one gets a total of 28,000 tons of gold. In short, in the 40-year period considered, gold production would have doubled the amount of gold available for central bank reserves.

Then, the actual amount of dollars (including other currencies pegged to gold) that could have been issued depends on the multiplier that is considered safe. This multiplier takes account of the fact that not all central banks may wish to exchange their dollars for gold at the same time. As a matter of fact, in normal times that is to say unless financial markets enter a state of panic, requests for gold in exchange of dollars would remain fairly limited.



We discussed that point somewhat in detail just to show that a system based on gold (and may be also on silver) is not altogether absurd. After all, such a system has been used during the whole 19th century and it allowed economic growth without inflation. However, one must recognize that in present time (2015) returning to a system based on gold and silver seems fairly unlikely.

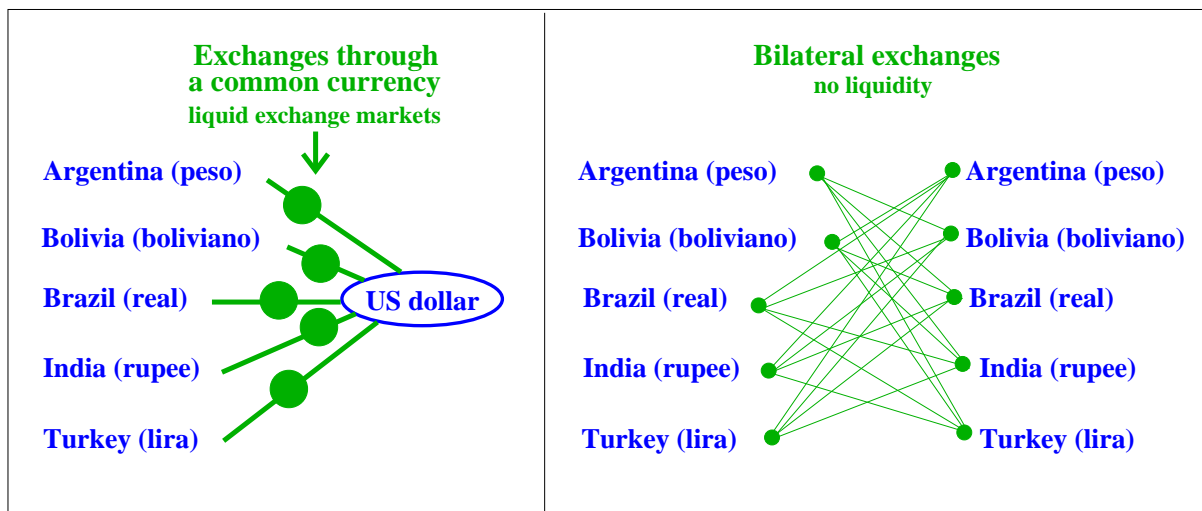
This leads us to discuss how the renminbi can possibly become an alternative to the dollar.

### Is the system locked?

Is a multi-currency system a realistic alternative?

Two reasons seem to suggest that it is not.

- The first reason is historical. Although it is true that the system based on the pound sterling left somewhat more room to other currencies (e.g. the German mark or the French franc) than the present system based on the dollar, it is also true that the domination of sterling was replaced by the domination of the dollar within a one or two decades. This suggests that financial markets do not like diarchy systems.
- There is indeed a good reason for that which is explained in the figure.



**Fig. 2.2 Advantages of a common trade currency.** The figure considers only 5 currencies. In the real world there would be at least 20 major currencies. Whereas with  $n = 5$  currencies there are only  $n(n - 1)/2 = 10$  exchange markets, with 20 currencies 190 exchange markets would be needed. The clear result is that most of these markets would be very illiquid. In other words, to ensure liquidity there should be only one or possibly two trade currencies.

For the purpose of illustration let us assume that Turkey wants to buy 10 Brazilian Embraer airliners. There are two ways to do it.

- One way is for Turkey to change liras into Brazilian reals; then, with these reals Embraer will be able to pay its employees.
- In the other method Turkey will change liras into US dollars, pay Embraer in dollars, then Embraer will change the dollars into reals with which it will be able to

pay its employees.

The second method seems more complicated and more expensive because it involves two exchange operations which means paying fees twice instead of once. Yet, in the real world, it is the second method that is commonly used. Why?

The main reason is probably that the second method ensures more liquidity. In exchange rate markets liquidity means that even big sales (or purchases) can be carried out without much delay. The 10 airliners may cost \$100 millions. On a fairly narrow lira-real exchange market such a big order will not be executed quickly just because no operator will be ready to buy such a big amount of Turkish liras.

Therefore, one should not be surprised by the fact that in 2008 more than 80% of exports from Indonesia, Thailand and Pakistan were invoiced in dollars although less than a quarter of their exports went to the US. For countries heavily reliant on commodity exports such as oil, the figures are even higher. In 2008 almost 100% of Algeria's exports were invoiced in dollars, even though only 27% went to the US. Similarly, although almost none of Brazil's sugar exports go to the US, its sugar trade takes place in dollars (or pounds) because that is how global commodities markets quote prices. (Wall Street Journal 29 February 2008)

A parallel with languages may be enlightening. If 10 persons from different countries wish to communicate, each of them will have to learn the language of the 9 others. Needless to say, this will require much effort and time. A much simpler way is for all of them to learn a common language, e.g. Esperanto, English or French. Similarly, setting up 190 exchange centers would require a considerable amount of effort and once set up most of them would not work properly because of a lack of liquidity.

### **Possible solutions to the liquidity problem**

Is it possible to remedy this problem? To some extent liquidity can be improved through a bilateral agreement between the two countries. By giving some guarantees to traders, the agreement will make them less reluctant to get involved in big operations. This is why China has made such bilateral agreements with many other countries. Such agreements will make things easier especially for recurrent transactions e.g. in agricultural products or basic commodities such as iron or coal.

However, such agreements are only makeshift solutions. For the renminbi the real question is whether it will be able to replace the dollar as a *common trade currency* which means that the sale of the Embraer aircraft will be carried out in renminbi instead of dollars.

In short, although at any time some transactions may be carried out in renminbi rather than in dollar, this does not mean that there is a "diarchy". Thus, in the 1980s on some specific markets, e.g. sugar, it was still the pound that was used instead of

the dollar, probably because in the past a large proportion of the world sugar was produced in British colonies. However, rather than a diarchy, it was a monarchy in which the dollar-king had a number of vassals such as the pound or the euro. Like dukes or counts, these currencies ruled their own domains under the authority of the king.

Similarly, it seems clear that in the coming years the markets of a number of commodities and products of which China is a main consumer or producer will adopt the renminbi. This, however, will be of little significance. As already observed, what really matters is whether oil producers (or at least some of them) will accept to be paid directly in renminbi instead of dollars.

Another important facet of the question will be the development of a bond market based on the renminbi. All this will take time. In short, one would expect the dollar to keep its dominant position for at least one or two decades.

### The situation in 2015

The share of the renminbi in various markets is summarized in the table below.

**Table 2.1 Share of the renminbi in financial markets (2014)**

Market	All transactions	Trade finance	Trade settlement	Cross-border trade settlement
RMB share	2%	10%	25%	23%

Notes: The mathematical symbol  $\supset$  means “larger than”. Between 2010 and 2015 the shares of the renminbi have increased quickly, being multiplied by 2 or 3. This mainly reflects the fact that previously the role of the renminbi was not commensurate with the share of China in world trade, i.e. about 12% in 2014. It does *not* mean that the renminbi is about to replace the dollar as the dominant currency. However, the fact that the renminbi’s share in trade finance is twice the share of China in world trade suggests that there is already a “spreading effect”. In this respect one should observe that in most of the data published by the “Financial Times” or by Blomberg it is unclear whether Hong Kong is included or not.

What are the differences between the 4 kinds of transactions considered in the table?

In terms of volume, the largest part of the transactions consists in “paper transactions” which do not lead to any real delivery. Contracts giving the right to buy a given commodity (or currency) at a future date are purchased but sold before the actual delivery date. Because such transactions are much easier and faster to handle, their volume is an order of magnitude larger than the volume of “physical transactions” which lead to real delivery

Incidentally, the difference between “trade finance” and “trade settlement” resides in the fact that the former includes also the financial operations, e.g. insurance contracts concerning the delivery, which go together with commercial transactions.

## Money supply for domestic purposes

Between 2009 and October 2014 successive US programs of so-called quantitative easing represented a total amount of \$3.5 trillion (Blomberg 24 February 2015). As a matter of comparison, during fiscal year 2014 the expenditures of the budget of the federal government amounted to \$3.5 trillion (which represents 21% of the GDP). Another useful comparison is with the program of quantitative easing amounting \$1.3 trillion that was started in 2015 by the European Central Bank. In 2014, the global GDP of the euro area was \$13 trillion. So, for an economy almost of the same size as the US economy, the amount of the program is about 3 times smaller.

In quantitative easing the central bank buys securities (mostly bonds) from commercial banks and other private institutions. As the money which permits these purchases is generated by the central bank, it is a way of printing money<sup>34</sup> or in other words, to increase the money supply. What is exceptional in the quantitative easing program is not its purpose but its magnitude. As a matter of fact, it is the role of any central bank to increase the money supply in line with the economic growth.

### Bottle analogy

An analogy can help at this point. The economy can be seen as a bottle which expands along with economic growth. Water is injected into the bottle through a faucet which is controlled by the central bank. The level of the water in the bottle represents the price level. The so-called quantitative theory of money says that if the supply of water is faster than economic growth the price level will increase.

Obviously, such a statement is too simplistic for, as massive as it was, US quantitative easing did not lead to any substantial price increase. In the previous analogy there should be not one but several bottles. Bottle 1 would be the money supply of banks and other financial institutions (e.g. insurance companies), bottle 2 would be the money supply at the level of non-financial companies, bottle 3 would be the money supply in the hands of consumers. The three bottles are interconnected through tubes of fairly small section which means that the water level in bottle 3 will react to the level in bottle 1 with a time-lag.

In quantitative easing the water is injected in bottle 1 from where it will slowly flow into bottle 2 (for instance because non-financial public companies will benefit from the increase of stock prices brought about by the purchases of financial institutions). Eventually, it will also affect the level in bottle 3 but we do not know the length of the time-lag.

When the central bank's money supply goes directly to the government (for instance

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<sup>34</sup>Although this expression is not often used in this context, we think it is more appropriate because it clearly indicates the basic mechanism.

to cover a budget deficit) it will be spent in the form of infrastructure work or defense contracts. Thus, it will move to bottle 2 and 3 faster than in the quantitative easing procedure.

### **Lavish money supply pumped into US companies**

How does the status of the dollar enter this picture?

In principle, any sovereign country can manage (and manipulate) its currency as it wishes. In the real world there are many constraints however. Most countries are subject to the judgments of their creditors and currencies are subject to the judgment of foreign exchange markets. As a result, low status currencies can hardly benefit from the economic stimulus that easy money supply could provide.

On the contrary, US companies benefit from a lavish supply of capital. Let us give a few examples.

- The Federal National Mortgage Association is commonly known as Fannie Mae. It is a “Government Sponsored Enterprise” in the sense that it was created by the Federal Government and can be expected to be bailed out if needed. This is indeed what happened in 2008. However, Fannie Mae was also a public companies which for several decades had paid hefty dividends to its stockholders. In addition, the fast increase of the stock price had permitted considerable capital gains.

Whereas the Irish or Greek government are expected to repay the debt of their banks, Fannie Mae will probably never repay its huge debt.

- Between 2001 and April 2015 the global capitalization of the New York Stock Exchange stock market has increased from 14 trillion to about 17 trillion. It turns out that this increase is of the same magnitude as the total amount generated by the successive quantitative easing programs. An increase in stock prices benefits companies in many ways. They can offer generous stock options to their managers. Their inflated capitalization makes it easier to get loans or to issue bonds. It makes acquisitions of foreign companies easier.

In addition, foreign speculators will be pleased to invest in the shares of a rising stockmarket. That capital inflow will push the whole economy upward.

- Some analysts were surprised that quantitative easing did not produce inflation. Yet, in fact it *did* produce inflation but it was an inflation process that was (so far) limited to the financial bubble. When the price of a kilogram of meat doubles, everybody will recognize that this is inflation. On the contrary, when the price of a stock doubles, most people think that this is due to the fact that the company is well managed and is really worth twice as much as previously. Although this may indeed be true for some companies, it can hardly be true for all of them at the same time.

In short, in the first case we have visible inflation while in the second there is hidden inflation.

For that reason, it would be less easy to cover the deficit of the Social Security system by using quantitative easing for in this case the printed money would have to go directly to bottle 3 which may lead to *visible* inflation.

However, this is by no means a privilege which is special to the dollar. Indeed, all sovereign countries, whether small or large have the ability to print money. The real question is rather at which point of the economic network the central bank should inject the money that it is creating. Traditionally, it was through the banks that the money was channeled into the economy<sup>35</sup>.

## Objectives

Coming back to the United States, if one is willing to accept a crude and simplistic version it can be presented as follows.

The Treasury issues bonds (long term) and bills (short term) which are auctioned to institutional investors. The bond owners will receive periodic interest payments (the so-called coupons). Moreover, they can sell them on the so-called secondary market. At the end of bond's lifetime, their last owners will be able to cash in the face value of the bond. From our present perspective, the main question is: what is the origin of the money through which the bondholders are paid? The simplest answer is that these payments are made with new dollars printed by the Treasury.

At first sight, this version seems too simple to be correct. Indeed a number of objections can be raised.

1 If bonds could be repaid just by printing money no government would ever be driven into bankruptcy.

2 During World War II the US government devoted great efforts to selling war bonds to the public. This would make no sense if the corresponding amounts could merely be printed by the Treasury.

3 It is well known that in the budget of all governments a fraction of the expenditures is devoted to the payment of the interest of the loans. This suggests that the money which serves to pay bondholders comes from taxes collected by the government.

The first question suggests that one should make a distinction between domestic debt and foreign debt. No government has ever been driven into bankruptcy by its domestic debt. Indeed there are numerous historical cases in which the domestic debt is suppressed either through an inflation process (one of the most spectacular cases was the hyper-inflation of 1923 in Germany) or just by a decision of the

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<sup>35</sup>In the so-called programs of quantitative easing which were implemented in recent years in various countries (US, UK, Japan, EU) the same procedure was followed in the sense that the additional money supply served to buy bonds issued by the banks. What makes these questions difficult to understand to a large extent is due to the fact that their descriptions are buried in a lot of technical details most of which are certainly useless. How much confusing such a presentation can be is well illustrated by the Wikipedia article entitled "Quantitative easing".

In order to answer the second question one must mention the quantitative theory of money. Basically, it says that the general price level is determined by the money supply. Although this seems to make sense one must recognize that there are few convincing empirical verifications. One case which is often mentioned is the fact that in the second half of the 16th century there was a general increase of price levels which is attributed to the delivery into Europe of gold from Spanish colonies in South America. However, to make that proof really convincing one should be able to show that Spanish gold indeed reached neighboring countries. Otherwise, it would be just a price increase by contagion which is a different mechanism.

Nevertheless let us assume that there is indeed a relationship between money supply and price level. Then the sale of war bonds to the public makes sense. Why?

During a war a large part of the industrial production consists in war equipment. If the demand for consumption goods remains at the same level, the demand will surpass the supply which will start an inflationary process. This is not just theoretical. It happened in all countries occupied by American troops during and after World War II. It was due to the fact that the pay received by US servicemen was much higher than the average salary in the respective countries. In addition because of war destructions the productive capacity of the countries were limited. In short, the main purpose of the sale of war bonds was *not* to provide the government with the dollars that it needed. They could have been printed by the Treasury. The real purpose was to check inflation.

Can this fairly unconventional explanation also account for the fact that after the war the government kept its domestic debt on its books and remitted it only little by little? If, right after the end of the war, it had printed money in order to repay the bond holders the situation would have been similar to the one in Germany after World War I that was already mentioned above.

## The different facets of economic and financial exchanges

It is useful to make a clear distinction between “paper transactions”, “exchanges of goods” and “transactions between central banks. Currently (April 2015) the dollar is the dominant currency for all types of transactions.

### Metrics for measuring the role of a currency in the world economy

There are several ways for assessing the role played by a currency C in the world economy.

- 1 The first is the share of C in official central bank reserves. A useful distinction can be made between industrial countries and emerging countries which comes from the fact that the situation in industrial countries is almost frozen in the sense that the

shares of the dollar and euro have remained basically unchanged since 2000 whereas the picture is changing fairly rapidly in emerging countries.

In the later case, between 2002 and 2006 the share of the euro increased from 20% to about 30%. As a consequence of the European debt crisis the share of the euro fell back to 25% between 2010 and the last quarter of 2012. However this fall did not translate into a same-size increase of the dollars share (the increase was only 2%).

2 Share of C in financial and economic transactions. One should keep in mind that financial transactions (i.e. transaction in futures markets, currency markets, share markets, and transactions in other financial products) dwarf economic transactions (commodity spot markets, international trade) by a wide margin. Whereas in financial transactions the dollars share is overwhelming, in economic transactions (also called trade finance) the situation is evolving rapidly. The share of the Chinese renminbi increased from 1.9% in January 2012 to 8.6% in October 2013. In the same time interval the share of the euro decreased from 7.9% to 6.6% and the share of the dollar fell from 85% to 81%. If the previous trend continues, the share of the renminbi in trade finance should be around 15% at the end of 2015.

## Necessity of a dominant currency

We prefer to use the term “dominant currency” rather than the term “reserve currency” because a dominant currency has three functions among which the function of serving as a reserve currency is probably not the most important.



## Chapter 3

# The Pacific as an American lake

### Information war

International tension about Pacific or South China Sea islands did not start in 2012 with the nationalization of the Senkaku islands (called Diaoyu Islands in China). In this respect one can recall the Battle of Kinmen island in October 1949 between PLA and KMT forces which resulted in a defeat for the PLA and the Battle of the Yijiangshan Islands in 1954 which resulted in the occupation by Beijing of islands previously occupied by Taiwan KMT forces.

In the Preface we introduced the notion of information war. The present issue provides another illustration. In this case the two competing views can be stylized as follows.

- The view upheld by the US State Department is that Chinese assertiveness in the South China Sea is a threat for all its neighbors.
- The view that Beijing tries to promote is that existing conflicts should be solved by the countries which are directly involved without any interference of the United States.

Who will win this information war? Previous cases should be a good guide and they leave little doubt that once again it is the view promoted by the State Department which will prevail at least among US allies. However, due to obvious nationalist feelings it will certainly not prevail in China itself and probably not in Taiwan or Hong Kong.

As an illustration of the kind of one-sided information provided by western media it can be mentioned that they have given great attention to the fact that China uses land reclamation to increase the area of its islands in the South China Sea.

On the contrary, little attention was devoted to the fact that the Spratly island which has the most military equipment is Taiping Island which belongs to Taiwan. Similarly, little attention was given to the THAAD (Terminal High Altitude Area Defense) system that the US is creating in South Korea or to the new harbor that is being developed for the US and South Korea in the island of Jeju.

Regarding factual accuracy of the two competing views described above, the key

question is whether or not there is really an interference of the United States?

According to declarations of US political leaders it is a fact that the United States considers the South China Sea as an integral part of its security perimeter. This was expressed in a very clear way in a declaration made on 21 March 2015 by the Secretary of Defense Ash Carter, the Secretary of State John Kerry and several members of the “Senate Armed Services Committee”. (Taipei Times 21 March 2015). They said that China’s land reclamation policy in the South China Sea put “the long-standing interests of the United States at considerable risk” and that the United States should take specific actions “to slow down or stop China’s reclamation activities”.

## How did the Pacific Ocean become an American lake?

The maps of US possessions in the Pacific show the long-standing interest that the United States has had for the Pacific Ocean. There were three main steps.

1 **Colonization of Hawaii (1820-)** The archipelago of Hawaii was officially annexed by the United States only in 1898 but the colonization started much earlier. After 1820 American Protestant missionaries converted many Hawaiians to Christianity. Kamehameha III who reigned from 1825 to 1854 was the first Christian king. In 1836 the chiefs applied to the United States for a legal adviser and instructor in the science of government. This was a request difficult to grant speedily. William Richards was selected from among the American missionaries. Mr. Richards had a key role in the preparation of the constitution of 1840 under which Hawaii became a Christian constitutional monarchy<sup>36</sup>.

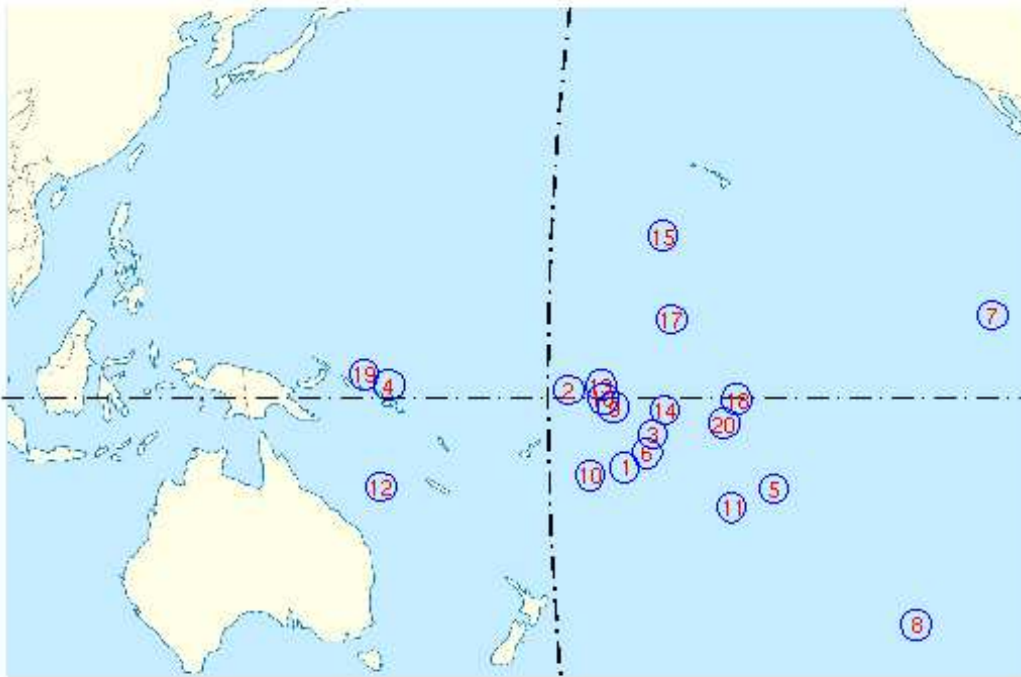
From 1848 on, foreigners were allowed to own land in Hawaii. This had the same effect as elsewhere, namely that the land became concentrated into the hands of a small number of wealthy persons. The fact that the constitution of 1840 had guaranteed protection “to all the people together with their lands” did not change the final outcome.

2 **Extraction of guano (1840-)** Under the “Guano Islands Act” of 1856 the United States occupied many uninhabited islands for the purpose of extracting guano, a source of saltpeter (i.e. sodium nitrate) useful in agriculture and for the production of gunpowder. In fact, the extraction of guano had started in the 1840s and according to the Wikipedia article entitled “Guano Islands Act”, more than 100 islands have been claimed for the US under this Act. However, only about 40 are listed explicitly and have been included in the maps.

Several islands, mostly in the Caribbean, have been or are still claimed by more than one country. The disputed Pacific islands are marked in red with a star (\*) at the

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<sup>36</sup>This was probably the first instance of American people “advising” foreign leaders in the writing of their constitution. Many other cases would follow.



**Fig. 3.1a US possessions in the Pacific. First set consisting of 20 islands.** 1: Atafu, 2: Baker, 3: Birnie, 4: Butaritari, 5: Caroline, 6: Carondelet, 7: Clipperton \*, 8: Ducie \*, 9: Enderbury, 10: Fakaofu, 11: Flint, 12: Funafuti, 13: Howland, 14: Jarvis, 15: Johnston, 16: Kanton, 17: Kingman, 18: Kiritimati, 19: Makin, 20: Malden. Note that the locations of the islands have been changed slightly to improve readability. These islands were occupied by the United States between the Guano Islands Act of 1856 and 2014. Although many were occupied only temporarily most of them are still unincorporated US territories. The two broken lines show the equator and the division line between east (left) and west (right) longitudes. Disputed islands are marked with a star. *Source: Wikipedia article entitled "List of Guano Island claims".*

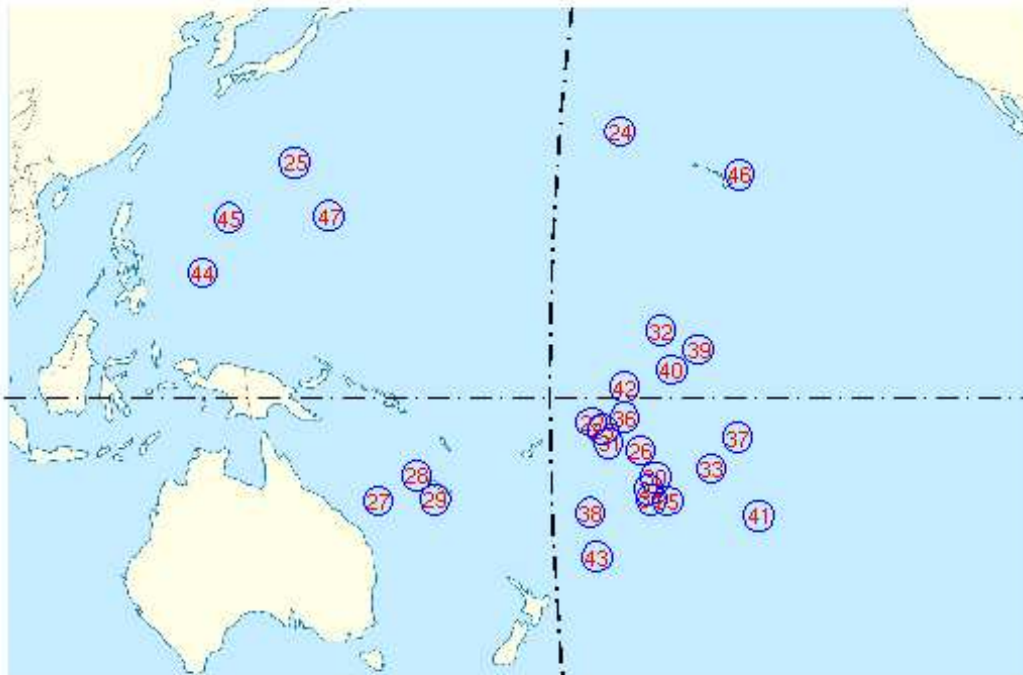
end. In the Atlantic, the main disputed islands are:

- Bajo Nuevo Bank, disputed by Columbia, Jamaica, Nicaragua and the US.
- Serranilla Bank, disputed by Columbia, Jamaica, Nicaragua and the US.

3 **Annexation of the Philippines and Guam (1898)** In 1898 through the 3-month long Spanish American War, the United States came into possession of Guam, the Philippines and Cuba.

4 **The Pacific War (1941-1945)** In the wake of the Pacific War, the Pacific Ocean truly became an American lake.

Yet, in the course of history American ascendancy in the Pacific has been challenged on several occasions. Each time, the dispute was settled through a war. This is the topic of the next section.



**Fig. 3.1b US possessions in the Pacific (continued). Second set consisting of 27 islands.** 21: Manihiki, 22: Manra, 23: McKean, **24: Midway**, **25: Minami \***, 26: Nikumaroro, 27: Niulakita, 28: Nukufetau, 29: Nukulaelae, 30: Nukunonu, 31: Orana, 32: Palmyra, 33: Penrhyn, 34: Pukapuka, 35: Rakahanga, 36: Rawaki, 37: Starbuck, 38: Swains, 39: Tabuaeran, 40: Teraina, 41: Vostock, 42: Winslow, **43: American Samoa**, **44: Guam**, **45: North Mariana**, **46: Hawaii**, **47: Wake**. Disputed islands are marked with a star. *Sources: Wikipedia articles entitled “List of Guano Island claims” and “Unincorporated territories of the United States”.*

## Challenges to US hegemony in the Pacific

If, as stated by President Eisenhower in the citation at the beginning of this study, the Pacific Ocean is to remain an American lake, it means that eastern Asia should belong the US zone of influence. In the past one and a half century, American ascendancy in north-east and south-east Asia was challenged four times.

### 1900s: Russia.

Around 1900 Russian expansion into Manchuria and Korea threatened British and American hegemony. As will be shown below, the US government responded by pushing Japan to confront Russia. This led to the Russian-Japanese War of 1905.

### 1940s: Japan

The colonization by Japan of Korea and Manchuria was well accepted by the United

**Table 3.1 Challenges to US hegemony in the Pacific**

	Country which threw down the gauntlet	Time interval of the challenge	Buffer country	War	Duration of the war	Direct US action
1	Russia	1890 – 1905	Japan	Russo-Japanese War	1904 – 1905	No
2	Japan	1937 – 1941		Pacific War	1941 – 1945	Yes
3	NV+China	1945 – 1950	France	Indochina War	1950 – 1954	No
4	NV+China+USSR	1950 – 1976	South Vietnam	Vietnam War	1962 – 1975	Yes
5	China	2010 – 20??	Japan, Vietnam	?????	???? – ????	?

Notes: NV means North Vietnam. The term “buffer country” designates US allies who waged wars against their common opponent on behalf of the United States. Thus, France acted as a buffer country in the Indochina War (also called First Vietnam War) which was funded by the US, and South Vietnam played the role of a buffer puppet country in the Second Vietnam War.

Needless to say, every time the US took directly part in the war it had several allies: Australia, Britain, China, New Zealand, the Netherlands in the war against Japan; Australia, South Korea, Thailand in the Vietnam War. The Indochina and Vietnam wars were a challenge to US hegemony not by themselves but because of the “domino theory” which speculated that if one state in a region came under the influence of Communism, then the surrounding countries would follow through a domino effect. This theory was used as a justification for US intervention. The theory proved to be false in the sense that the US defeat in Vietnam was *not* followed by the fall of any other domino. Yet, successive US administrations must have found this argument convincing enough to get deeply involved in this conflict.

We left an interrogation mark in the last column of the last line, but there can be little doubt that if there is indeed a war, there will be a direct US intervention for there is no buffer country that can “do the job” alone.

States especially in so far as it provided a check to Soviet expansion. Japanese leaders had a clear understanding of this point which is why they presented their initial penetration into North China as a way to support Chiang Kai-shek’s war against Communism. As the Kuomintang (KMT) was unable to extend its control over North China, this made indeed sense. That arrangement was accepted by Chiang Kai-shek through the He-Umezu Agreement of 10 June 1935 (more details can be found in Roehner (2014a, p. 191-202)). The fact that this policy was not opposed by the United States is shown by the continuation of US exports, notably oil and weapons, to Japan. At the same time, in what was called a “Munich in the Orient”, Chinese requests for help were ignored. In any case it was better to keep North China under Japanese influence than to leave it open to Communist and Soviet penetration.

The Japanese attack on Shanghai in mid-1937 was a watershed for this was a part of China which was well under the control of the KMT and where there was no Communist or Soviet threat. Through this action and the subsequent occupation of most of western China, Japan threatened US hegemony. Four years later this led to the Pacific War.

### **1950-1972: Russia and China**

Needless to say, the Communist victory in China was a set-back for the United States. As had been done earlier for the Soviet Union, a containment policy was put in place. This policy led to the wars in Greece, Malaysia, Korea, French Indochina and Vietnam. The reunification of North and South Vietnam occurred in 1976. Mao Zedong died in September 1976. In 1978, Deng Xiaoping came to power in China. On 1 January 1979 (7 years after the visit of President Nixon to China) the United States eventually switched diplomatic recognition from the Republic of China (Taiwan) to the People's Republic of China.

The three following decades were marked by US direct investment in China. However, such investments remained limited compared with investments in countries like Canada or Europe. According to the "Statistical Abstract of the United States (2011), in 2009 the US direct investment position in China was \$50 billion which represented 1.4% of the total US investment abroad. It would make sense to add to this number the \$50 billion invested in Hong Kong. The total of \$100 billion should be compared with the investment in Singapore (\$77 b), Mexico (\$98 b), Australia (\$106 b), Canada (\$260 b), the UK (\$471 b), the Netherlands (\$472 b), or Europe as a whole (\$1,976 b).

### **2010-20??: China and Russia.**

In 2010, the Obama administration initiated a shift in strategy aimed at bolstering the United States' defense ties with countries in north-east and south-east Asia and expanding the US naval presence there<sup>37</sup>.

This policy is often described as a containment strategy, but what does containment really mean? It is not only a static containment but in fact a more hostile attitude. As will be shown below it consists in encouraging close allies, namely Japan, the Philippines, South Korea, Vietnam, Australia to stand up against China.

Between 2009 and 2012 the United States has carried out its largest joint military exercises with South Korea since the Korean War and increased the US troop presence in South Korea (Ross 2012). In July 2010 in Hanoi, after extensive discussions with all the claimants to the islands except China, Secretary of State Clinton declared US support for the negotiating positions of the Philippines and Vietnam. In 2011, the United States and Vietnam signed a memorandum of understanding on defense cooperation. Moreover, Japan has signed strategic partnerships with the Philippines and Vietnam which complement their US ties (Ross 2012).

Taking advantage of the close ties with its allies, the United States is also developing new naval bases. In addition to the bases in Okinawa, the US Navy has now access to the new Changi Naval Base in Singapore and will soon have access to the Gangjeong naval base that is under construction in the south of Jeju Island off the south-west

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<sup>37</sup>It was called a "pivot" to Asia, that is to say a rotation move toward Asia.

coast of South Korea and only 400 km away from the Chinese coast. The “temporary” bases in the Philippines have become permanent except in name. US Marines are stationed “temporarily” in Australia.

In short, we are back to a containment situation similar to the one directed against Russia in the 1900s. That is why it is important to give a closer look to this episode. This is the purpose of the next section.

## How the US encouraged Japan to confront Russia

On 18 May 2015, during a meeting in Beijing, President Xi Jin Ping told US Secretary of State John Kerry that “the Pacific Ocean is big enough for both his country and the United States”.

Such a statement is certainly consistent with standard diplomatic rhetoric. For any side to say the opposite would mean taking a very aggressive position. Yet, although the United States will never openly say so, throughout the 20th century its diplomatic and military history has shown that in the mind of most American leaders the Pacific should be “an American lake” (in the terms used by President Eisenhower in 1954). Every time another power tried to challenge American domination over the Pacific rim it led to a war.

As an illustration one can mention the episode of 1898-1905 when the United States encouraged Japan to go to war against Russia. More specifically, the US administration was able to persuade Japan that only war could stop the Russian expansion in Manchuria and Korea. The operation was a remarkable success and probably the smartest diplomatic action of the 20th century. Not only was Russian expansion stopped but in a second phase, the United States hosted the peace conference and its role was recognized by the attribution of the Nobel Peace prize to President Theodore Roosevelt in 1906. This was a remarkable achievement for a man who, as a volunteer, had led his “Rough Riders” fight in Cuba during the war of 1898 against Spain. Even in Norway, the attribution was disputed by some persons.

In the three decades after the Meiji Revolution (1868) the modernization of Japan progressed rapidly to the point of making it capable of confronting a major world power like Russia.

### Chronology

The following chronology describes how the US government had encouraged Japan to go to war against Russia. It is based on New York Times articles. A fairly safe assumption is that this newspaper reflects the positions of the State Department.

Basically there will be four kinds of news.

**A:** Account of Russian advances in Korea.

**I:** The interests and objectives of Russia and Japan are incompatible.

**W:** Japan is about to go to war against Russia.

**N:** Account of negotiation attempts.

At that time, it was Britain which was the super-power. Although her wish was also to stop the Russian advance in north-east Asia, she was rather in favor of a negotiated settlement. It should be remembered that around 1900 a large part of Britain's military resources were engaged in the South-African war against the Boers. Japan and Britain signed the Anglo-Japanese Alliance on 30 January 1902.

**N: Feb 28, 1897** Russia signed a treaty with Japan to protect the interests of both nations in Korea.

[Note that in 1897 the New York Times spelling was Corea. After November 1897, some articles used "Korea" while others continued to use "Corea".]

**A: Sep 24, 1897** Russia has obtained from the Korean Cabinet permission to use a part of Zetsui Island as a coaling station.

**I: Nov 16, 1897** Japan and Russia are at odds over Korea because of the Czar's efforts to control Korean customs.

**N: Nov 20, 1897** Japan and Russia have reached a complete understanding on Korea.

**W: Dec 04, 1897** Indications of a [coming] conflict between Russia and Japan. Russia is buying supplies and travelers report that the garrison at Vladivostock has been reinforced by the arrival of troops from the Black Sea.

[With the arrival of new troops it is not surprising that more supplies are needed. To conclude that it announces a war is perhaps too hasty.]

**W: Dec 24, 1897** The Japanese Army is full of Russian spies disguised as Japanese. [If that had really been true Japan would not have been victorious in the subsequent war.]

**W: Dec 24, 1897** Russia is absorbing Korea. Her agents control the country, and Japan is getting ready for impending hostilities.

[This was simply untrue.]

**W: Dec 27, 1897** Seventeen British warships back an ultimatum against Russian domination. Japan supports the British action. Her fleet of 30 vessels is awaiting the result of the protest against the dismissal of an English customs officer.

[To see three major countries go to war for the dismissal of a custom officer would be surprising. Indeed, nothing of that kind happened.]



**I: Dec 29, 1897** Under a peculiar and remarkable contract signed on 5 October 1897 Russia seized the Korean finances and customs and thereby forced out J. McLeavy Brown, the representative of English interests.

**W: Jan 1, 1898** Japan feels warlike. Captain Sakuzzi, who is in San Francisco, says Russia is treating his country shamefully.

[Should one attribute such a great importance to the declaration of a captain?]

**N: Jan 10, 1898** The Korean question is settled. England, Japan, and Russia are said to have arrived at an agreement but the details are unknown.

[The NYT does not seem to welcome that agreement.]

**W: Jan 22, 1898** Japan is prepared for war. St. James's Gazette says she could handle the Russian and German ships east of Suez alone.

[Barely two weeks after the agreement of 10 January, the NYT speaks of war once again.]

**A: Mar 2, 1898** Russia has purchased a portion of Deer Island from Korea.

[Deer Island is a small island off the south-west coast of Korea.]

**W: Apr 6, 1898** There is a war feeling in Japan.

**A: Apr 24, 1898** Russia makes friends with Japan for the sake of furthering her schemes. The Czar is increasing his military and naval forces so that he may *dominate the Pacific*.

[April 1898 saw the beginning of the short Spanish-American War. Through the annexation of Guam and the Philippines it marked a major step in US westward expansion in the Pacific. This brought the United States on a collision course with Russia.

The US fear that Russia was willing and capable of “dominating the Pacific” was probably exaggerated for at least two reasons.

- In 1867 Russia had sold Alaska to the United States for \$7 million. A country willing to dominate the Pacific would not do that.

- East Asia was just too far away from the economic center of gravity of Russia. It is true that it was also far away from the US west coast, with however the crucial difference of sea versus land transportation.

Whereas US concern regarding Russian global domination in the Pacific may have been misplaced, in Korea itself the threat was quite real. One should not forget that in 1882 the United States had signed with Korea a “Treaty of peace, amity, commerce and navigation”. It is only in the following years that the United States dropped its ambitions in Korea in exchange for Japanese acceptance of the colonization of the Philippines (see the Taft-Katsura secret agreement of 29 July 1905).

Another major US concern was that Russia might get preferential treatment in China. This fear transpires in the article of 18 September 1898 (see below).]

**N: May 11, 1898** Modus vivendi for Korea. Russia and Japan both recognize its independence.

**I: Sep 18, 1898** American oil business in China is injured because one-third less duties are charged on Russian imports and exports by the Chinese.

**W: Jul 26, 1899** Russia and Japan are arming, with a view to a possible conflict in Korea.

**W: Nov 13, 1899** London. Hurry orders have been received by the builders of the Japanese battleship now in process of construction at Clyde Bank to complete the vessel as speedily as possible. The new ship, which will be one of the largest afloat, is to be finished by Jan. 1, 1900. It is believed that these instructions are the result of the increasing tension between Japan and Russia.

**I: Nov 14, 1899** Differences between Russia and Japan have been accentuated by Japan's refusal to grant Russia a foothold on the sea front of Massampo Harbor.

**W: Jan 13, 1900** Japan prepares for war to stop Russia's advance in Korea. [It is probably true that Japan was preparing for war because this is the duty of the military. At the same time, however, there were negotiation attempts which showed that an agreement was not completely excluded.]

**W: Jan 27, 1900** Japan may attack Russia. Great naval preparations suggest such an intention.

**W: Apr 12, 1900** Japan to war with Russia? Muscovite naval officer says clash is inevitable and Great Britain will be drawn into it.

[This entry gives the impression that the diplomacy of Japan is decided by naval officers. It may have been true in the 1930s, but was it already true in 1900?]

**W: Feb 17, 1901** Two powers want Korea. War between Russia and Japan became imminent in June 1900 and is still threatening.

**W: Mar 9, 1901** A crisis has arisen owing to Russia's action regarding Manchuria. Great Britain is reported to have asked if the United States is prepared to take joint action with her. Japan is relied upon to take action in harmony with the United States and Great Britain.

[Previous articles have suggested that it was only Japan which felt worried and threatened by the Russian advance in Manchuria and Korea. This was certainly not realistic. Britain's exports to China surpassed by far those of other western powers or

Japan. While much smaller, US exports to China were in rapid progression. Thus, the fact that Britain and the US were able to convince Japan to fight the war alone was a brilliant operation.]

**W: Mar 22, 1901** It is Japan, which has every reason to see a distinct menace to herself in the aggressiveness of Russia in North China.

[Russian advance in *Korea* understandably was a concern for Japan, but Russian advance in *North China* was also a concern for Britain and the US. In other words, this article is the continuation of the public relations campaign destined to convince Japan to go to war alone against Russia.

An article of the “San Francisco Call” (28 March 1901, p. 1) reports that a member of the Cabinet said that “the United States is not concerned with the political and territorial aspects of the Chinese situation but only with its commercial character”. This is a strange statement because obviously the three aspects can hardly be separated. Commercial agreements (such as the one of October 1903) with China were almost useless because the Chinese government was too weak to enforce them especially in peripheral regions like Manchuria.

Incidentally, there are two short news on the same page of this newspaper which give a striking picture of the situation in China. The first is that 8 anti-Christian rioters were beheaded at Changsha in the province of Hunan; the second says that 3 Chinese were killed in Legation Street in Beijing by a German sentry.]

**N: Apr 10, 1901** Russia now seeks Japan’s friendship and wishes to obtain her cooperation in the East.

**N: Nov 27, 1901** Marquis Ito visits St Petersburg. It is believed that Japan seeks Russian friendship.

[An agreement between Russia and Japan about their respective zones of influence in Manchuria and Korea would have been to the benefit of both countries but would have been detrimental to Britain and the United States. This was even more true after the Revolution of 1917 because of the containment policy against Communist Russia. It explains the free hand given to Japan in Manchuria by the US and Britain.]

**W: Dec 8, 1901** There are anticipations of a war between Russia and Japan. A British Army officer tells of the quiet preparations; regiments are stationed at all available points.

[Once again, these anticipations of war are based on fairly flimsy evidence provided by a simple officer.]

**I: Feb 7, 1901** The British, United States, and Japanese ministers in Beijing have renewed their opposition to the Manchurian arrangements between China and Russia.

[It can be observed that France and Germany failed to join in the protest.]

**W: Mar 10, 1902** Russian military have been ordered to remove their families from Port Arthur because preparations are being made for a war with Japan.

[According to this article Russia was prepared for an attack on Port Arthur in March 1902. However, when it really occurred on 8-9 February 1904, Russia was taken by surprise.]

**N: Jul 26, 1902 Anglo-Japanese Treaty.** It seems odd that it should be left for us to learn by way of St. Petersburg the very interesting and important news of the Anglo-Japanese agreement.

[Was the State Department really kept in the dark and, if so, why?]

**N: Jul 28, 1902** Count Matsukata is visiting Russia for 10 days. He will exchange views with Finance Minister de Witte. He will probably return to Japan, via the Siberian and Manchurian railways.

[This visit follows Marquis Ito's visit in November 1901. Such negotiations suggest that the claims of imminent war made in former articles were overstated.]

**I: Feb 20 and Feb 23, 1903** Russia desires to construct the Seoul-Wiju railway. There is a strong opposition to the proposed concession on the part of Japan. On 23 February the Korean Government has rejected the Russian railway application.

[A parallel comes to mind with a similar story that took place not long ago. On 7 November 2014 Mexico abruptly canceled a \$3.75bn contract awarded a few days before to a Chinese-led consortium to build a high-speed passenger rail link.]

**W: Jun 7, 1903** It is believed that war between Russia and Japan can hardly be averted.

**N: Jun 30, 1903** Visit of the Russian War Minister, General Kuropaikin, to Japan.

**N: Jul 18, 1903** Russians blame Britain for the present strained relations with Japan. [According to the next entry, Russia should rather blame the United States. Needless to say, the NYT may be reluctant to report that.]

**N: Jul 25, 1903** Japan will not hurry into war with Russia. She decides to observe the policy of waiting and watching Russia as advocated by Great Britain.

**W: Oct 8, 1903** Japanese in Korea want troops sent to protect them on account of the menacing attitude of Russia. The reply of Japan is not yet known.

[Once again, the NYT relies on mere rumors to fan the flames.]

On 8 October, [a commercial treaty was signed between the United States and China which opened the Manchurian ports Mukden and Antung to US commerce.](#) The treaty contained also an article for the protection of American trade marks, patents,

and copyrights in China (Chicago Tribune 9 Oct 1903). It seems that this treaty was mainly directed against Russian interests in Manchuria. An article of 8 November 1903 talks of anti-Russian agitation in America, a second of 28 November 1903 observed that “Russia resents American pressure” and a third of 19 December 1903 remarked that “America irritates Russia”.]

**W: Oct 12, 1903** Japan and Russia not far from war. One dispatch says Japan meant to declare war yesterday.

[This was written about 4 months before the war actually started.]

**N: Oct 15, 1903** The Japanese Government has issued a denial of the alarmist reports of the imminence of war with Russia.

**N: Nov 8, 1903** It is said in London that if the Russo-Japanese negotiations end satisfactorily, as is now expected, it will be due in great measure to the British Government’s good offices.

[This article shows that at this point none of the two countries had decided to go to war.]

**N: Dec 2, 1903** Japan and Russia are on the verge of a settlement of the Far Eastern controversy which promises to dissipate the war cloud that has been hanging over both countries. This settlement will be the result of the negotiations which have been in progress for some time past, and which were assisted by the friendly representations of France to Russia and of Great Britain to Japan.

[In the light of this article one wonders why war nevertheless started some 3 months later.]

**W: Dec 10, 1903** Russia menaces Korea. Eight warships, including two battleships, said to have arrived at Chemul-Fo. This may end the negotiations with Japan.

[Yet, the negotiations continued until January 1904.]

**W: Feb 6, 1904** Baron Hayashi [Japanese minister to Great Britain] says a Russian refusal to sign a Treaty regarding Manchuria will mean war.

**W: Feb 10, 1904** [A forerunner of the attack of 1941 against the Philippines and Pearl Harbor](#). Three Russian battleships and four cruisers were disabled at Port Arthur [Now Dalian (Liaoning, China) on the north west side of the Korean peninsula]. Two Russian cruisers were disabled at Chemulpo [now Incheon west of Seoul]. Troops were landed near Seoul and in northern Korea.

[As in 1941 the Japanese attack was a combined operation which involved landing of troops together with an attack on Russian battleships in port.

It can be noted that Chemulpo was a neutral port which, apart from the Russian warships, also harbored American, British, French and Italian warships. That is why the

battle took place at high sea off the port.]

**W: Feb 10, 1904** Comment of Admiral Bowles: “It is in the interest of the United States that Japan should be victorious in this war”

## Conclusion

In contrast with the wishes of Great Britain, France and Germany, the United States favored a war between Japan and Russia. Nevertheless the peace conference took place near Washington rather than in London or Paris. The war and the Japanese victory was a watershed for Japan but also for the United States. After 1905 the United States assumed an ever greater role in China. As already observed, it is only after 1937 that American and Japanese interests in China really started to diverge. Prior to 1937, the action of Japan in northern China was seen as an effective contribution to the containment policy of Soviet Russia.

## How does the US encourage his allies to confront China?

### Japan

Close economic and political cooperation between China and Japan would certainly benefit both countries but it would be a strategic disaster for the United States. Therefore it must not happen. One would expect that this is a high priority for the State Department. But how exactly is it done? In the present section we will take a closer look.

Various means can be used to raise the tension between China and Japan. Broadly speaking, one can mention the following.

- An essential condition is to prevent Japanese politicians who are favorable to China (e.g. Ichiro Ozawa or Yukio Hatoyama<sup>38</sup>) from becoming prime minister and in case that nevertheless happens (after all Japan is a country where there are free elections) the experience should be as short as possible.
- Once the previous condition is fulfilled, it is relatively easy to maintain a state of tension by playing with various old grievances or by bringing up new ones such as the Senkaku/Diaoyu issue. In this respect it can be recalled that it was in Washington that the mayor of Tokyo, Shintaro Ishihara, announced that he was opening a subscription to buy back the Senkaku Islands. More precisely the announcement was made on 16 April 2012 in a speech at the “Heritage Foundation”, a conservative and nationalist think tank.

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<sup>38</sup>An article in the New York Times of 23 January 2010 was entitled: “In Japan, the US is losing diplomatic ground to China”. But this situation did not last very long. Prime minister Hatoyama was driven out on 8 June 2010 after only 8 months in power.

Another episode which showed fairly clearly in which direction the wind is blowing occurred on 19 April 2014. Four days before the visit of President Obama, as a kind of welcome gift, Japan decided to build a radar station on the Japanese island of Yonaguni which is located some 200km south of the Senkaku islands. Building the radar base on this island which is much closer to China than to Japan's main islands, will extend Japanese monitoring to the Chinese mainland itself. (Taipei Times 19 April 2014)

### **The Philippines**

The Philippine Senate voted in 1991 to close US bases at Subic and Clark, northwest of Manila. However, in 1999, it ratified an accord with the US allowing temporary visits by US forces. That paved the way for hundreds of US service members to hold counterterrorism combat exercises with Philippine troops dealing with insurgents in the country's south.

The "Enhanced Defense Cooperation Agreement", which allows US forces to "preposition" fighters and warships in the Philippines was signed on 28 April 2014 at the Philippine Department of Defense in Manila, shortly before the arrival of US President Barack Obama (Taipei Times 28 April 2014).

## **The Chinese silk road projects**

In October 2013, President Xi Jinping proposed to establish an Asian Infrastructure Investment Bank (AIIB) to boost Asian economic integration and infrastructure projects, particularly those related to the silk road project. In November 2014, 22 Asian countries (including India, the Philippines, Singapore and Vietnam) approved its creation. China and India will be the main shareholders with China's share reaching almost 50%).

The closest US allies, namely Australia, Japan and South Korea did not wish to participate. The "Australian Financial Review" reported that Secretary of State John Kerry had personally asked Australian Prime Minister Tony Abbott to keep Australia out of the AIIB. According to the article, Australia has been under pressure from the US for some time to not become a founding member of the bank and Mr Kerry put the case directly to the prime minister when the pair met in Jakarta following the inauguration of Indonesian President Joko Widodo.

The set of countries which were founding members of the AIIB and are interested in the silk road project goes far beyond traditional Chinese allies. This shows that it was probably a good initiative but at the same time the plan may appear as a threat to the State Department. Even though its purpose is mainly economic it may also have some political implications. Probably one should not exaggerate its political signifi-



**Fig. 3.2 Silk road projects.** This article of the Xinhua news agency was probably one of the first to mention the silk road project. It was published in November 2012, shortly after Xi Jinping had become party leader. At that time, the project was still very provisional; the left-hand map combines the historical silks roads and the new projects. The right-hand picture illustrates a lively style of promotion campaign which was fairly new in China. *Source: Xinhua, 24 November 2012.*

cance. The example of the European Union shows clearly that economic integration does not necessarily result in greater political weight<sup>39</sup>.

Yet, the very fact that the State Department put pressure on its closest allies shows that it takes the challenge seriously. There is indeed a notable difference between the European Union and East Asia in the sense that the European Union is a body without a head<sup>40</sup> whereas, due to its weight, China is a natural leader.

In this case, the historical parallel which comes to mind is with the so-called *Zollverein* (i.e. custom community) that was set up in the 19th century by German-speaking countries and in which Prussia was the natural leader, especially, once Austria-Hungary had been eliminated.

### War or subversion

Let us accept the assumption that China is perceived by the United States as a real threat to its hegemony in East Asia. Then, the question is how to eliminate that threat. Basically, there are two ways: war or subversion. The most effective way seems to be subversion. Why?

- The case of the USSR showed that this method works.
- At first sight, it might seem that China is a more difficult nut to crack, particularly because its economic model is far more efficient than the one of the USSR. At

<sup>39</sup>More details on this point can be found in a study by the same author which is entitled “How did Europe become an American turf?”

<sup>40</sup>Germany is a natural leader in Europe but only in financial matters concerning the countries of the eurozone. Moreover, with respect to the question of the debt crisis in Greece, Germany exercised its leadership in a way which was so rigid, arrogant (and probably even incompetent) that it has destroyed any spirit of solidarity among eurozone members.



the same time, however, as will be shown in the present study, the penetration of the US “gospel” into the Chinese upper-class is far deeper and wider than in the USSR. The fact that the State Department can rely on broad group of “constituencies” opens many possibilities. Some possible strategies will be discussed later.

Obviously the subversion method is still on the table. As an illustration, one can mention the well-organized pro-Tibet campaign during Xi Jinping’s visit to the United States in February 2012. However, when the military method was activated in 2010 it was perhaps not realized that this would stymie the subversion method.

Just as an illustration, one should remember that Milosevic, the president of Serbia, was strengthened rather than weakened by the NATO bombing campaign<sup>41</sup>. He was only brought down one year later through a subversion campaign which had probably cost 10 times less than the military campaign.

### **Psychohistorians**

In Isaac Asimov’s novel “Foundation”, the so-called psychohistorians are able to predict the future of whole nations and societies. It seems that the wish to know the future is deeply ingrained in our minds. Even though only a small minority visits fortune-tellers, we all want to know what will happen in coming years. Many books and articles have been written particularly by US scholars which tried to predict the downfall of the Communist Party in China.

Just to mention a few of them, one can cite: Goldstone (1995): The coming Chinese collapse; Huang (1995): Why China will not collapse; Chang (2001): The coming collapse of China.

## **Military contacts between China and the United States**

### **US-China strategic military cooperation: 1980-1989**

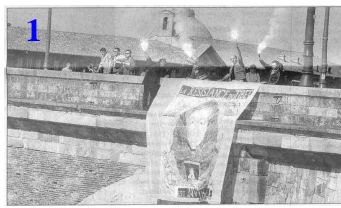
Between 1980 and 1989 the United States had a strategic cooperation with China that was directed against the Soviet Union. It involved arm sales to China, including such advanced equipment as Mark-46 anti-submarine torpedoes and artillery location radars. The cooperation was suspended following the Tiananmen Square episode of June 1989. After the collapse of the Soviet Union the strategic cooperation with China became unnecessary and the arms sales were stopped in December 1992 by President Bush.

However, contacts between the military of the two countries continued as discussed in the following subsection.

### **US-China military contacts and incidents 1993-2014**

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<sup>41</sup>Which, by the way, was waged in violation with the charter of the United Nations.



Visit of Prime Minister Zhu Rongji to France (September 2002)



Visit of upcoming President Xi Jinping to Iowa (15 Feb 2012)

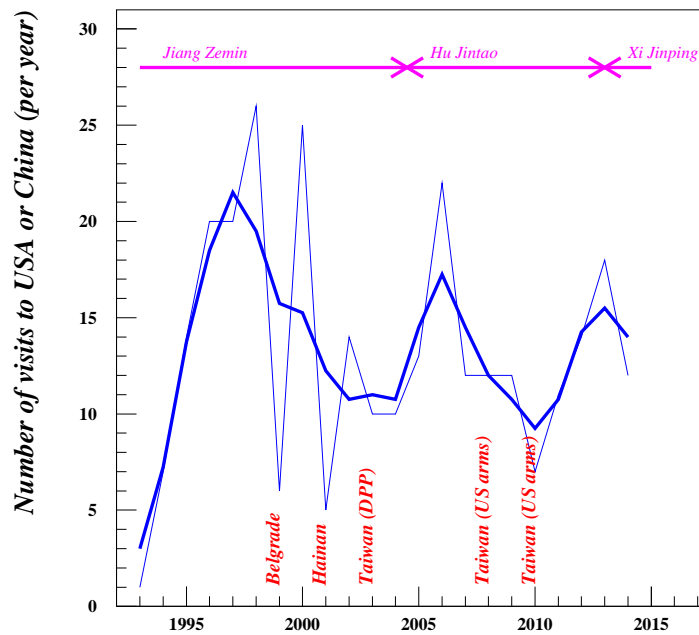
**Fig. 3.3 Relentless and well-organized public relations campaigns by small groups of activists.** 1: During the visit of Prime minister Zhu Rongji to France in September 2002 a small group of demonstrators hold smoke flares to attract the attention of people on a banner about Tibet displayed on the Pont-Neuf in Toulouse in the south of France. 2: During the same visit but this time in Paris a small group of demonstrators hold a protest banner about Tibet. 3: Also during the same visit a small group of protesters hold a banner about the Falung Gong movement. 4: During Vice-President Xi Jinping's trip to the United States in February 2012 there was much talk in the media about how he was welcomed by two Iowa families who hosted him during his visit to the United States back in 1985. However, even in Des Moines, Iowa the usual demonstrators were present. The picture on the right asks people to kick off his visit (which means to start with a kick as in a football game) The leaflet that called people to demonstrate contained the following suggestion: "Lobby Your Senator For Tibetan Independence". 5: The mock coffins are covered with the Tibetan flag. Since the 1960s, it is used by the Tibetan independence movement. Are there also protests against the bloody US occupation of Afghanistan every time President Obama goes abroad? It does not seem so. Sources: <http://tibettruth.com>; *Daily Mail* 16 February 2012;

President Jiang Zemin remained chairman of the Central Military Commission from November 1989 to September 2004. During these 15 years there was a substantial development of the contacts between American and Chinese military officials.

However, as shown by the graph, the annual number of visits was reduced because of serious incidents. Of all the incidents reported in the summary-box the most serious in terms of number of victims and damages was the bombing of the Chinese embassy in Belgrade in 1999 (3 fatalities), followed by the Hainan island incident (one fatality). US arms sales to Taiwan also affected the exchanges.

### Changes brought about by President Xi Jinping

The Kan (2014) report allows an interesting observation regarding changes in the



**Fig. 3.4 US-China visits of military officials.** Apart from the number of visits, the rank of the visitors was another important parameter. For instance, between 1999 and 2005 all Chinese visitors to the US were of a rank lower than Vice Chairman of the Central Military Commission. *Source: Kan (2014)*



**Fig. 3.5 A Chinese amphibious dock ship (type 071) and the guided missile cruiser USS Cowpens.** In the incident of 5 December 2013 after the Cowpens refused a Chinese demand to leave the area, the Chinese amphibious transport dock crossed directly in front of the Cowpens and halted. The two vessels were barely 500m away when the captain of Cowpens ordered “all stop”. Whereas the US ship was clearly identified in all Internet sources, in contrast only a few websites gave any information about the Chinese ship involved in the incident. If it was a type 071 dock ship as the one shown on the picture it means that it was a bigger and more recent ship than the Cowpens: 210m against 173m and it entered service after 2007 against 1990 for the Cowpens. *Source: Internet.*

personnel of the Central Military Commission<sup>42</sup> between May 2012 and December

<sup>42</sup>In fact, there are two slightly different Central Military Commissions: the CMC of the Communist Party and the CMC of the People’s Republic of China. Because of the preponderance of the Communist Party in the Chinese state, it is

### Military incidents between China and the US after 1990.

**1949-1990** During these 42 years there were numerous direct and indirect confrontations between Chinese and US military: the Korean War, the Chinese take over of the Yijiangshan and Dachen islands (Jan-Feb 1955), the Second Taiwan Strait conflict (1958), the Vietnam war in which Chinese volunteers served on the side of North Vietnam.

**July-Aug 1993** The United States suspected a Chinese cargo ship, called the *Yinhe* going to Iran to transport chemicals that could be used to make chemical weapons. After harassment of the ship, China eventually allowed an inspection which did not disclose any chemicals.

**Oct 27-29, 1994** For two days the US Navy battle group led by the carrier USS Kitty Hawk tracked a Han-class nuclear attack submarine. Although far away, the submarine was nevertheless within the 300 km security area of the Kitty Hawk but at the same time it was less than 30 km away from the Chinese coast. That is why Chinese fighters were sent toward the surveillance aircraft sent by the carrier. (Kan 2014, Washington Times 15 November 2006)

[As always in such incidents there are many conflicting accounts, particularly as to locations. Thus, the Washington Times says that the surveillance aircraft chased the submarine until it was 5 km off the Chinese coast.]

**Aug 3, 1995** China expelled two US Air Force attaches stationed in Hong Kong who were accused of collecting intelligence in restricted military areas.

**Jan 19, 1996** China expelled the US Assistant Air Force attache and the Japanese Air force attache after arresting them while they were traveling in southern China.

**May 7, 1999** Five US guided bombs were dropped on the China embassy in Belgrade, killing three Chinese journalists. On December 16, 1999, the two governments reached a settlement under which the United States agreed to pay \$28 million in compensation and China agreed to pay \$2.8 million in compensation for damage inflicted to US diplomatic facilities in China by Chinese protesters.

[The account given by Kan (2014) says that US-led NATO forces bombed the Chinese embassy. According to the Wikipedia article this seems incorrect because the B-2 bombers which came directly from their US base in Missouri were directly under US, not NATO, authority. Yet, this is a fairly formal distinction because NATO forces are anyway under the command of a US general.]

(continued below)

2012, i.e. following the accession to power of Xi Jinping who became chairman of the Central Military Commission in November 2012. Prior to Xi, the position was held by Jiang Zemin (1989-2004) and Hu Jintao (2004-2012).

The New York Times of September 7, 2004 gives the following assessment. Mr. Jiang has long emphasized cordial working relations with the United States and suppressed domestic calls to challenge the world's leading power more assertively. Mr. Hu is thought to put slightly more emphasis on developing closer ties to Europe and China's immediate neighbors, but is not expected to pursue a markedly different policy toward Washington.

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the first one which is the most important.

(continuation)

**Dec 2000** Colonel Xu Junping defected to the United States during a stay in New York. He had been in charge of organizing contacts and relations between US and Chinese military. Colonel Xu, was a fluent English speaker and former Harvard exchange scholar. (Kan 2014, Telegraph 24 Mar 2001)

**Apr 1, 2001** A Chinese fighter plane collided with a US Navy EP-3 surveillance aircraft near Hainan island. The fighter plane crashed and the pilot was killed. After the EP-3 made an emergency landing on Hainan, the 24 US Navy personnel were detained for 11 days and the aircraft was given back on 3 July 2001.

**Jan 2007** Test by China of an anti-satellite weapon.

**Mar 2009** Harassment of two US electronic surveillance ships some 120 km south of the Chinese submarine base of Hainan island. The ships were targeted with high-intensity spot light and flown over at low altitude of about 100 m by Chinese reconnaissance aircraft. (Kan 2014)

**Jun 2009** The USS John S. McCain's towed sonar suffered a collision with a Chinese submarine off the coast of the Philippines. (Kan 2014)

**Nov 23, 2013** China announced the introduction of an East China "Air Defense Identification Zone" (ADIZ). On 26 November the United States sent two B-52 bombers from Guam flying through the ADIZ without informing the Chinese authorities. (Kan 2014)

[It can be observed that the first ADIZ was introduced by the United States some 60 years ago and that in the meanwhile almost all other neighbors of China had created such ADIZ around their territory. Yet, the move by China was condemned by the United States and all its close allies including Australia, the European Union, Japan, and South Korea.

Surprisingly, at present time (March 2015) it seems very difficult to find reports (in English) telling us how well the Chinese ADIZ is enforced compared with ADIZ established by other countries.]

**Dec 5, 2013** A Chinese amphibious dock ship almost collided with the cruiser USS Cowpens while trying to stop the Cowpens from monitoring the Chinese aircraft carrier Liaoning in the South China Sea (see the picture).

**Box 3.1: US-China military incidents.** To these military incidents one should also add spying incidents which resulted in arrests or expulsions. One should also be aware that some incidents may not have been reported. In a long-term perspective incidents of this kind are relatively unimportant. History provides almost no examples of incidents which have led to major confrontations. *Sources: The sources are indicated at the end of each incident report.*

In contrast, Mr. Xi has a more assertive position. On 21 May 2014, speaking at the 4th Conference on Interaction and Confidence Building Measures in Asia<sup>43</sup>.

“Strengthening military alliances with a third party does not benefit the maintenance of regional security. Matters in Asia ultimately must be taken care of by Asians. Asia’s problems ultimately must be resolved by Asians, and Asia’s

<sup>43</sup>The CICA is a group of more than 20 Asian nations from Turkey to South Korea that aims to improve cooperation on peace and security in the region. Japan and the US are observers.

security ultimately must be protected by Asians. (22 May 2014)

In other words, whereas Mr. Hu's presidency was a waiting time, Mr. Xi's accession to power seems to mark a real break with Mr. Jiang's position. Therefore one would expect notable changes in the high command of China's armed forces.

The report by Shirley Kan offers some evidence in this respect.

There are four officials whose names appear repeatedly in the report because they frequently visited the United States and hosted US military officials in China. They are: Liang Guanglie (cited 20 times, 12 visits), Guo Boxiong (13,9), Cao Ganchuan (10,8) and Xu Caihou (9,5). Liang was Minister of Defense from 2008 to 2013, Guo was one of the three vice-chairmen of the CMC from 2002 to 2012 and Xu held the same position from 2004 to 2012. All four retired in 2012 at age of 72, 70, 69 and 77 respectively. As a matter of comparison, it can be observed that in 2004 when Mr. Jiang resigned as chairman of the CNC he was 78. Moreover, in 2012 Xu and Guo came under investigation for corruption. Incidentally, it can be observed that Guo's and Cao's numerous visits came to an end in 2008.

The CMC comprises 11 members. Between May and December 2012 (i.e. following the 18th Congress) 7 were changed and 4 maintained. None of the 11 members of the new CMC had visited the United States prior to 2007 (except for a single visit by Xu Qiliang in 1997).

In summary, it can be said that for the Chinese armed forces the accession to power of Mr. Xi resulted in a real break with the era dominated by Mr. Jiang.

## Chapter 4

### “Our constituencies in China”

#### Chinese media

During my annual stays in Beijing between 2008 and 2014 I was much surprised and puzzled by the extent of US influence.

- In the streets many young people were wearing sweaters with inscriptions such as: Coca Cola - Atlanta, MIT [acronym for Massachusetts Institute of Technology] University of Pennsylvania, SWAT [acronym of “Special Weapons And Tactics”, a US police force], and so on.

- At that time the Chinese state television network (called CCTV which stands for “China Central Television”) comprised some 11 Chinese channels and one so-called International Channel. The Chinese channels had American series such as “The Biggest Loser” (obese people attempting to lose the most weight) or “Top Chef” (culinary challenge), a series of documentaries which presented the history of Wall Street as a dazzling saga with very little emphasis on the disruptive effect of the crash of 1929.

The International Channel was mostly about the USA with almost nothing about Australia, the European Union and even less about Russia.

- I was told by my colleagues that “China Daily” was (as well as other medias) controlled by the state that is to say by the Communist Party. So, I was quite baffled to read articles in which the authors suggested that in order to remedy to the deepening divide between rich and poor the Chinese government should follow the same policy as in the United States, a country in which the share of income earned by the top 1% (or the top 0.1%) is the highest in the world.

Similarly other articles promoted the privatization of healthcare on the model of what exists in the United States. Yet, as will be explained below, the US health care system is the most costly in the world and yet the American life expectancy is lower than in other developed countries.

Such statements showed either abyssal ignorance or were a deliberate attempt to misguide readers.

- Watching Chinese TV channels gave me the same odd impression. The American model was omni-present. As a scientist, I was surprised to see that almost all

scientific programs were American. Were Chinese scientists and film makers unable to produce such programs? Even more surprising, on the same year as the “Occupy Wall Street movement” I saw a series devoted to Wall Street which gave a completely uncritical view.

- Most students with whom I was able to talk were planning to do their master or doctorate degree in an American University. Leading Chinese universities provided scholarship funding to their best students for otherwise they would not be able to cover the high tuition cost.

In contrast, most US newspaper or website articles about China that came under my eyes reported few positive news. The widespread “China bashing” style convinced me that the American political class did not wish well to China. It was seen and presented at best as a competitor, but more often as a threat.

Year after year, I was puzzled by such a blatant asymmetry. It was largely in order to get an answer that the present study was written.

## When Chinese officials rush to Harvard

At first sight it may seem surprising that the best agent for spreading US influence in China is the Communist Party itself. Yet, there are many observations which point in this direction. This unconventional view can be illustrated through the following facts.

### Amway in China

[Excerpt of an article published by the Blomberg news agency in 2013.]

In a program bankrolled by Amway [an American company whose name is a contraction of American Way] at a cost of about \$1 million a year, Harvard’s John F. Kennedy School of Government has been training Communist apparatchiks known as Amway Fellows.

Since it started in 2002, the program has brought more than 500 Chinese officials to Harvard to study public management for a few weeks. Every group also visits Amway’s headquarters in Ada, Michigan, near Grand Rapids.

The Amway Fellows include the current leaders of Henan, Ningxia and Shaanxi provinces, the party secretaries of cities like Nanjing and Wuxi and the national Vice Ministers of “Civil affairs” and “Industry and Information Technology”.

**Box 4.1: The United States as a source of inspiration for Communist leaders.** The program described in this article is called the “China’s Leaders in Development Executive Program”. It is organized under the authority of the State Council. *Source: Blomberg, 24 September 2013*

- There are several programs through which high-ranking officials spend several weeks or months at Harvard’s Kennedy School of government where they attend



lectures given in English by US professors. There are also organized visits destined to show them the country in a favorable light.

This is an ideal method for creating a network of Chinese officials fluent in English and adepts of the American way of life and more generally of the US world vision.

The interesting fact is that these programs were set up and supervised by the “China Development Research Foundation” which is part of the “Development Research Center” which is itself one of the institutions belonging to the “State Council”. Chaired by the Prime Minister, the “State Council” is the chief administrative authority of China. In 2014 it had 35 members representing the heads of each governmental department and agency.

Even more surprising is the profile of the US corporation through which these programs are funded (the budget is about 1 million annually). It is a marketing company called Amway (for “American Way”). Created in 1959, it is one of the biggest sponsors of the Republican Party (7 million dollars from 1988 to 1998 according to an analysis by the magazine “Business Week”). The founder and chief executive officer (Richard DeVos) belongs to a denomination of the Christian right which promotes Christian American stewardship in civil affairs. More details about Amway will be given below.

It is really difficult to understand how a decent public administration (whether Communist or not) may be led to cooperate with such an entity.

- According to the Institute of International Education (Open Doors Report) during the academic year 2011-2012 there were 194,000 Chinese students in the US. In order to put this figure in perspective one can observe that there were 100,000 students from India 72,000 from South Korea, 23,000 from Taiwan and 20,000 from Japan. On the other hand there were 30,000 US students in Italy, 17,000 in France and 14,000 in China.

**Table 4.1 Foreign students in the US**

	South Korea	Saudi Arabia	Taiwan	Vietnam	Japan	China	Mexico	India
Students in the US( $10^3$ )	72	34	23	15	20	194	14	100
Population ( $10^6$ )	50	31	23	90	127	1367	121	1264
Students (per $10^9$ )	1440	1100	1000	170	150	140	110	79

Notes: Number of foreign students in the United States. The third line gives the number of students per billion population. Instead of the ratio with respect to the population, a better indicator would be the ratio with respect to the total number of students enrolled in higher education in the area of origin. This number is notably higher in China than in India which is likely to change the ranking of the two countries.

Source: <http://www.iie.org/Services/Project-Atlas/United-States/International-Students-In-US>

The previous table shows that in relative terms, the number of Chinese students who

study in the United States is still fairly low. However, two points must be kept in mind. First, one should observe that (i) only the best Chinese students will be selected by the Chinese government for a scholarship in the US. Of course, in addition to winning the Chinese scholarship they must also be admitted by a US university which requires a good knowledge of English. (ii) As a fraction of these students will remain in the US it represents a substantial brain drain. (iii) In contrast with South Korea, Saudi Arabia or Japan who are close US allies, China is now perceived by the US as a competitor.

## High ranking officials and public servants

Would it be conceivable for US public servants to spend several weeks at the ETH<sup>44</sup> in Zurich to attend lectures about Swiss-style democracy<sup>45</sup>?

In China, going abroad for university studies is a tradition which goes back to the early 20th century. In the 1900s many Chinese professors were educated in US universities thanks to the scholarships created with a fraction of the US share of the Boxer indemnity. In the 1920s a few Communist leaders (e.g. Zou-enlai and Deng Xiaping) came to Paris or other European capitals. After 1949 some cadres benefited from training in the Soviet Union. In other words, the very idea of attending lectures at Harvard is not in itself altogether surprising.

In the 1990s, after the interruption of the Mao years, the attraction of US universities was again felt in China. However, at that time, the situation was not at all the same as in the first part of the 20th century.

- After the Second World War invitations to visit the United States became a major soft power tool that the State Department used to win over influential persons from occupied countries. Journalists, officers, pilots, civil servants educators were drawn to US universities and US military training centers. This policy proved very successful particularly in South Korea, Japan, Taiwan, Saudi Arabia.

- After 1990 and the downfall of the Communist party in Russia, China became the only major country whose political system did not, at least formally, follow the multiparty, freemarket model promoted by the United States<sup>46</sup>. Ever since 1949 the State Department (along with the CIA, its operational arm) tried to destabilize the Communist regime. This resulted in guerrilla operations in China's southern

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<sup>44</sup>ETH stands for "Eidgenössische Technische Hochschule" which means "Federal Institute of Technology". It is a renowned center of higher learning.

<sup>45</sup>As one knows, in Switzerland any law passed by Parliament must also be approved by the citizens through a referendum. In addition, new laws can be directly submitted to the public through a referendum if the proposition has been able to collect the required number of signatures.

<sup>46</sup>Of course, there were many countries where the multiparty system was only a facade; for instance in Japan and Mexico the same party remained in power for decades. In others such as Saudi Arabia, there were no elections at all.

provinces, particularly in Tibet. After 1990, in spite of the economic cooperation, China remained a target.

In this context, it required some innocence to send Chinese public officials to Harvard for it was obvious that the State Department would use the Kennedy School and the prestige of Harvard to subtly convince the attendants of the excellence of the American Way of Life. The fact that the company which funded these programs was named AmWay should have made this clear even for those who had little historical knowledge.

#### “We will send you to Harvard”

In the hallway outside Saich’s [Anthony Saich runs the “China’s Leaders in Development Program” at the Kennedy School] a newspaper cartoon hangs on the wall. In the first frame, an official in a Mao suit has jumped up, raising his fist before a Chinese flag to say, “I staunchly oppose Americas hegemony!” In the second frame, he is grinning ear to ear as a seated official says: “You are very patriotic. We will send you to Harvard for training next year!”

**Box 4.2** *Source: Bloomberg, 24 September 2013. Article entitled “Amway bankrolls Harvard course for Chinese cadres”.*

## Unequal cooperation programs

Between the beginning of western penetration in the mid-19th century until 1949 China has had a painful experience with unequal commercial treaties. Yet, it seems that with the opening this historical episode has been completely forgotten.

As an illustration one can mention the China-US Fulbright program. The purpose of this official educational exchange is “to provide opportunities for cooperation based on equality, reciprocity and mutual benefits”. It allows Chinese scholars and students to come to the United States to study and it allows experts from the United States to give lectures in China. Primary funded fields include history, management and social sciences.

The project started in 1979 and since then it has funded nearly 600 scholars and students to study in the United States, and nearly 400 US experts to give lectures in China. In 2004, the program funded 50 Chinese scholars and 20 US experts (Sun and Lancaster 2013)

Is a program in which the Chinese participants are only students while the United States provides experts and professors really based on equality and reciprocity? To begin with, there is a blatant asymmetry in terms of languages in the sense that the Chinese participants will be exposed to lectures in English both in the United States



**Fig. 4.1a China's Leaders in Development Executive Program (2012).** This program was created in 2002. It comprised a 2- or 3-month stay at Harvard University and the visit of major US Federal organizations.  
 Source: <http://www.cdrf.org.cn/plus/view.php?aid=618>



**Fig. 4.1b China's Leaders in Development Executive Program (2012).** Participants in the program (picture probably taken at Tsinghua University).  
 Source: <http://www.cdrf.org.cn/plus/view.php?aid=618>

and in China for those who will attend the lectures given by the US experts.

### **Unequal exchanges between Chinese and US military**

As described in an earlier chapter, there have been many exchanges between the military of the US and China. There is such a huge gap between the two armed forces in terms of financial resources, technology and number of allies, that one can hardly expect a cooperation between equals. This impression is indeed confirmed by the description of such exchanges (see for instance Kan 2014). Let us give an illustration.

In May 2007, during a visit in Beijing of Marine General Peter Pace, chairman of the Joint Chiefs of Staff, a proposal was made by General Liang Guanglie. He was



**Harvard adjunct lecturer Arnold M. Howitt lectures Chinese public servants of the Shanghai Administration Institute. His students are key-personnel of the CCP.**

**Fig. 4.2 How Harvard comes to China.** Arnold Howitt is Executive Director of the “Ash Center for Democratic Governance and Innovation” at Harvard’s Kennedy School of Government. In China he serves as faculty chair of China Crisis Management and as co-chair of the “Shanghai Executive Public Management and China’s leaders in Development Program”. This is just one example of US experts lecturing key CCP officials.

Sources: “Global Times” of 17 December 2012 and the following website:

<http://www.sdx.sh.cn/html/home/mediareports/73186.html>

at that moment the General Chief of Staff and in 2008 he would become Minister of Defense. His proposal was to send Chinese cadets to study at the US Army West Point academy (New York Times 23 March 2007). Did this high ranking officer not realize that this was a fairly unequal exchange. It would of course be alright if at the same time some US cadets would learn Chinese in order to study at the National Defense University in Beijing. Needless to say, that was out of the question during the discussion between Pace and Liang.

It is true that it is not uncommon for developing countries to send some of their cadets to the military academies of Sandhurst in the UK or to Saint Cyr in France. This is particularly the case for former British or French colonies. Yet, one is really surprised that China wishes to have such a neocolonial relationship with the United States.

## Why should China follow the US model?

If the US model is really “the best in the world”, then of course it makes sense for Chinese leaders to look at it as their model. In this case it would not be correct to say that the pro-US attitude of public officials is the result of clever public relations campaigns or of their sponsored visits to the United States.

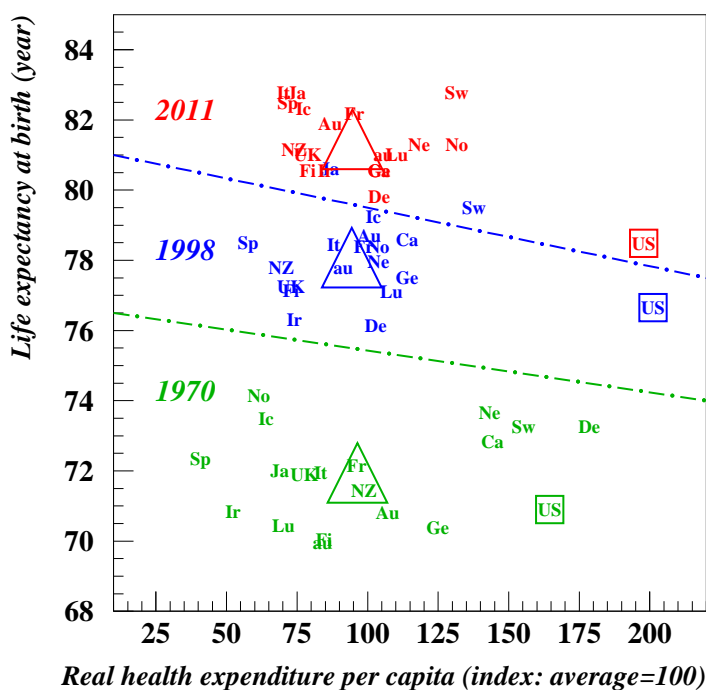
In order to discuss this point we consider two cases: (i) City management and urban

policy (ii) Healthcare policy.

### Will China benefit from adopting the US healthcare model?

In June 2003, president George W. Bush told a group of seniors. “We live in a great country that has got the best healthcare system in the world and we need to keep it that way”. This statement echoed a similar declaration made by president Clinton in February 2000.

Is this system really the best in the world? It is probably the most advanced technically but also the most costly which means that many citizens cannot afford it.



**Fig. 4.3 Performance of national healthcare systems.** The graph compares the healthcare systems of several developed countries (e.g. Australia, Canada, Denmark, France, Germany, Italy, Japan, Spain, the UK). In this comparison the health expenditure is the input and the life expectancy is the output. For each year the triangle corresponds to the average of all countries minus the USA. In the course of 41 years, in spite of high healthcare expenditures, the life expectancy gap between the USA and the other countries increased from 1 to 3 years. *Source of the data: OECD, Health at a glance (2013)*

On a social level it can be observed that the US is the only rich country in the world that does not mandate (at the federal level) any form of paid sick days (Heyman et al. 2009). This is not a consequence of the federal structure of the country for the sample analyzed in the study of the “Center for Economic and Policy Research” comprised other federal countries, e.g. Australia, Canada or Germany. However it is true that some states (e.g. California, Connecticut, Hawaii) have passed laws providing payment of sick days.

The fact that the American healthcare policy is a failure is commonly recognized by

American scholars. In this respect one can mention the works of Barlett et al. (2005) and Richmond et al. (2007). In other words the decision of the Communist Party to follow the US model is probably more due to a sort of soft corruption than to a well-pondered decision. Of course, CCP officials will not claim that their policy follows the American blue-print, but their decisions speak for themselves. For instance, in 2012 foreign companies received the permission to establish wholly owned hospitals in the Shanghai Pilot-Free-Trade Zone. Because these hospitals will attract the rich people they will quickly become a model for other hospitals to follow.

### **Example of urban policy**

With their deserted city centers, their sprawling suburban areas and high crime levels, American cities should not exercise a great attraction on Chinese urban planners. China has had vibrant cities several centuries ago at a time when the United States did not even exist. However, this does not prevent American scholars to give lectures about urban planning to Chinese students and officials.

As an example one can mention the program set up by the “International City Management Association” (ICMA), an association representing professionals in local government management which is based in Washington, DC.

- ICMA’s activities in China started in 2008, when ICMA signed an agreement with the “China Star International School”, a China-based educational institution<sup>47</sup>, to promote its training activities in China. In 2009, ICMA signed another agreement with the city of Changsha, Hunan Province.

- In 2010, ICMA provided leadership training to Chinese students in the United States and hosted a group of Chinese officials tasked with public sector reform in cities in Jiangsu Province.

- A major step occurred in 2011 with the creation of the ICMA China Center. This was done in 2011 in the form of a partnership between ICMA and the “China University of Political Science and Law” (CUPL). Located in Beijing, the CUPL is the most important Chinese university for the teaching of law. The establishment of the ICMA China Center was approved by the government of China through the Ministry of Education.

- The second step was to set up the “Guest Lecture Program”. Its description says that the purpose is to share knowledge and resources. But, once again, it is a fairly unilateral partnership in which US experts lecture Chinese participants. The program’s official description says that “The Chinese greatly welcome the opportunity to build their knowledge base by learning from international [in fact US] guests.

Among the topics that are taught one can mention:

- 1 Urban planning in US cities.

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<sup>47</sup>We were not able to find any additional information about this school.

- 2 US urbanization and city development models.
- 3 Community governance in US cities.

The program is entirely funded by the Chinese side, that is to say by the CUPL. More precisely it covers the round trip airfare from the US to China, accommodation, local transportation, and an honorarium (i.e. indemnity) paid to all lecturers.

One might think that the lecturers are professors from renowned US universities but in the description of the program one reads that the lecturers should have at least a master degree in public administration, political science or law.

### ICMA's training programs

The previous program in urban planning is only one facet of the activities of the ICMA. In fact, the ICMA was able to arrange a broad agreement with the “State Administration of Foreign Expert Affairs” (SAFEA) to provide training for Chinese local government officials in China and the US<sup>48</sup>. The ICMA China Center and the city of Yangzhou, sponsored ICMA's first International Regional Summit in May 2014. Among the stated goals of this partnership one can mention the following.

- Create fee-based training forums for local government officials.
- Establish a certification program for local governments participating in ICMA China Center training programs.



**Fig. 4.4 State Department endorsement of the ICMA China Center.** This picture with Hillary Clinton in the middle of the group was taken on 3 May 2012 during the sojourn of Secretary of State in China. In spite of the fact that the programs sponsored by the ICMA in China are fairly unequal programs, their endorsement by the US State Department was seen by the Chinese side as a great achievement. Apart from Ms. Clinton, the caption of the picture in the original website gives the names of two members of the US delegation but does not give the names of the Chinese participants.

Source: [http://icma.org/en/international/news/Article/102070/Prestigious\\_Recognition\\_for\\_ICMA\\_China\\_Center](http://icma.org/en/international/news/Article/102070/Prestigious_Recognition_for_ICMA_China_Center)

## “Nation-building” in the wake of World War II

<sup>48</sup>Source: [http://icma.org/en/international/about/icma\\_china\\_center](http://icma.org/en/international/about/icma_china_center)



## After World War II

The expression “nation-building” became commonly used by the US State Department and the US Department of Defense in the wake of World War II when the US Army was occupying a broad set of countries across the world. Among these countries there were defeated countries such as Germany, Italy and Japan but also allied countries such as Denmark, France, Norway, the Philippines or South Korea. In all these countries there were so-called civil affairs officers.

In defeated countries their role was to change the political, economic and cultural organization of the country in order to prevent a recurrence of militaristic tendencies. One major means was to carry out a purge of political leaders, media personnel and educators. In principle, the objective was to discard the people who had supported the militaristic policy of their government. In fact, the purge extended to all persons in disagreement with the objectives of the US occupation. After mid-1946 the purge was broadened to left-wing leaders even though they had been the most resolute opponents of the right-wing militarists.

In allied countries the role of civil affairs officers was, at least in principle, much more limited. They were supposed to take into their hands the administration of parts of the country as soon as they were liberated from enemy forces. However, the objectives assigned to them by the US government were in fact very similar to those given to their counterparts in defeated countries<sup>49</sup>. After all, in many countries who had been occupied by Germany, they had been puppet governments (e.g. in Denmark, France, Norway) which means that a purge was also required. One of the main objectives of civil affairs was to get a handle on the organization of the purge. This provided an opportunity for implementing a selection. Needless to say, persons who were fluent in English were preferred to those who were not. It was to be expected that such persons would be more favorable to US goals. Between an English-speaking liberal and a French-speaking Communist the selection was fairly easy.

## Paid visits to the US for French journalists and writers

In the wake of the war, many opinion leaders were invited to visit the United States. For instance, in January 1945 a group of 8 French “journalists” were “taken on a tour of the United States by the US Office of War Information”<sup>50</sup>. This is the title of a New York Times article of 25 January 1945 p. 3. Among them was the left-wing writer and philosopher Jean-Paul Sartre. It was a 7-week coast-to-coast tour of the United States. According to Sartre’s bibliographie<sup>51</sup> the group was even given the

<sup>49</sup>For more details see: “How did Europe become an American turf?” by the same author.

<sup>50</sup>Incidentally, it can be observed that in many French accounts one reads that the visit was organized by the newspaper “Le Figaro”. Not true, obviously.

<sup>51</sup>Source: [http://fr.wikipedia.org/wiki/Bibliographie\\_de\\_Jean-Paul\\_Sartre#1945](http://fr.wikipedia.org/wiki/Bibliographie_de_Jean-Paul_Sartre#1945).

opportunity to meet President Roosevelt.

Another NYT article (30 January 1945 p. 6) is entitled “Figaro reiterates amity; French paper professes friendship for the United States”. This followed the publication of Sartre’s first article<sup>52</sup>. Clearly, the invited journalists were supposed to write articles painting the United States in the best light. Nevertheless, after returning to France, Sartre wrote two articles about race relations in the United States which give a lucid and fairly prophetic assessment of the magnitude of the racial problem<sup>53</sup>.

### **US companies in liberated countries**

US companies (cigarettes, soft-drinks such as Coca-Cola, Hollywood movies together with movies produced by the US armed forces) came along with American forces. In countries devastated by the war, they were welcomed by the population as well as the governments.

In short, depending on local conditions, nation-building could take several forms but the main goal of the State Department was to create conditions conducive to US influence.

### **American influence in China after 1979**

It turns out that after the “opening” there was a similar process in China. In this case, it was basically a cooperation with US companies<sup>54</sup> the public relation methods were basically the same as in the aftermath of World War II.

- Public officials were invited to visit the United States and to study in American universities. Remember that the Fulbright program started as early as 1979.
- The prestige of Harvard or Yale was instrumental in allowing such persons to be promoted after they returned to China. This provided a positive feedback to the whole process in the sense that former participants became high ranking officials which tended to favor their US sponsors.
- **Lu Mai: a Chinese Paul-Henri Spaak.** In the years 1945-1955, the Belgian statesman Paul-Henri Spaak was a kind of liaison officer between the the State Department and the European governments. He endorsed the wishes of the State Department and gave them an European stamp. He was in favor of all the initiatives (e.g. the European Defense Community) which would make Europe more dependent upon the United States.

Lu Mai, the Secretary General of the China Development Research Foundation, seems to fulfill a similar role albeit at a lower level. Who is he?

<sup>52</sup>“La France vue d’Amérique” [France seen from the United States], Le Figaro, 24 January 1945.

<sup>53</sup>The articles about the racial problem were published by the Figaro on 16 June and 30 July 1945: “Retour des Etats-Unis. Ce que j’ai appris du problème noir, 16 juin et 30 juillet 1945.

<sup>54</sup>Naturally, there were also companies from several other countries which came to China. However, the United States was the only country able to supplement its economic presence with a widespread political and cultural influence.

In 1982 he graduated in economics at the Beijing College of Economics<sup>55</sup>. In the late 1980s he was an official at the “Research Center for Rural Development” of the State Council<sup>56</sup>. Then he came to the United States to study at Harvard. In 1991 he obtained a master degree of Public Administration from the Kennedy School of Government. After that he became a research associate at the “Harvard Institute for International Development”. From 1994 to 1995 he was senior research fellow at the Hong Kong Polytechnic University. He returned to Beijing in 1995 and started working at the “Development Research Center” of the State Council.

One may be tempted to compare the influence gained by the United States in China to the one that it gained after 1945 in European countries. Yet, if the end results were indeed similar the *initial* situations were completely different.

After World War II, the United States had a prominent position in all the countries that its troops occupied and it used it to its advantage<sup>57</sup>.

- For establishing military bases.
- So-called “Military Assistance Advisory Groups” (MAAG) were sent to almost all liberated countries. They were supposed to help these countries to remodel their armed forces but in fact played a broader political role.
- In many specific cases (e.g. the Italian elections of 1948 or the splitting of labor unions in France) the State Department was also able to manipulate the political situation to its advantage.

In contrast, in 1979 the United States did not enjoy any prominent situation in China. Thus, it is quite remarkable (and somewhat incomprehensible) that the Chinese government was willing to accept a Fulbright program. Were there not enough examples available in other countries which showed that this was a Trojan Horse commonly used by the State Department?

In the previous section we have explored how public officials and party leaders are influenced by American ideology. Needless to say, apart from the officials, in order to build a solid base one needs also to spread the same message among the general public.

## Apologists, cheerleaders, hirelings and quislings

### Vocabulary

Apologists and cheerleaders are persons who promote something enthusiastically.

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<sup>55</sup>In 1995 the “Beijing College of Economics” merged with the “Beijing Institute of Finance and Trade” to form the “Capital University of Economics and Business”.

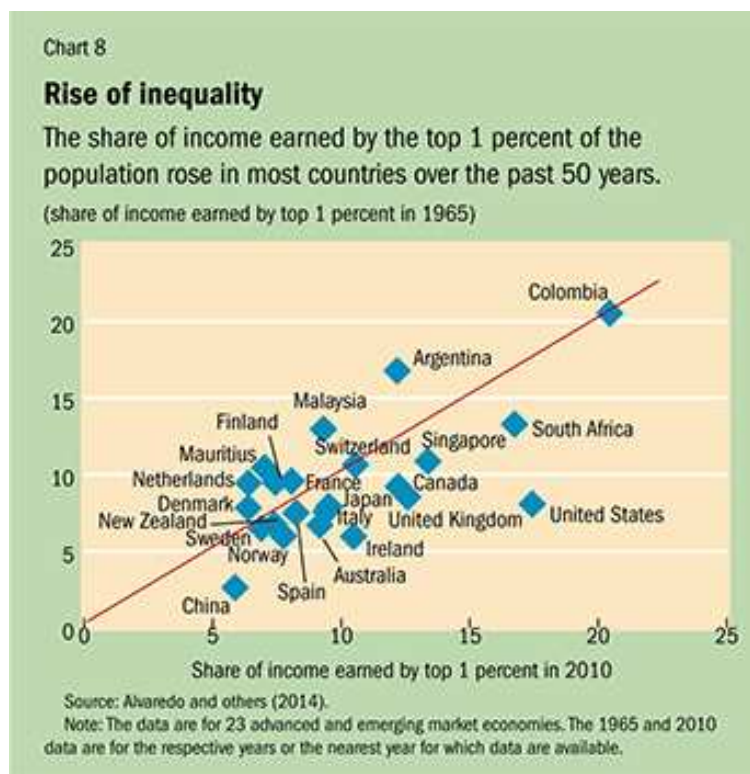
<sup>56</sup>Source: <http://www.wilsoncenter.org/staff/lu-mai>

<sup>57</sup>For more details see Roehner (2014).

Among Chinese intellectuals there are many apologists of America. Usually, these persons have but little real knowledge about the United States but they are quick to assume that everything in the United States is better than in China. Just to give one example they are convinced that there is a greater income inequality in China than in the US. In reality, although inequality is progressing rapidly, at the time of writing it is still much lower in China than in the US. As a matter of fact, there is much talk about Chinese billionaires but very little about US billionaires.

When such persons come across a graph which shows the opposite (as in the Fig. 4.5) their instant reaction is to say that the data about China must be completely wrong. There is no attempt to find out what is the source of the data and how they have been collected. In short, their belief is a matter of faith hardly based on any scientific evidence.

In a book published in France in 2008, Michel Desmurget tries to understand why the image that most French people have of the United States is much rosier than reality. This, indeed, is true not only in France but probably in most countries and certainly in China.



**Fig. 4.5 Income inequality.** The graph shows changes over a time span of several decades. Note that for China the initial year is not 1965 but the earliest year for which data are available, namely around 1985. The graph is based on statistics from the world income database set up by Thomas Piketty and co-workers.

Source: <http://www.imf.org/external/pubs/ft/fandd/2014/09/kose.htm>

Hirelings and quislings are a kind of mercenaries who accept to do some things for pay or other personal benefits. The word “quisling” comes from the name of Vidkun

### Liu Xiaobo

After receiving the Nobel Peace Prize in 2010, Liu Xiaobo became the most well-known Chinese dissident. Who is he?

In 1989, Liu was a 34-year-old professor in Chinese literature and philosophy in Beijing Normal University. He took briefly part in the Tiananmen Square events particularly in the night of June 3-4 by negotiating with the military authorities the withdrawal of the students who remained there. Arrested and released in 1991, he continued to be a protester ever since.

His critics are not only directed at the Chinese government but more broadly at Chinese culture. In 1988 in an interview he said that in order to change, China would need 300 years of the same colonization as experienced by Hong Kong. More broadly, he is a resolute apologist, not only of the American way of life, but also of the policy of the US government. In 2004 he published an article entitled “Victory for the Anglo-American freedom alliance” in which he predicted that a free, democratic and peaceful Iraq will emerge. To have so little insight is just pathetic.

In a sense one may be tempted to admire his courage and his dedication to a cause. At the same time it reminds us of those Communists in western countries who were 100% supporters of the policy of the USSR. As western countries already had a multi-party system they did not need to promote it, but they fought for the rights of workers which were melting away rapidly in the decades following World War II. The only difference with Liu is that none of them ever got a Nobel prize from the Norwegian parliament.

It can also be observed that, as so many other fellow dissidents, he asks for greater autonomy of Tibet and Xingjiang, something which ensures him the support of the State Department and laudable coverage in western media.

**Box 4.4** Sources: Various Internet sources about Liu Xiaobo. Incidentally, none of these websites explains precisely on what charges Liu was sentenced to a term of 11 years. What can justify such a severe punishment?

Quisling, (1887-1945) who was the head of Norway’s government during the Nazi occupation in World War II. Found guilty of high treason, murder and embezzlement, he was executed by firing squad on 24 October 1945. Note that quislings are labeled as being traitors only when the country they have served loses power.

After his death in November 1944 Wang Jingwei who had been president of the Republic of China (1940-1944) under the Japanese occupation was first buried by the Japanese in a mausoleum in Nanjing. However, Wang was seen as a traitor by the KMT and after the defeat of Japan his mausoleum was destroyed and his body was burned. However, it seems that the Communist Party reconsidered his case with more sympathy. According to the Wikipedia article about him, Wang’s remains are now buried in the Mausoleum of the 72 martyrs who took part in an uprising against the Qing dynasty in Guangzhou (April 1911). Although Wang did not take part in this uprising (he was in prison in 1911) it is true that he has had an active role against the Qin dynasty. He was a close associate of Sun Yat-sen and he participated in a

plot to assassinate the Regent, prince Chun<sup>58</sup>.

## Historical examples of quislings and hirelings

It is understandable that after a country has been defeated in a war some persons wish to play the card of the enemy. But does that also happen in peace time? More specifically, are some high ranking officials ready to betray their government and instead serve the interests of a foreign government? The following example, certainly not an isolated case, shows that the answer to this question is yes.

### Role of Ghanaian officials in a US coup attempt

Let us start this story with the following excerpt of the “Los Angeles Times” (Tuesday 26 November 1985).

A Ghanaian national accused of obtaining US secrets from a CIA clerk who was his lover is being swapped for 8 Ghanaians who reportedly aided the CIA, law enforcement officials said. The officials said that Michael Soussoudis, 39, a cousin of Jerry John Rawlings, the military leader of Ghana, pleaded no contest to two counts under the espionage act during closed proceedings last week in US District Court in Alexandria, Virginia.

He was sentenced yesterday to 20 years in prison but was immediately turned over to the Ghanaian Ambassador on condition he promptly leaves the country. In return, 8 Ghanaians described by officials as “of interest to the United States” are being flown along with their families to an unidentified African country [and from there to the US]. The eight are CIA “assets” whose identities were revealed to Soussoudis by Sharon Scranage, a CIA clerk who served at the US Embassy in Accra, the capital of Ghana.

Scranage said that she had told the CIA station chief in Ghana that she was seeing Soussoudis but was instructed only “to be careful”. In November, 1983, she said, the station chief told her that Ghanaian officials had complained that someone who fit her description was holding “secret meetings” with Ghanaian citizens.

US officials would not disclose the identities of the 8 Ghanaians released under the swap. But news accounts from Ghana identified 4 persons who had been convicted of spying for the CIA. They are: Felix Peasah, a US Embassy security officer; Theodore Atiedu, a police inspector for Ghana’s Bureau of National Investigation; Stephen Balfour Ofofu-Addo, a former chief superintendent of police, and Robert Yaw Appiah, a technician with the Ghanaian Post and Telecommunications Corporation [in contrast with the four others, these

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<sup>58</sup>At his trial he recognized his guilt but, nevertheless, was not executed.

people are fairly unimportant persons].

According to the protest of the Ghanaian government in November 1983, Ms. Scranage did not carelessly give the names of the CIA assets to her lover, but played an active role in the coup planned by the US government. This becomes even clearer when one considers the identities of the 4 other persons not identified by US authorities but named by the Ghanaian government. They are (Wikipedia article entitled “Sharon Scranage espionage scandal”):

- Naval Captain Opong, first Chief of Staff.
- Major John Kwaky Awuakye, Deputy Director (Organisation and Plans) at the Ministry of Defence.
- Colonel Bray, whose brother was a Deputy Director of the Ghana Education Service.
- Abel Edusei, CEO of the state-run Ghana National Procurement Agency.

It seems obvious that if Ms. Scranage had hold meetings with such high ranking officials, it was at the request of the CIA itself.

Here, however, what is most interesting for us is the fact that these persons were *officially* recognized by the US government as being CIA assets. This is something fairly rare.

How do we know that these officials were involved in a coup against the Ghanaian government? Under the leadership of its first post-independence president, Kwame Nkrumah, Ghana was a leading country in the so-called non-aligned nations seen as a counter to both East and West power blocs. In February 1966, while Nkrumah was on a state visit to North Vietnam and China, his government was overthrown in a military coup. Needless to say, the very fact of visiting North Vietnam in 1966 put Nkrumah on a collision course with the United States. According to information given by the New York Times in 1978 (Hersh 1978) the US government had played a leading role in his overthrow. This set a precedent.

In the early 1980s the government of Jerry Rawlings was accused of being a Marxist government. Thus, a repetition of the scenario of 1966 became likely. In 1986 the crew of a ship carrying arms and US mercenaries was tried in Brazil and it led the defenders to acknowledge that their mission was to take part in a coup in Ghana.

Incidentally, it can be observed that in the 1990s Jerry Rawlings organized a transition to a political system based on referenda and elections. He was himself elected and re-elected as president in elections which were found to be fair by foreign observers. Nowadays (2016), there are close economic, cultural and military relations between Ghana and the United States.

**Conclusion: recruitment of high officials is common practice**

In 1937-1938 there was a vast purge in the Soviet Army which led to the execution and imprisonment of many high ranking officers. In western sources it is usually attributed to the paranoia of Joseph Staline and his security chief. Although that may possibly have played a role, it should not be forgotten that eastern expansion and the invasion of the USSR was already Hitler's main objective. As a matter of fact, this objective is stated very clearly in "Mein Kampf" (published in 1925). Thus, it is not unreasonable to think that the Germans tried to recruit spies and traitors in the Soviet arm forces. After all, they were able to plant well trained saboteurs in the United States who sabotaged and destroyed many US ammunition factories (see Roehner: Relations between US Armed Forces and the population of Hawaii).

There seems to be little evidence of Russian officers switching side in 1942 but there is at least one case of a high ranking Soviet security officer who joined the Japanese in 1938.

In the same line of thought, in the Hollywood movies about Marie Antoinette, the wife of Louis XVI, her innocence is usually taken for granted. How could such a pretty woman be a traitor? However, in the letters that she wrote to her lover Fersen she used an elaborate encryption system. Moreover, it should be recalled that Fersen organized the failed flight of the royal family in June 1791.

In short, the fact that high government officials may be recruited by a foreign power in order to work against the interests of their own country should not be considered as an unlikely proposition. Throughout history such things happened time and again.

Needless to say, the collaboration with a foreign country may also take milder forms, short of outright treason. As an illustration one can mention the fact that Japan agreed to spend up to \$5 billion in civil support to the Afghan government in the five years from 2009 to 2014 (Japan Times 23 October 2011). This program of the "Japan International Cooperation Agency" (JICA) included in particular a scholarship for 500 Afghans to study at Japanese graduate schools. The first batch of students arrived in late 2011 and comprised only 47 students which makes one wonder whether the objective of 500 will be fulfilled. Similarly one may wonder if the commitment to spend \$5 billion (a big amount of the same order as the contribution of Japan to the first Gulf War) will really be met. In short, one has the impression that this program was decided to please the US ally but that Japan is dragging its feet.

## The Wikileaks source

The following subsections rely on a number of Wikileaks files<sup>59</sup>. Therefore it may

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<sup>59</sup>There is a Wikipedia article entitled "Contents of the United States diplomatic cables leak (People's Republic of China)". However, the topics which are mentioned in this summary are an arbitrary selection which fails to represent the



be useful to briefly say how these files came into being.

### Chronology of WikiLeaks

1974-1979: From age 19 to 24, the father of Bradley Manning was an intelligence analyst in the US Navy.

2007, Sep: At the age of 20, after a fairly chaotic adolescence, Bradley Manning enlisted in the US Army.

2008, April: In order to attend training as an intelligence analyst, Manning received TS/SCI security clearance (Top Secret/Sensitive Compartmented Information)

2008, Fall: While stationed at Fort Drum (New York State), Manning came into contact with the hacker community of Brandeis University.

2009, Oct: Manning was sent to the “Forward Operating Base Hammer”, near Baghdad in Iraq. From there, he had access to SIPRNet (the Secret Internet Protocol Router Network) and JWICS (the Joint Worldwide Intelligence Communications System).

2010, late Jan: Manning contacted the “Washington Post” and the “New York Times” and asked them if they were interested in some confidential files that he had downloaded. The WP was not interested and the NYT did not respond.

2010, Feb-Apr: After having several personal contacts with WikiLeaks members, Manning sent successive batches of files to a WikiLeaks dropbox. In order to ensure online anonymity he used a software (called Tor) which hides the identity of the sender. Between 28 March and 9 April 251,287 diplomatic cables (consisting of 261 million words) were sent to WikiLeaks. About 90% of the cables cover a period from 2004 to March 2010.

2010 Nov: In early 2010 WikiLeaks was in contact with 5 newspapers: Der Spiegel, El Pais, the Guardian, Le Monde and the New York Times. However it is only in November 2010 that they started to publish selected cables.

In these releases the cables were edited in the sense that the names of the informers were deleted. Moreover, the selection was highly arbitrary. Thus, the first WikiLeaks article published in the New York Times (28 November 2010) was directed against Iran. It purported to show that, according to diplomatic cables, President Mahmoud Ahmadinejad of Iran was distrusted by many leaders in the Middle East. In addition, the publication rate was so slow that it would have taken years to publish all the files.

Sep: On 1 September 2011, it became known that a unedited version of the WikiLeaks cables was available via BitTorrent (see the box about BitTorrent).

**Box 4.5 Chronology of how State Department cables were made public.** Let us recall that the State Department itself publishes many of its cables in the FRUS (Foreign Relations of the United States) volumes. The only difference with the WikiLeaks documents is that the latter were less filtered. Regarding the role of the media, it can be observed that during the “Edgar Snowden” episode of June 2013, the Guardian and the Washington Post were the two newspapers which started to publish the documents released by Snowden. So, up to this point the two episodes were similar.

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real content of the file. Cables regarding key-issues such as Xinjiang, Tibet or the organization of the Internet in China are completely omitted.

### The BitTorrent procedure

On the German Website which played a role in the release of the diplomatic cables one reads:  
 “Wikileaks cables are out as undeletable Torrent”.

What does that mean and why are the cable files undeletable?

The answer relies on how BitTorrent works. BitTorrent is a peer-to-peer file sharing procedure. Let us explain what that means.

Ordinary (pair-wise) downloading has a big drawback in the sense that if many persons want to download a file from the same website  $A$  at the same moment, the connection leading to  $A$  becomes saturated with the result that only a few clients can get the file or parts of it. One solution is to allow all the clients who were able to download a part (or totality) of the file to become servers themselves. This is what is called a peer-to-peer procedure. If in addition, connection requests are sent simultaneously to all the addresses where parts of the file are available, then it becomes possible to download the file by bits and pieces. From all these bits and pieces the file can eventually be reconstituted.

In short, by making it available on many computers, the BitTorrent procedure makes the file practically undeletable.

#### Box 4.6 BitTorrent data storage.

In US diplomatic cables it is customary to identify persons who provide information to members of foreign embassies <sup>60</sup>by writing after their names the words “(protect)” or “(strictly protect)”. It is not obvious in which way these persons will be protected. The best protection, of course, would be to omit their names altogether. There are indeed a few reports which mention informers who did not wish to give their names. Regarding those who are mentioned by name, it was probably thought that the classification of the report (either as “Confidential” or “Secret”) would be sufficient protection.

A search of all the cable files for the key-word “strictly protect” was done by a German website<sup>61</sup>, namely:

<http://nocheinparteibuch.wordpress.com/2011/09/01/more-than-2000-world-wide-us-collaborators-publicly-exposed/>

It leads to the names of 2,000 informers. Naturally, it is not unusual for an embassy to establish contacts with nationals of the country where it is located. After all, establishing such a dialogue is one of the main functions of an embassy. However, as will be seen below, some informers provide information on fairly sensitive topics. It is probable that the FBI would closely monitor US citizens who give confidential information to foreign embassies.

<sup>60</sup>Such members are often called Poloff which is an abbreviation for political officer. Although this term refers to a specific position, it is likely that in the WikiLeaks cables it often refers in a broad way to intelligence agents, for instance CIA case officers.

<sup>61</sup>The following Unix instruction was used: `grep -i -B 1 'strictly protect' filename`.  
`-i` means that one wants also to include ‘STRICTLY PROTECT’ and `-B 1` means that in addition to the line containing the key-word one wants also to copy the line which precedes it.

Just as an illustration one can mention the case of two Americans Walter Myers, 73, and his wife Gwendolyn Myers, 72, who were sentenced respectively to life in prison and 6 years for spying for Cuba. At their trial in July 2010, W. Myers declared “We did not intend to hurt any individual American. Our only objective was to help the Cuban people defend their revolution”. In the Washington Post article (17 July 2010) about the sentencing of Myers there is no indication whatsoever about the kind of secrets that Myers transmitted to Cuban authorities. Incidentally, one may wonder how in 1978, while already a contract instructor at the State Department, Myers was able to visit Cuba for two weeks (one should remember that US citizens were not allowed to visit Cuba).

## Contacts with US “Political Officers”

What would FBI officers think of US citizens willing to discuss sensitive issues with representatives of the Chinese embassy in Washington? At the very least they would probably tell them that it not a good idea and that in any case they should refrain from giving information about riots in areas (e.g. Puerto Rico) were there have been separatist movements in the past.

Yet, as shown below, this is precisely what some Chinese citizens are doing. Through discussions with persons working for the US embassy in Beijing or for regional US consular offices, they provide information about protests in Tibet, Xinjiang and other homelands of minorities.

### Who is Wang Lixiong?

Wang Lixiong is a famous Chinese writer who is currently (January 2015) living in Beijing. His life and work are described in a long Wikipedia article in English. Wikipedia articles about him are also available in Chinese, Dutch, French (the French article is merely a translation of parts of the English article), Norwegian and Swedish. Needless to say, the article does not mention that he as well as his wife, Tsering Woesser, are regularly in contact with US Political officers.

The article presents Wang as a researcher who tries to define a middle road on the Tibetan question. For instance, one reads:

Wang finished his book “Sky Burial: The Fate of Tibet” in 1998. The book immediately won him high regards from both the supporters of Chinese government and followers of The Dalai Lama.

This is certainly a misrepresentation for Wang actually promotes Tibetan *independence*. For instance, in November 2008 he has published an article entitled:

Roadmap of Tibetan independence

which appeared on a website, namely <http://www.phayul.com>, clearly devoted to

### Riot in Guanxi (excerpts of a Wikileaks file)

Title: Townspeople riot over family planning abuses in Guangxi

Date: 2007 May 22

Original Classification: Confidential

From: China Guangzhou

To: Central Intelligence Agency, Defense Intelligence Agency, Secretary of State, United States Pacific Command.

Summary: Thousands of people in Bobai County, Guangxi Zhuang Autonomous Region, set fire to government buildings and vehicles and attacked family planning officials in response to alleged abuses, according to Hong Kong and foreign media. Some reports state that 5 people died in the clashes, including 3 family planning officials, though Bobai officials have denied that any deaths occurred. Local officials, under pressure from their superiors, allegedly used forced abortions, forced sterilizations, and heavy fines to enforce family planning quotas. This unrest follows an April 28 report by National Public Radio that officials in a different Guangxi county used forced abortions to meet birth planning targets. Congenoff's [Consul General's Office] attempted calls to many Guangxi officials and Guangdong newspapers went unanswered. Offices that did answer their phones either denied knowledge of the incident or refused to comment.

End of summary

[Excerpts of the report]

The largest of the protests took place on the morning of May 19 [2007] in Shabei township, when thousands of people reportedly attacked family planning officials, set fire to government offices and vehicles, and smashed government computers and equipment. Approximately 1,000 armed police were called to the scene to maintain order, arresting more than 30 people.

Beijing-based independent author Wang Lixiong (*strictly protect*) told Embassy Poloff [Political officer] on May 21 [2007] that activists and internet writers are well aware of the reports of the riots in Guangxi despite the absence of reporting in Mainland media. He said that he and other Chinese writers had discussed the incident on the internet, but did not have confirmation that local people or officials were killed in the incident. The Bobai incident will not spread to other jurisdictions or become a rallying point for outside activists, he predicted.

6. (U) According to a New York-based dissident website, Guangxi Party Secretary Liu Qibao and Vice Chairman Lu Bing both attended a Conference in February [2007] during which Bobai County was given a warning for failure to meet family planning targets.

10. (C) It appears unlikely that the incidents in Bobai will spark a unified national protest movement.

[signed:] GOLDBERG

**Box 4.7:** Source: [https://www.wikileaks.org/plusd/cables/07GUANGZHOU589\\_a.html](https://www.wikileaks.org/plusd/cables/07GUANGZHOU589_a.html)

pro-Tibetan propaganda. In a way which is typical of this kind of websites, it does not refrain from making statements which are clearly untrue, e.g. "Any country whose head of state dared meet with His Holiness the Dalai Lama was punished. Trade ties were either cut off or suspended for a limited period."



**Fig. 4.6 Meeting of February 2010 between the Dalai Lama and US President Obama.** Incidentally, it can be observed that back in 1990 the Dalai Lama was the first foreign visitor greeted by the Czech President Vaclav Havel. Subsequently, they met each other many times; the Dalai Lama even visited him one week before his death in December 2011.

As is well known, the US president met the Dalai Lama three times (February 2010, July 2011 and February 2014) without any trade ties between the US and China being suspended.

### **Contacts with US Political officers about China – North Korea relations**

In contrast with the previous example which was classified as “Confidential” the case described below was classified as “Secret”. That classification was more due to the topic, namely North Korean nuclear tests, than to the actual content. However, it can be observed that the information about the visit to Beijing of Japanese Prime Minister Abe was quite accurate. Actually it marked a watershed in the diplomatic relations between China and Japan.

### **Information about Chinese oil exports to North Korea**

The fact that North Korea imports 90% of its oil from China indicates that China has, at least to some extent, the ability to influence North Korean policy. This is certainly a sensitive question. Why did Prof. Zha Daojiong accept to discuss it with representatives of the US Embassy in Beijing<sup>62</sup>? At the beginning of the discussion he acknowledged that he is taking a risk. What was his motivation for doing so? For the time being, this remains an open question.

The box below gives some excerpts of the conversation. To what extent were these data already in the public domain (particularly in Chinese-language sources) is difficult to say.

According to the Wikipedia article entitled “Energy security of the People’s Republic of China” there was a US-led embargo on oil from 1950 to 1970. The article confirms that China became oil self-sufficient in 1963 and started to export oil after the US

<sup>62</sup>Zha Daojiong is Professor of International Political Economy at Peiping University. He is also a Senior Arthur Ross fellow and a Rio Tinto China fellow. According to the Rio Tinto website, he obtained a doctorate in political science from the University of Hawaii and has held teaching and research positions in Japan, the United States, Hong Kong, and Singapore. In an article entitled “China woos allies, punishes detractors” (on Internet the title is “China woos neighbors with carrot-and-stick approach”) the “Wall Street Journal” of 14 November 2014 (p. 4, column 4) reports fairly derogatory comments made by Prof. Zha about Chinese economic expansion in South East Asia.

### Discussion with US political officer about North Korean nuclear tests

2006 October 7

Original Classification: SECRET

From: China, Beijing

To: Central Intelligence Agency, Defense Intelligence Agency, National Security Council, North Atlantic Treaty Organization (NATO), Secretary of Defense, Secretary of State, US Mission to European Union (Brussels)

**Summary:** Embassy contacts told us China is angry and frustrated with the DPRK, but “unable” to renounce its traditional friendly ties to the North. Contacts who were willing to discuss possible Chinese reactions to a North Korean test said that China would work more closely with the United States in the aftermath of any such test. One contact predicted tht China would not veto a post-test resolution calling for sanctions against the DPRK, but would abstain.

1 China Reform Forum scholar Cao Huayin (**strictly protect**) told poloff [political officer] on October 7 that he believes it unlikely that the DPRK will conduct a nuclear test soon. [he was wrong; North Lorea conducted a nuclear test on 9 October 2006]

2 Deputy Director of the State Council Development Research Center’s “Institute of World Development” An Hongquan (**strictly protect**) said he had been on vacation outside of Beijing.

3 Central Party School (CPS) “Institute of International Strategic Studies” scholar Liu Dexi (**strictly protect**), just returned from a CPS retreat.

4 Well-connected journalist and International Visitor Program grantee Chen Jieren (**strictly protect**) told poloff on October 7 that the biggest event in the next few days would be the visit to China of Japanese Prime Minister Shinzo Abe on October 8-9, 2006. [he was right; Prime Minister Abe visited Beijing on 8 October, it was his first foreign visit since taking office on 26 September 2006.]

5 Any North Korean nuclear test will prompt the Chinese government to work more closely with the United States on North Korea issues both bilaterally and at the United Nations, predicted Li Tao (**strictly protect**), a professor at the Tsinghua University “School of Journalism and Communications” who has strong Government ties. Li went to North Korea in August on an official visit with a small group of journalists from the All-China Journalists Association.

6 The Propaganda Department has issued strict guidelines ordering all media outlets to publish only state-run Xinhua News Service wire copy, said Zhou Qing’an (**protect**), a regular contributor to the “Beijing News” who focuses on international affairs.

7 President of Horizon Polling Victor Yuan, [in a further message in January 2007 this person would get a “protect” label] who conducts regular polls of Chinese public opinion regarding North Korea, told poloff October 7 that support for North Korea as the country “most friendly” to China has slipped to 32% from over 50% five years ago. (Note: North Korea was nevertheless the number two friendliest country in 2006 polls, following Russia.)

[Signed:] SEDNEY

**Box 4.8:** Excerpts of a WikiLeaks file. *Source:* [https://www.wikileaks.org/plusd/cables/06BEIJING21220\\_a.html](https://www.wikileaks.org/plusd/cables/06BEIJING21220_a.html)

trade embargo was lifted. Oil exports peaked in 1985 at 30 million tons. In 1996 China became a net oil importer.

### Discussion with US Political Officer about oil supply by China to North Korea.

2008 July 25

Original Classification: Confidential

From: China, Beijing

To: China All China Posts, Department of Energy, National Security Council, Secretary of State.

At the start of the meeting, Prof. Zha Daojiong claimed to be no particular expert on North Korean energy issues and said he needed to be careful about what he discussed in light of the “Li Bin case” Zha was referring to Li Bin, former PRC Ambassador to the ROK [Republic of Korea] and PRC [People’s Republic of China] Special Envoy on DPRK [Democratic People’s Republic of Korea] nuclear issues, who was arrested in late 2006 for “leaking state secrets” on North Korea and Six-Party negotiations to ROK officials and journalists.

(C) China supplies approximately 90% of the oil consumed in North Korea, according to Beijing University Professor of International Relations and energy expert Zha Daojiong. China also sells jet fuel to North Korea, said Zha. In a discussion with PolOff on July 22, Zha said China has supplied refined oil to North Korea since the 1960s and began charging international market prices in 1995. State-owned Sinopec initially demanded payment in cash for the oil, which is delivered via pipeline or in tankers. Since 1997, however, North Korea encountered “payment problems” and began paying for the oil in IOUs [abbreviation of “I owe you” i.e. a signed but informal promise to pay a debt], said Zha.

Zha recalled that China used to be dependent on the Soviet Union for oil. In 1961, he recounted, the Soviet Union wanted to “change China’s behavior” and stopped oil exports. As a result, however, China merely toughened its resolve to become self-sufficient.

Zha told PolOff that China has cut off North Korea’s supply of oil three times.

- In 1979, China cut off oil exports after North Korean soldiers began marching south following the assassination of ROK President Park Chung-hee. At the time, China announced that its pipelines were experiencing “technical difficulties” and that repairs might take two months. This was a clear warning, said Zha, telling North Korea to turn its troops around, which it eventually did.

- In September 2006, following the DPRK’s July test of long-range missiles, China turned off the oil taps for three days.

- When PolOff prompted Zha for the third example, Zha corrected himself and said that there were only two instances when China cut off oil exports. We note, however, that press reports in 2003 suggested that China cut off oil supplies to North Korea after Pyongyang test-fired a missile in March. These reports were never confirmed by the PRC Government.

[Signed:] RANDT

**Box 4.9:** Excerpts of a WikiLeaks file. According to another WikiLeaks file, Prof. Zha had a conversation with members of the US Embassy on 12 September 2008 which was about the oil contract that the China National Petroleum Company (CNPC) signed with Iraq. *Source:* [https://wikileaks.org/plusd/cables/08BEIJING2891\\_a.html](https://wikileaks.org/plusd/cables/08BEIJING2891_a.html)

### Information about who will succeed to Hu Jintai

A long cable from the US Embassy in Beijing was sent to the Secretary of State

on 14 November 2007, that is to say shortly after the end of the 17th Congress of the Communist Party. Based on the comments of 8 Chinese informers<sup>63</sup> holding high positions at the Central Party School, the Government of Beijing city, or the Chinese Academy of Social Sciences, this report is remarkably insightful. Apart from announcing that Xi Jinping will be the next president and Li Keqiang his prime minister, it gave also a number of other predictions.

- In a discussion with US political officers, Gu Neil (nephew of the Vice-Chairwomen of the National People’s Congress) told them that Bo Xilai, the Minister of Commerce was highly unpopular in many quarters of the Party. This was 5 years before Bo was dismissed and indicted.

- Xi Jinping is described in a way which, with the benefit of hindsight, appears quite perceptive. “Xi comes across as a confident, forceful leader”. Dong Lisheng, a scholar at the Chinese Academy of Social Sciences, said that Xi may use coercive means to keep the CCP in power.

- Based on declarations made by freelance journalist Chen Jieren<sup>64</sup>, the report gives great attention to He Guoqiang, then the head of the “Central Discipline Inspection Commission” which is the anti-corruption watchdog. Chen said that He recommended his participation in the “International Visitors Program” sponsored by the US government and that in a general way He had a “relatively favorable” attitude toward the United States. He remained at the head of the CDIC until November 2012. He was succeeded by Wang Qishan who directed the anti-corruption campaign that started in 2012.

## “Our constituencies in China”

“Constituencies” can have several meanings. It can designate the areas of a country that elect representatives to parliament. It can also refer to groups of citizens who support a party. Thus, through its donations the Amway company (see above) is certainly one of the most important constituencies of the Republican Party in the United States.

The expression “our constituencies in China” was used by Jon Huntsman, an American politician; it may be of interest to know in what circumstances.

### Who is Jon Huntsman?

First of all, who is Jon Huntsman?

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<sup>63</sup>Namely: Gao Bo, Zhang Xiantang, Kang Shaobang, Wu Jinjua, Chen Jieren, Gu Neil, Zeng Jie, Dong Lisheng.

<sup>64</sup>In another conversation with a US political officer, in January 2010, Chen gave him information about the role of the Chinese government in a hacking operation against Google China. In this cable one learns that Chen is the editor of a Communist Youth League website. This WikiLeaks cable was published by the Guardian on 4 December 2010, but in an edited version in which the names were omitted.



The son of a multibillionaire Mormon businessman, he served as a Mormon missionary in Taiwan for two years. That was around 1980. While two years is probably not long enough to become fluent in Chinese it gives at least a smattering. Huntsman first visited the Chinese mainland in 1984 when he worked in the White House to prepare President Ronald Reagan’s first trip to China.

In 1992, at the age of 32, he became US Ambassador to Singapore and stayed there for two years. In 2004 (and again in 2008) Huntsman was elected governor of Utah. In 2009 he was named US ambassador in Beijing where he stayed until May 2011

### **Ambassador Huntsman in Beijing**



**Fig. 4.7** Ambassador Huntsman taking part in a flash-mob demonstration in Beijing on 20 February 2011. After Huntsman’s embarrassing appearance, the spokesman for the US Embassy in China stated that Huntsman had been unaware of the planned protest, and happened to be “strolling through the area on a family outing”.

Source: <http://shanghaiist.com/2011/02/24/video-jon-huntsman-jasmine-revolution.php>

On 20 February 2011, Huntsman made a controversial appearance near a McDonald’s fast food restaurant at the Wangfujing shopping area in Beijing where an anonymous online appeal had called for a major pro-democracy demonstration<sup>65</sup>. That was during the “Arab Spring” and Chinese activists called for similar protests to be held in major Chinese cities, hoping to engender a large-scale movement they called the “Jasmine Revolution”. This name had already been used for the revolution that took place in Tunisia. In choosing this name the organizers may not have been very smart for no country wants to follow in the foot steps of another. In any case there were only few participants. Wikipedia devotes a long article to these demonstrations in

<sup>65</sup>This was a so-called “flash-mob demonstration” in which the place of the demonstration is given to participants through a cell-phone message shortly before the beginning of the demonstration. Notice that Huntsman had resigned on 31 January 2011 but remained in his position until May when his successor was ready to take over.

which one reads that there were 200 participants in the demonstration of 20 February where Huntsman had appeared. The Wikipedia caption of the demonstration in Beijing reads: “A large crowd of protesters, journalists, police and spectators gathered in front of a McDonalds restaurant”; in fact it was rather a small crowd mostly composed of people taking pictures or filming. In Hong Kong 27 people participated in a demonstration on 27 February and 40 more participated in another protest outside the offices of the “Central Government Liaison Office”. In Taiwan, the largest group of demonstrators (numbering around 300) was composed of Falun Gong followers.

After returning to the United States, Huntsman entered the presidential primary Republican race for the election of November 2012. However, it became clear very quickly that Mitt Romney, the other Mormon candidate, was well ahead. Huntsman dropped out of the Republican race in January 2012.

In February 2012 he was appointed to the board of Ford Motor Company and in January 2014 he became the chairman of the Atlantic Council think tank.

### **“Our constituencies”**

Huntsman made the statement about the US constituencies in China on 12 November 2011 during a Republican primary debate which was part of the selection process of the Republican candidate at the election of November 2012. There were some 6 candidates on the stage who answered the questions of two moderators. One of them was Scott Pelley of the CBS television network.

The initial question was asked by the other moderator.

Moderator (Major Garret): Governor Romney just said we are in the middle of a war we are not even aware of. You were the ambassador for our nation in China. What’s your reaction?

Governor Huntsman: We don’t need a trade war. So what should we be doing? We should be reaching out to our allies and constituencies within China. They’re called the young people. They’re called the internet generation. There are 500 million internet users in China . . .

1st interruption by Pelley: Governor, we are going to . . .

Governor Huntsman: . . . and 80 million bloggers. And they are bringing about change, the likes of which is gonna take China down . . .

2nd interruption by Pelley: We are gonna have to leave it there, Governor.

Governor Huntsman: . . . while we have an opportunity to go up and win back our economic . . .

3rd interruption by Pelley: Governor . . .

Governor Huntsman: . . . muscle.

After Huntsman’s declaration came advertisements before resumption of the session.

### “To bring China down”

There has been much speculation about what Huntsman had in mind with the words “bring China down”. As always in such cases many conflicting answers were proposed. Two things can be said with good certainty.

- The means Huntsman had in mind through which this should happen was clearly the Internet.
- Huntsman’s remark was made in the context of economics. It begins with a reference to a trade war and it ends with “win back our economic muscle”.

What connection (if any) exists between the young Chinese Internet generation and a collapse of Chinese exports which would revive the American industrial structure? None probably. In fact, US companies are well positioned. They are the dominant force in the service sector worldwide. This is clear for computer software, finance, hotels, healthcare, real estate (Century 21), law firms (e.g. the largest law company in South Korea is American), fast food restaurants and many other sectors. Moreover, the United States has many first-class high-tech companies.

Actually, one may wonder whether the strong words used by Jon Huntsman really reflected his personal opinion or whether they were destined to his Republican audience which expected a tough language. In the lectures that he gave in 2013-2014 on many US campuses, Huntsman advocated more US economic and diplomatic engagement with China. More specifically, in a lecture given at UCLA on 16 April 2014 he called for a softening of the “American pivot” (a diplomatic expression for the containment policy promoted by Secretary of State Hillary Clinton) so “that the rise of China can have a stabilizing and peaceful effect on the global order”.

In short, he did not see the rise of China as a challenge but as an opportunity.

## Monitoring foreign NGOs in Russia, India and China

In the United States the activity of foreign organisations is closely controlled. This is in large part a legacy of the Cold War during which organizations (and even individuals<sup>66</sup>) were suspected of being under the Soviet influence.

In recent decades non governmental organizations were more and more used to advance the objectives of the State Department. This led to a backlash in several countries.

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<sup>66</sup>For instance, in December 1946 James Roosevelt, President Roosevelt’s oldest son, and Charles Chaplin had to appear before the Commission for Anti-American Activities of the House of Representatives (Le Monde 14 December 1946, p. 8d). Other personalities such as Ms. Roosevelt or Albert Einstein also came under suspicion.

## Russia

In July 2012, President Putin signed a foreign agents law which extended the definition of treason to the transmission to foreign powers of information that may damage constitutional order and territorial integrity. Nine months later began an inspection of hundreds of non-governmental organizations (NGO). About 30 organizations were required to register as foreign agents.

Then, in June 2014, amendments to the previous law were adopted that gave the Ministry of Justice authority to register as a “foreign agent” any NGO accepting foreign funds and involved in political activity.

It can be observed that the US Minister of Justice has also the ability to control organizations operating in the United States and to decide whether or not they should be considered as “foreign agents”.

## India

According to a report of April 2012, the Indian government found evidence that local organizations receiving funds from abroad had been transporting people from surrounding villages to protests over the building of a joint Indian-Russian nuclear plant in Kudankulam. Construction has been stalled for the past 8 months due to the demonstrations. Overall about one third of Indian NGO funding came from the US in 2011. India has the largest number of NGOs in the world, one for every 400 people.

In June 2013 about a dozen NGOs that the government said engaged in activities that harm the public interest have seen their permission to receive foreign donations revoked (Guardian 11 June 2013).

In January, Greenpeace campaigner Priya Pillai was prevented from boarding a flight to London to speak to British lawmakers against a coal mining project that she said would destroy forests and displace tribal people in central India.

A new tightening occurred in May 2015. Important organizations such as the Ford Foundation and Greenpeace came under close investigation. The Indian bank account of Greenpeace was blocked<sup>67</sup> Flows of funds from the Ford Foundation to local organizations must now be cleared by the Indian Ministry of Home Affairs. On 6 May 2015 the US ambassador to India criticized what he called new “regulatory steps”. US newspapers such as the “Washington Post” or the “Huffington Post” have been using much stronger words such as “crackdown”, “clampdown”, “coercion”.

According to the “Economic Times of India” (12 April 2015), Home ministry offi-

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<sup>67</sup> There have been mass protests against the French-backed 1,600 MW Jaitapur Nuclear reactor in Maharashtra and the Russian-backed 2,000 MW Kudankulam Nuclear Power Plant in Tamil Nadu. The United States secured also a substantial share of this market in the sense that a letter of intent had been signed for purchasing some 10 nuclear reactors but so far players like General Electric or Westinghouse Electric were deterred by India’s nuclear compensation and liability law.

cials cited the Gujarat government’s complaint that the Ford foundation was interfering with the judicial system of the country and working against communal harmony. This was part of Gujarat’s complaint against Teesta Setalvad and Javed Anand, two activists who have been seeking justice for the victims of the 2002 Gujarat riots. The organisations that the couple run, namely “Sabrang Trust” and “Sabrang Communication and Publishing”, have received payments from the Ford Foundation. The trust received \$250,000 between 2009 and 2013 by way of grants while Sabrang Communication has been paid consultancy fees. One should remember that Gujarat is the state where Narendra Modi was active before becoming president. After some reports about his role following the anti-Muslim riots of 2002, Modi was barred from entering the United States under a provision of the “Immigration and Nationality Act” banning violators of religious freedom; interestingly, it seems that he was the only person denied a US visa under this provision (Wikipedia article entitled “Narendra Modi”).

## China

According to the Guangxi Academy of Social Sciences there are 6,000 foreign NGOs in China, 40% of which are American. In June 2014 the National Security Commission (NSC) began to officially investigate foreign NGOs.

Guangzhou City recently passed a law regulating local NGOs, which came into effect on January 1, 2015. It requires NGOs receiving overseas funding to report to regulators 15 days before they get the money. Moreover, NGOs which set up projects with the participation of foreign partners must provide details regarding their activities, personnel and funding (Famularo 2015).

The Guangzhou regulation may be a test-probe for a similar law at National level.

## “Our constituencies” in other countries than China

Naturally, China is not the only country that is subject to US influence. Although a broad panorama would certainly be useful it would require a book-length study in itself. In this section we will limit ourselves to a number of short indications.

When a country  $A$  wants to influence, manipulate or pressure a country  $B$  it has basically two methods at its disposal.

- The first one is the NGO method that was discussed above. Usually  $A$  will use existing NGOs and will try to “sell” them some of its own objectives, This can be done either by funding appropriate foundations or by making an arrangement with persons who belong to the NGO’s board.

- The second method is to “recruit” prominent persons in country  $B$ . Usually, the trade off is that such persons will favor the objectives of  $A$  and in exchange get

the support of *A* for their own personal goals.

### **“Inside the Company: CIA Diary”**

Most of the books written by former CIA officers about the activities of the agency are published in agreement with the CIA itself because before being recruited they have to sign a non-disclosure agreement. The objective of most of these books is to belittle the role of the CIA. For instance, the author may acknowledge that in former decades the CIA was able to establish a strong presence in the media of many countries, but it would immediately be suggested that this was done by necessity during the Cold War and was discontinued a long time ago.

The book written by former case officer Philip Agee and entitled “Inside the Company” was not published with the agreement of the CIA<sup>68</sup>.

In the three countries where he served, namely Ecuador, Uruguay and Mexico, Agee’s job consisted in “recruiting” local agents among the police, journalists, unionists, political leaders. The bargain offered to them was that the US embassy would advance their carrier (particularly through its influence on the medias both locally and in the United States) in exchange for their support of US political goals.

This is the key-procedure followed by CIA personnel in US embassies. Agee explains that in CIA terminology the word “agent” refers to those local personalities with whom the CIA has made “arrangements”. In contrast, CIA personnel are never referred to as agents but as case officers. For the three countries where he had been posted Agee gives the names of citizens who were on the roster of the CIA. In fact, this is not of much consequence for the persons involved because they can easily brush off such allegations as being nothing but slander.

It is far more effective to judge officials on their policy and actions than on the basis of such allegations. For instance, the fact that French President Sarkozy reintegrated France into NATO (an organization controlled by the United States) and, in contrast with Germany, took part in the bombing campaign against Libya is proof enough of its political orientation. The only problem with judgments based on facts is that they may come too late.

Actually, by focusing attention on the CIA a book like “Inside the Company” results in a form of disinformation in the sense that it hides real political issues behind fanciful spy stories. One should never forget that, as a branch of the US government, the CIA follows the directives given by the Department of State and the White House. For instance, when the CIA assassinates alleged terrorists by using drones, these

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<sup>68</sup>However, there may have been a *modus vivendi* (that is to say an implicit arrangement) not to reveal facts such as assassinations and bombings which would have led to criminal investigations.

persons have been put on a kill list approved by the President<sup>69</sup>.

### **UK: the agency that never existed**

On 27 January 1978 there was an article in the British newspaper “The Guardian” which was subtitled: “Death of the department that never was”.

Called the “Information Research Department” of the Foreign Office it was created in 1947. It was a secret department. IRD officials themselves were ordered not to tell even other Foreign Office staff where they worked.

Information was supplied to the BBC World Service. Secret lists were compiled of approved journalists and trade unionists to whom material was offered. Material was sent to their homes under plain cover as correspondence. They were told documents were “prepared” in the Foreign Office primarily for members of the diplomatic service, but that it was allowed to give them on a personal basis to a few people outside the service who might find them of interest. Abroad, the embassies had resident IRD men under cover who planted material on local journalists and opinion formers. Other journalists were informally blacklisted as politically undesirable and had assistance withdrawn.

IRD also encouraged book production. The scholar Robert Conquest was one of those who worked for IRD. David Floyd, a correspondent of the Daily Telegraph, also recalls writing a booklet on China at IRD’s request.

Of course, British Government propaganda was not stopped in 1978, it was only reorganized. A new and smaller department, the “Overseas Information Department” has been set up inside the Foreign Office.

In the United States a similar role was played by the “US Information Agency” which existed under this name from 1953 to 1999.

## **France**

The French writer Bernard-Henri Lévy has repeatedly shown his eagerness to support the objectives of the US State department. The fact that his actions always receive a broad media coverage shows that he is in fact part of a network. The word “network” is a key-notion in such actions. The picture below illustrates one of his actions.

### **“Spontaneous” demonstrations**

In the decades 1985-2015 mass demonstrations by anti-government protesters became a common feature in many countries. Often it is difficult to determine to what

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<sup>69</sup>According to a New York Times article (29 May 2012), “Mr. Obama has placed himself at the helm of a top secret nomination process to designate terrorists for kill”.



**Fig. x.6 Bernard-Henri Lévy with two Syrian “freedom fighters” (May 2012).** Surrounded by 6 Libyan and 5 Syrian “freedom fighters” the French philosopher Bernard-Henri Lévy gave a press conference at the Cannes film festival. Two years later, after the Syrian militants had invaded northern Iraq they were labeled as terrorists by the US government. On 14 January 2015 BHL called them nazis: “Les nazis daujour’hui, c’est l’Etat islamique” (14 January 2015)

extent such demonstrations were initiated from abroad in the sense that they were supported by advice and funding from organizations with foreign connections (e.g. NED, USAID, Einstein Institution or others).

In early 2013 in France there were mass demonstrations against a law that was in discussion in parliament. The purpose of the law was to permit marriage between persons of same sex. The law was strongly opposed by conservative Catholic groups..

Among the many groups of opponents which appeared during this episode, there is one which deserves particular attention. This group which called itself “Hommen” (also written HomMen or Homen) was composed of young, bare-chested persons who demonstrated. Among the features which made this group particularly interesting one can mention the following.

- The group appeared suddenly on 27 March 2013 but had immediately a perfect organization and an elaborate website.
- The group had a strict discipline and a strong hierarchical organization as revealed by one of the group leaders in an interview on “Radio Courtoisie”, 25 July 2013. Their operations were organized in commando style.
- They always carried with them one French flag and sometimes they sang the French national anthem. Obviously they wanted to be considered as French patriots.
- Yet, their slogans were mostly in English “Taubira [French minister of justice] no more”, “Gaz [gas] no more” “No gay marriage”, “Save kids”, “Kids right”, “Democracy is dead”.
- In addition to being bare-chested, often they appeared with a gag over their mouth. The intent was to show that citizens could not express themselves. In fact,



they claimed that the French president was a dictator and figured him between Hitler and Stalin. Obviously, they did not care much about the plausibility of their claims. In that they followed a standard rule of public relations campaigns according to which the message must be in the form of a simple alternative of good versus evil.

- They claimed to favor non-violence but their actions were often illegal and their motivations doubtful. Some of their actions required special training for instance when a banner was put under a bridge over the river Seine.

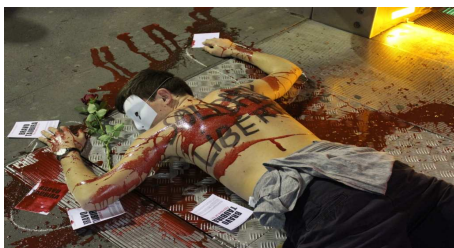
Their last action in 2013 was to demand the resignation of president François Hollande. It is difficult to understand what was the rationale behind that demand because the law was in fact passed by parliament.

**“Hommen” demonstrations during the discussion of a law in parliament  
France, 27 March–23 April 2013**



**Actions after the law was passed by parliament on 23 April 2013**

**Paris, Trocadero**



**Roland-Garros, Paris, 9 June 2013**



**Fig. x.x Actions by a group which called itself the “HomMen”.** What was remarkable with this group is that it appeared all of a sudden and was immediately well organized. After their action of 9 June 2013 they did not disappear altogether. On 7 June 2014 they tried to display a 30mX20m banner from the top of the Arc de Triomphe but were discovered before arriving to the top of the monument.

- The tactic used by the Hommen was the time-honored method of protesting police violence against supposedly peaceful demonstrators. The Hommen went even one step further by labeling as political prisoners the persons who were arrested.

This group seems to embody many of the characteristics recommended by Gene Sharp.

- It led a fight for democracy against a (fictitious) dictatorship.

- It advocated and used non-violent actions,
- Its actions were cleverly designed probably with the advice of public relations experts.

Moreover, what makes the case interesting is that it is a group that is easily recognizable. If in the future similar methods are used elsewhere in the world one should be able to establish a connection.

## Propelling pro-US leaders to the top

In the present section we will focus on a few top-leaders.

### The rules of the game

In the game through which a country  $A$  tries to get influence over a country  $B$  the main steps are always the same.

1 First, country  $A$  must identify a citizen  $b$  of  $B$  who is an apologist of  $A$  and at the same time has good expectation for being promoted to higher positions.

2 The game then consists in pushing  $b$  higher by supporting him (or she) in any possible way. This does not necessarily require exogenous intervention. Indeed, the apologists of  $A$  may form a kind of brotherhood whose members support each other. Needless to say, there will be almost no information available to analysts and historians about this phase of the process.

3 In the ascent toward top positions the support of the medias is essential. Clearly, those of prime importance are the medias of  $B$ . However, for the success of the scenario it is essential that the media of  $A$  are in line with those of  $B$ . If the  $B$ -medias present  $b$  as a charismatic leader while at the same time those of  $A$  describe him as addicted to vodka and unable to have an independent judgment the process will not work.

4 In order to uphold the credibility of  $b$  it is essential to downplay his (or her) connection with  $A$  for otherwise he will be seen as a pawn by the citizens of  $B$ . This can be done in various ways. For instance,  $b$  may voice some criticism of  $A$  (words do not carry much weight) or even take some anti- $A$  decisions albeit limited to issues of trifling importance. Thus, a well-known Beijing TV journalist named Rui Chenggang requested (and obtained) the removal of a Starbuck restaurant from the Forbidden City while at the same time having a close business connection with the Starbuck company.

### What can be learned from top-leader cases?

The study of a few individual cases will help us to better understand how, while being supported by a foreign country, a leader can at the same time persuade his fellow citizens that he is defending their interests.

This seems incompatible with the most basic form of patriotism. However the history of China shows that this scenario happened recurrently. As one knows, before 1911 the Empire accepted many unequal treaties and after 1911 the Republic did the same.

One of the last unequal treaties between China and the United States was the “Treaty of Friendship, Commerce and Navigation” signed in November 1946. Many Chinese businessmen denounced it as being detrimental to China economic interests. For instance, the manager of the “Minsheng Shipping Company” compared the treaty to an agreement between an adult and a boy in which each is supposed to carry a load of 20 pounds in a supposedly equal race.

So, why did Chiang Kai-shek accept it? He was probably convinced that it was a necessity in order to benefit from US help for waging the civil war against the Communists.

The Empire was compelled to sign unequal treaties because of its military weakness. The Republic was willing to sign unequal treaties because it needed western loans. However, one wonders what led the Communist Party to accept the kind of unequal “cooperation” programs described previously. Taking a look at individual cases may give us some closer insight. However, for historians discussing individual cases is always a tricky business. Any political leader is exposed to a great number of forces which means that to focus just on some of them is a fairly arbitrary procedure.

## **Boris Yeltsin**

It will be shown subsequently that there was a close cooperation between President Boris Yeltsin and the US government. Yeltsin accepted a privatization program run by US advisers which eventually led to a massive capital flight and to the default of Russia in the fall of 1998. In exchange, the US State Department supported Yeltsin and helped him to be re-elected. It is only in 1999 shortly before his resignation that Yeltsin seemed to realize the disaster that his policy had brought to Russia.

## **French President Nicolas Sarkozy**

The case of Nicolas Sarkozy is almost a textbook case. As such, it provides a blueprint for reading other cases.

Almost immediately after Sarkozy’s election, US media referred to him as a “puppet of the Bush regime”. Some newspapers (e.g. the “Daily Mail”, 7 November 2007) have been using even stronger language, labeling him as “Bush’s new poodle”. During his 5-year presidential term his foreign policy indeed confirmed that he was a vassal of the United States. To America’s delight, Sarkozy boosted the strength of French troops in Afghanistan, took part in the bombing campaign against Libya and



**Fig. 4.10 Russian President Boris Yeltsin with US and Chinese presidents.** The honeymoon between Yeltsin and Clinton ended in late 1999 when the United States was accused of training Islamist insurgents in Bosnia for sending them to Chechnya.

At the meeting of December 1999 between Yeltsin and Jiang Russia supported China's stand on the Taiwan issue and the PRC supported the Russian stand against Chechen terrorist and separatists. *Sources: Various websites.*

returned France to Nato's integrated command. In a discussion with American officials at the US embassy in Paris he acknowledged that in France he was called "Sarko, the American" and added that he took pride in it. .

This leads us to an obvious question: what causes a political leader to accept such a subservient position? There must be some kind of a trade off.

### **Selected for the "International Visitor Leadership Program"**

In 1983, at the age of 28, Sarkozy became the mayor of Neuilly-sur-Seine, a wealthy suburb in the west of Paris. Then, two years later he was selected as a "grantee" of the "International Visitor Leadership Program". Through this program the selected person will be invited (all cost covered) on a two- or three-week tour of the United States. Before Sarkozy many other French citizens had been invited on such a tour. Among those who reached top positions, either as prime minister or as president, one can mention the persons listed in the table.

### **Advance confidential information given to the US embassy**

On 1 August 2005 Sarkozy announced to the US embassy that he would run for

**Table 4.1 French and British “grantees” of the “International Visitor Leadership Program”.**

Name	Year of visit	Age at visit (year)	Becoming PM or President
FRANCE			
(1) Michel Debré (PM)	1956	44	1958
(2) Valéry Giscard d’Estaing (Pr)	1956	30	1974
(3) Jacques Chaban-Delmas (PM)	1961	46	1969
(4) Raymond Barre (PM)	1965	52	1976
(5) Pierre Bérégovoy (PM)	1977	52	1993
(6) Lionel Jospin (PM)	1977	40	1997
(7) Alain Juppé (PM)	1978	33	1995
(8) François Fillon (PM)	1984	30	2007
(9) Nicolas Sarkozy (Pr)	1985	30	2007
UK			
(1) Edward Heath (PM)	1953	37	1970
(2) Margaret Thatcher (PM)	1967	42	1979
(3) Gordon Brown (PM)	1984	33	2007
(4) Tony Blair (PM)	1986	33	1997
(5) Gordon Brown (PM)	1992	41	2007
(6) Tony Blair (PM)	1992	39	1997

Notes: All the persons mentioned in the table became either Prime Minister (PM) or President (Pr). Both Tony Blair and Gordon Brown were invited twice which is why their names appear two times.

The average “profile” of the French persons was as follows: selected at the age of 40 and reaching top post 15 years later. The average British person was selected at the age of 37.5 and reached top position some 14 years later.

It can be noted that in the French group there are 7 right-wing persons (1,2,3,4,7,8,9) and only 2 left-wing persons (5,6). Moreover, the right-wing persons who were at the same time admirers of the US, namely (2,3,7,8,9) were selected at an earlier age (namely 34) than the left-wing persons (for 5,6 the average age is 46). A list of French presidents and prime ministers who were *not* selected would include: Charles de Gaulle (Pr), François Mitterrand (Pr), Jacques Chirac (Pr, PM), Pierre Maurois (PM), Michel Rocard (PM).

Source: Wikipedia, article entitled “International Visitor Leadership Program” and articles about the persons cited.

president in May 2007<sup>70</sup>.

Excerpt of a confidential cable sent by the US embassy in Paris on 4 August 2005.

Sarkozy confirmed his intention to run for president to Ambassador Stapleton and NEC [National Economic Council] Director Hubbard, saying, “I am going to be a candidate in 2007”.

Comment of the Ambassador: “Very much unlike nearly all other French political figures, Sarkozy is viscerally pro-American”.

This information was given to the US government 16 months before Sarkozy’s official announcement to his fellow citizens.

<sup>70</sup>The source is the following WikiLeaks file: [https://www.wikileaks.org/plusd/cables/05PARIS5335\\_a.html](https://www.wikileaks.org/plusd/cables/05PARIS5335_a.html)

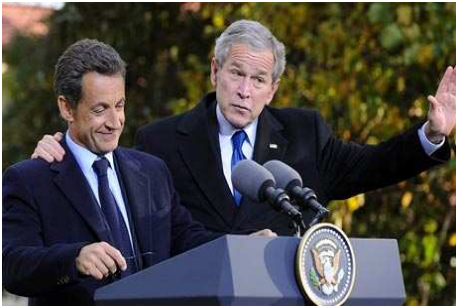
## “A willing puppet of the Bush Regime”



12 Sep 2006 at the White House  
(during Sarkozy’s presidential campaign)



13 Aug 2007, Kennebunkport (Maine)



5 Nov 2007, Mount Vernon (Virginia)



7 Nov 2007 at the White House

**Fig. 4.11 French president Sarkozy and US president Bush.** Nicolas Sarkozy had a deep admiration for America’s values. In 1985 he visited the United States as an “International Visitors Program” grantee. That was one year before he became the mayor of Neuilly-sur-Seine, a wealthy suburb in the west of Paris. was an apologist of the United States. In August 2005 Nicolas Sarkozy told the US embassy that he would run for president in May 2007. That was 16 months before telling French citizens about his candidacy. Incidentally, the first picture has probably been altered because President Bush is in fact 10cm taller than Nicolas Sarkozy.

### Visit to the United States

In September 2006, that is to say 8 months before the election of May 2007, Sarkozy made a 4-day visit to the United States. Made in his capacity of Minister of the Interior, the visit was in fact a major step in his campaign. As shown by the following list of distinguished Americans that Sarkozy was able to meet, the US government did not spare its promotion efforts<sup>71</sup>.

Between 9 and 12 September 2006 Mr. Sarkozy was received by:

- President Bush at the White House, an exceptional honor for a mere minister<sup>72</sup>,
- Stephen J. Hadley, the national security adviser,

<sup>71</sup>The source is New York Times, 13 September 2006.

<sup>72</sup>The White House even allowed a photo of the two men to be released.

- Secretary of State Condoleezza Rice
- Michael Chertoff, the secretary of homeland security.
- Senator John McCain and Senator Barack Obama. In September 2006 it was already fairly clear (although not officially announced) that Mr. Obama would run for president. The NYT of 18 September 2006 said: “Senator Barack Obama insists, as always, that he is not running for president. But there are compelling clues that he is not exactly not running, either”.
- New York mayor Michael Bloomberg.
- United Nations secretary general, Kofi Annan.

The same New York Times article of 13 September 2006 added the following observation. “To prove that the Bush administration is not taking sides in an election next April in which the parties have yet to choose candidates, Mr. Bush would also be willing to meet Ségolène Royal.”

At first sight this might appear as “not taking sides” but in fact it was also assisting Sarkozy. Why?

In September 2006 the candidate of the Socialist Party had not yet been chosen. There were basically three contenders: Laurent Fabius, Dominique Strauss-Kahn, and Ségolène Royal. Sarkozy’s preferred adversary was the later. In fact, even among the Socialists most people were convinced that she could not win against Sarkozy. For instance, on 16 May 2006 Strauss-Kahn told the US ambassador<sup>73</sup>: “If nominated by the Socialists, Royal would not survive against Sarkozy. Sarkozy had already reached the same conclusion, which explained why he continued to extol her qualities as a potential candidate”. Thus, by singling her out among the three contenders, President Bush was working for Sarkozy.

If really most Socialists were convinced that Ms. Royal could not win, why was she chosen by them as their candidate? The reason is fairly simple. The primary election was somewhat rigged. How?

- The results of the primary elections of 16 November 2006 were as follows. Royal: 60% (about 100,000 votes, Strauss Kahn: 21% (about 30,000 votes), Fabius: 19% (about 30,000 votes). Such a big gap between Royal and the two other contenders seems surprising.

- Only members of the Socialist Party who had paid their membership card could vote. On 16 November there were some 160,000 voters. However, in the months before the primary (basically between March and November 2006) some 80,000 new members were registered bringing about a membership increase of 66%. With a participation of 80% the 80,000 new members gave about 60,000 new voters.

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<sup>73</sup>Source is the following WikiLeaks file:

<https://cablegatesearch.wikileaks.org/cable.php?id=06PARIS5974&q=pro-american%20sarkozy>

Why were there 80,000 new members between March and November 2006? This was largely due to a new registration procedure. Registration could be done through the Internet and the membership cost was reduced to 20 euros. If we assume that among the members prior the registration wave, each of the 3 contenders would get approximately one third of the votes, but that all new members voted for Ms. Royal, her total would be:  $33,000+60,000=93,000$ , not far from the actual result.

This does not mean that the new members were paid for registering. The point is that they registered in a time when Ségolène Royal's candidacy was supported by all the medias. She was a woman, she was pretty and in addition she would facilitate the election of Nicolas Sarkozy. In France her picture appeared on the cover of many right-wing magazines. In the United States, between 1 March 2006 and 10 November 2006 (the date of the socialist primary election) her name appeared in 29 articles of the New York Times whereas the names of her contenders (Kahn and Fabius) were mentioned in only 8 and 7 articles respectively.

In other words, it is likely that most of the new members registered with the intention of supporting Ségolène Royal.

Incidentally, this example shows how easily a primary election can be manipulated. It is a procedure which is supposed to be more "democratic" than the selection of the candidate by the leaders of the party, but at the same time it increases the risk of exogenous interference. Such a risk exists in all elections but it is greater in a primary election because of the relatively small number of voters (in the present case about 300 times less than in the presidential election itself).

## President Karzai and the Dalai Lama



**Fig. 4.12 Protection by US special agents.** **Left:** March 14, 2005 Parwan Province, Bayan district, some 50 km north of Kabul. US Diplomatic Security special agents travel with President Karzai everywhere he goes in his own country. **Right:** May 1, 2007, Houston, Texas. The Dalai Lama leaves Rice University under the protection of US Diplomatic Security special agents *Source: Website of the US Department of State.*

When President Karzai traveled in Afghanistan, his own country, he was under the protection of US special agents.



When the Dalai Lama traveled in the United States he was also under the protection of US special agents which means that he is an official guest.

Of course, all countries ensure the protection of the heads of state who visit them. However, in the first picture we see that President Karzai is protected by US agents in his *own country*, whereas in the second we see that the Dalai Lama gets the protection of a head of state in spite of not being recognized as such by the US government.

The same year in October 2007 the Dalai Lama received the Congressional Gold medal from the hands of President Bush. It is the highest American civilian award. Congressional Gold Medals are awarded by Acts of Congress. The medal was first awarded in 1776 by the Second Continental Congress to General George Washington.

# Chapter 5

## How to start revolutions

The events which led to the end of the USSR and its subsequent reorganization provide an example of a wave of public demonstrations supported by foreign media which can throw some light on how a similar episode may occur in China.

### USSR: when and where did the fire start?

The USSR officially ceased to exist on December 26, 1991. This was the end point of the institutional crisis, but when and where did the process start?

- Was it with the visits of John Paul II to Poland, the first of which took place in June 1979?
- Was it with the first multi-party election held in Poland in June 1989?
- Was it with the fall of the Berlin Wall on 9 November 1989
- Was it with the declaration of independence by Lithuania on 11 March 1990?

Table March toward independence in the Baltic countries

Action	Lithuania	Estonia	Latvia
National language declared state language	Nov 1988	Jun 1988	Oct 1988
Soviet annexation declared illegal	Sep 1989	Nov 1989	
Formal end of Communist Party rule	Dec 1989	Feb 1990	Dec 1989
Multiparty parliamentary elections	Feb 1990	Mar 1990	Mar 1990
<a href="#">Declaration of independence</a>	<a href="#">Mar 11, 1990</a>	<a href="#">Mar 30, 1990</a>	<a href="#">May 4, 1990</a>

Notes: Because the annexation of the Baltic countries by the USSR at the end of World War II was never recognized by Western countries these countries constituted the ideal place from where the independence movement could then spread to other countries and particularly to Ukraine and Belarus which had already a seat at the United Nations. It is in fact surprising to see that despite being the main force in defeating Germany, the Soviet Union gained very little strategic advantages. In marked contrast with the United States, it established no military bases abroad. Its influence over Eastern European countries turned out to be shaky from the very beginning as shown by the uprisings in Berlin and Budapest. Moreover, the fact that Staline did not exercise enough pressure to obtain US acceptance of the occupation of the Baltic countries shows that he did not have a sound perception of nationality issues.

- Was it with the failure of Russian military intervention in Lithuania on 13 April 1991?

Clearly many other events could be mentioned in such a list and to pick up any of them rather than the others would be completely arbitrary. The only guiding rule is the recognition that the strength of a chain is the strength of its weakest links.

- Among Communist countries, those of Eastern Europe were certainly the most inclined to rebellion as had been shown by the uprisings in East Germany (June 1953), Budapest (1956), Prague (1968) and the imposition of martial law in Poland in 1981.

- Among Soviet Socialist Republics the Baltic states were the most inclined to rebellion because their aggregation to the Soviet Union after 1945 was not well accepted and not recognized by the United States.

In China the weakest links are obviously Hong Kong and Macao. One has the feeling that in the negotiation which led to their present status, the Chinese side led by Deng Xiaoping made unwise concessions. Indeed, other historical cases seem to suggest that an organization (namely “one country, two systems”) which has lasted for 50 years would rather lead to a permanent split. As a matter of fact, over the past 18 years (1997-2015) it does not seem that the integration of Hong Kong into China has progressed whatsoever.

One would not be surprised to see Hong Kong play with respect to China the same role as Poland or Lithuania with respect to the USSR.

## Pope John Paul II's visits to Communist countries

### “Reverence for John Paul”

*There have been tremendous public relations campaigns celebrating Pope John Paul II, first on the occasion of his death in April 2005 and then on the occasion of his canonisation (i.e. being recognized as a saint by the Catholic Church) in September 2013. Whenever scandals are revealed such as the misbehavior of Marcial Maciel, the founder of the movement “Regnum Christi”, the role of John Paul II is usually overlooked; as an illustration one can read the English Wikipedia articles entitled “Marcial Maciel” and “Regnum Christi” (more on this below). One may wonder why John Paul II was (and still is) given such a favorable treatment by US media. The “New York Times” which shields him all the same calls this attitude the “reverence for John Paul” (NYT 2 May 2010)*

Following the election of Pope Francis there was also an extensive public relations campaign to “sell” a good image of him in spite of his not so honorable role during the period of the dictatorship in Argentina. As a bishop and head of the Jesuits in Argentina, he could have appealed to the Inter-American Human Rights Commission when it came to Argentina to investigate, he could have opened the parish archives

to document the crimes of the military, he could have set up an investigation of the role of army chaplains. He could probably have done many other things to manifest his compassion for the victims of the repression.

When he visited the United States in 2015 he was invited to deliver a speech to the Congress but it seems that US journalists did not wish to ask him any question about the dark time of the dictatorship.

### John Paul's visits to Communist countries

In the 13 years between his election and the dissolution of the Soviet Union in December 1991, Pope John Paul II (16 October 1978 – 2 April 2005) made 5 visits to Communist countries. Below we give the dates of these visits and some excerpts from New York Times articles which show their political significance. The numbers in parenthesis give the number of articles that the NYT devoted to the event. It can be seen that there are many.



**Fig. 5.1a Archbishop Paul Marcinkus with Pope Paul VI and John Paul II.** From 1959 to 1990, the Chicagoan Paul Marcinkus had a long career at the Vatican. As suggested by these pictures he had a close relationship with John Paul II. In a conversation with investigative reporter John Cornwell, he acknowledged that under his direction the Bank of the Vatican transferred \$32 million to the anti-communist Polish social movement called Solidarity, at the behest of Pope John Paul II. *Source: Wikipedia article entitled "Paul Marcinkus", Internet.*

#### (1) **2-10 June 1979: first visit to Poland (60): Human rights**

Pope John Paul II called on Poland's Communist government to recognize "the cause of fundamental human rights, including the right to religious liberty". (NYT June 06, 1979)

### Chronology of Paul Marcinkus

In the Wikipedia article entitled “Pope John Paul II assassination attempt” a possible theory is presented in the following terms:

“KGB Director Yuri Andropov was convinced that Pope John Paul II’s election was the product of a conspiracy orchestrated by Zbigniew Brzezinski to undermine Soviet hegemony in largely Catholic Poland and ultimately to precipitate the collapse of the entire Soviet Union.”

If one gives credit to this theory the role of Archbishop Marcinkus becomes fairly clear as being a liaison “officer”. That is why it would be interesting to know what was his activity during World War II (he was 19 year old in 1941). Unfortunately, his biography starts in 1947.

**1947:** Marcinkus was ordained to the priesthood for the Archdiocese of Chicago.

**1950:** Marcinkus arrived in Rome to study canon law at the Gregorian University, and began to accept special assignments from the Vatican.

*[This is probably the most surprising step in Marcinkus’ biography. Why, despite his modest family background, was he singled out to be sent to Rome to start a diplomatic carrier?]*

**1955-1959:** Paul Marcinkus was assigned to La Paz in Bolivia as secretary of the Vatican nunciature [i.e. embassy].

**1959-1969** Marcinkus serves as translator first for John XXIII, then for Paul VI. It is probably in this function that he appears in the first picture of Fig. 5.1a during the visit of Martin Luther King.

**1965 (Oct)** First visit to the United States by a reigning Pope. All previous meetings between the pope and US presidents had taken place in Rome.

**1968 (Dec)** Msgr. Paul Marcinkus of Chicago was appointed as secretary of the commission that administers Vatican funds spent on charitable works throughout the world. (NYT 21 Dec)

**1969 (Jan)** Marcinkus was consecrated bishop and became also a Secretary of the Roman Curia.

**1970 (Jul)** Paul Marcinkus has recently established close links with Rothschild banking interests.

**1978 (Oct)** John Paul II succeeded to Paul VI.

**1979 (Sep)** First visit of John Paul II to the United States. Marcinkus had a key role in its organization.

**1981 (13 May)** First assassination attempt of John Paul II in Rome.

**1982 (12 May)** Second assassination attempt of John Paul II in Fatima (Portugal).

**1982 (Jun)** On 15 June suicide in Milan of the secretary of banker Roberto Calvi followed on 18 June by the suicide of Calvi himself in London (NYT 28 July). Calvi was the head of the Bank Ambrosiano, the largest private Italian bank with close ties with the bank of the Vatican. Its bankruptcy triggered an investigation by Italian judges.

**1987 (Feb)** A warrant was issued by the Italian Justice Department for the arrest of Marcinkus (NYT 27 Feb) but the Vatican refused to extradite him.

**1990-2006** After his retirement in 1990 Mr. Marcinkus lived in a luxurious gated property in Sun City, Arizona. Italy could have asked his extradition but, for some reason, did not.

Near Nova Huta the Pope assailed Communist leaders for regarding man “merely as

a means of production”. (NYT June 10, 1979)

(2) **16–23 June 1983: second visit to Poland (63): Support to “Solidarity”**

Pope John Paul II, addressing a crowd estimated at more than a million people, hailed the Polish people today for their acts of “solidarity” with those who were interned [after the introduction of martial law in 1981]. (NYT June 19, 1983)

The Pope praised the achievements of the outlawed “Solidarity” union. (NYT June 21, 1983)

Pope John Paul II held a surprise meeting with the Polish leader, General Wojciech Jaruzelski. (NYT June 23, 1983)

Pope John Paul II met privately at a remote mountain retreat today with Lech Walesa, the founder of the Solidarity independent union. (NYT June 24, 1983)

Solidarity leader, Lech Walesa, said that Pope John Paul II told him that martial law could be lifted in September if the banned union stopped protesting in the streets. (NYT June 28, 1983)



**Fig. 5.1b Visit of John Paul II to Chile in March 1987.** Citing declarations made by the Pope in Uruguay, some websites claim that he had a critical attitude toward the dictatorship of General Pinochet. That, however, is not the impression given by the present pictures. In fact, many priests and bishops did not want the pontiff to visit Chile while Pinochet remained in power. Even if one accepts the principle of this visit, was it necessary to greet the General with a broad smile, to appear on his side in public and to meet him privately together with his wife? It can be noted that whereas on the Internet there are many pictures of John Paul II with General Pinochet we could not find a single one where he appears together with General Videla from Argentina whom he visited in 1982. In 2013 John Paul II was canonized that is to say recognized by the Catholic Church as a saint. Such a short delay of only 8 years between death and canonization is quite exceptional. The official announcement was made by Pope Francis on 5 July 2013 and a grandiose ceremony took place on 30 September 2013. John Paul II is of course a highly political saint but so was also King Charles I executed for high treason in January 1649 and canonized by the Anglican Church in 1660. *Sources: Internet.*

(3) **8-14 June 1987: third visit to Poland (39): Support to “Solidarity”**

Pope John Paul II proclaimed the outlawed “Solidarity” labor movement a model for all human rights struggles, declaring that the world must remember Poland’s brief, now dormant experiment. (NYT June 12, 1987) Workers and police clashed briefly as Pope visited the birthplace of the “Solidarity” labor movement. (NYT June 13, 1987)

(4) **21-22 April 1990: visit to Czechoslovakia (11).**

John Paul II, swept joyfully through the streets of Prague proclaiming that a unified Europe was at hand and that Communism had crumbled like the tower of Babel. (NYT April 22, 1990)

For Pope John Paul II the collapse of Communism in Eastern Europe has been a personal triumph. (NYT April 22, 1990)

(5) **1-9 June 1991: fourth visit to Poland. (23) Support to the independence of Lithuania.**

In a town about 90 km from the Soviet border Pope John Paul II offered his moral support for Lithuanian independence. (NYT June 06, 1991)

(6) **13-16 August 1991: fifth visit to Poland. (6)**

(7) **16-20 August 1991: first visit to Hungary (6): prayer for Cardinal Mindszenty and support for the independence of Croatia.**

Pope John Paul II began a 5-day visit to Hungary by praying at the crypt of the militantly anti-Communist Cardinal Jozsef Mindszenty. (NYT August 17, 1991)

Pope John Paul II told Croatian pilgrims today that he supported their “legitimate aspirations” [to independence] (NYT August 18, 1991)

Pope John Paul II warmly praised Mikhail S. Gorbachev as a true champion of human rights. (NYT August 21, 1991)

To put the previous excerpts in context we should ask ourselves if during his visits to the United States John Paul II had expressed his concern about the fact that the rich get richer and richer while the poor become poorer and poorer. Regarding human rights he could also have mentioned the fact that unions were banned in several of the largest US corporations. As a matter of fact, at times John Paul II expressed some reservations about pure capitalism but, to our best knowledge, such remarks were always in fairly general terms. He never explicitly supported the attempts by WalMart’s workers to establish a union in the way he supported Solidarity. It is in this sense that it can be said that he was “the spiritual arm of Ronald Reagan” (Guardian 28 April 2014).

In conclusion it can be said that the Polish government, and the Russian government behind it, were not very smart for indeed the first visit should have made clear to them that they had nothing to gain from such visits and much to lose.

**Role of Father Marcial Maciel’s “Legion of Christ” in funding Solidarnosc**

Converging evidence suggest that the funding of Solidarnosc (as well as similar movements) by the Vatican was accomplished via the wealthy movements “Legion of Christ” and “Regnum Christi”. Below is an account of some of the facts and testimonies.

1 “Legion of Christ” was founded in Mexico in 1941 by Marcial Maciel then only 21. The fact that four of his uncles were bishops was probably of some help. In 1959 he founded “Regnum Christus”. Whereas the later is a lay movement “Legion of Christ” is destined to form priests. The conservative (and anti-Communist) orientation of these movements attracted many gifts from Mexican tycoons, for instance from tycoon Carlos Slim, whom Forbes listed as the world’s richest man from 2010 to 2013 with a fortune of about \$50 billion.

2 Starting around 1980 reports of sexual abuse by Father Maciel began to surface. In 1997, a group of 9 men went public with accusations that they had been abused as youths by Maciel while studying under him in Spain and Rome. The group lodged formal charges at the Vatican in 1998. Although the case raised the attention of Cardinal Ratzinger, it was eventually dropped? Why? Several testimonies suggest that Cardinal Ratzinger was prevented to act by Pope John Paul. In the words of one of them: “Ratzinger said the case could not be opened because Maciel was a person very beloved by the pope and who had done a lot of good for the church” (Father Athié’s testimony).

3 In 2001, addressing some 20,000 people gathered for the 60th anniversary of the founding of the Legion of Christ, John Paul II hailed Father Maciel: “With special affection, I greet your beloved founder, Father Marcial Maciel, and extend to him my heartfelt congratulations”.

4 How do we know that it is the pope who blocked any action? Confirmation came in 2005 shortly before his death when Cardinal Ratzinger re-opened the case. Once he had become pope he set up an overall inquiry whose conclusions were expressed in the strongest terms.

“The very grave and objectively immoral actions of Father Maciel, confirmed by incontrovertible testimonies, in some cases constitute real crimes and manifest a life devoid of scruples and authentic religious meaning. This life was unknown to the great majority of the Legionaries, above all because of the system of relationships constructed by Father Maciel, who was able skilfully to create alibis for himself, to obtain trust, confidence and silence from those around him”.

This statement was made in an official communiqué of the Holy See regarding the Congregation of the Legionaries of Christ. (1 May 2010)

5 Now, we must of course ask ourselves why John Paul II did not wish the case to be investigated. It can be said that he preferred to avoid the scandal that would



have resulted. However, a more specific reason is given by some.

“Maciel funneled money to John Paul’s favorite interests in Poland as the country struggled to emerge from communist rule. (testimony of Barba-Martin, a historian and former seminarian who accused Maciel of abuse, reported in: <http://www.mcclatchydc.com>)

This testimony matches John Cornwell’s testimony mentioned in the caption of Fig. 5.1a.

## Elections in Poland

The elections of 4 June 1989 were the first multi-party elections in Communist Poland. The poster for the election that is shown in the picture was supposed to promote justice and freedom.

By an irony of fate (probably unknown to those who made the poster) it bears also testimony of the elimination of left-wing minded persons from the Hollywood studios and more generally of the purge in the US media industry. Carl Foreman was the screenwriter and co-producer of the film “High Noon” and in 1951 during production of the film he was summoned to appear before the House Committee on Un-American Activities (HUAC). He testified that although he had been a member of the American Communist Party he had quit many years ago. Yet, as a result of his refusal to give the names of fellow Party members, Foreman was labeled as an “un-cooperative witness” and blacklisted by all Hollywood studio bosses. Incidentally, the actor John Wayne proudly claimed that through his testimony he contributed to the blacklisting of Foreman. Unemployed, Foreman moved to England where he wrote scripts under pseudonyms that were channeled back to Hollywood. In 1956 he co-wrote the screenplay for “The Bridge on the River Kwai” with fellow blacklisted writer Michael Wilson<sup>74</sup>.

## President Reagan’s visit to Moscow in 1988

On his visits to the United States did President Gorbachev ever ask to have a meeting with unionists, with leaders of the “National Association for the Advancement of Colored People” (NAACP) or with representatives of the Navajo Indians? To our best knowledge the answer is “no”. Had he been tempted to make such a demand he would probably have faced a polite but firm denial.

Yet, when President Reagan asked to visit a monastery and to give a speech to dissidents and refuseniks the Soviet Government agreed. It expressed displeasure but it agreed. What did it have to gain through such a lax attitude?

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<sup>74</sup>Sources: Wikipedia articles entitled “High noon” and “Carl Foreman”.



**Fig. 5.1c Polish poster for the election of 4 June 1989.** The cowboy was US actor Gary Cooper in the film “High Noon” (1952). Dwight Eisenhower loved the film and frequently screened it in the White House, as did many other American presidents. Bill Clinton cited High Noon as his favorite film. The message at the bottom of the poster translates to “High Noon: 4 June 1989”. The fact that many Polish people had seen this film and knew its title (otherwise the poster would make little sense) gives an idea of US cultural influence in Poland around 1989. *Source: Wikipedia article entitled “High noon”.*

Thus, on 30 May 1988, Ronald Reagan visited the Danilov Monastery and then had a meeting with about 100 dissidents and refuseniks at Spaso House, the private residence of the US ambassador (about one kilometer away from the US embassy). The Danilov Monastery was not just a touristic attraction. It had been renovated to become the headquarters of the Russian Orthodox Church. In short, the visit had a deep political significance. During the visit no Soviet officials were present. In his speech, President Reagan made an apology of the work of Alexander Solzhenitsyn.

Whereas the visit to the monastery was on the official printed Soviet schedule of the summit, Reagan’s reception of dissidents was not mentioned on it.

Sitting at the same table as the president were the Reverend Modris Plate, a Latvian Lutheran priest, Pyatras Pakenas, a Lithuanian whose wife had already emigrated to the west and Vyacheslav Chornovil, a Ukrainian human rights campaigner.

After the group was addressed by three dissidents, Sergei Kovalev<sup>75</sup>, Yuli Kosharovskiy and Father Gleb Yakunin, a Russian Orthodox priest and activist<sup>76</sup>, President Reagan

<sup>75</sup>In December 1994, Sergei Kovalev moved to Grosny from where he exposed the repression by the Russian Army. He was at that time the head of the Russian President’s commission on human rights and in close contact with the US State Department (NYT 23, 30 Dec 1994).

<sup>76</sup>In 1993 Yakunin became a member of Parliament. An undaunted supporter of radical reform, he was a close ally of Boris Yeltsin. Together with Viktor Sheinis and Lev Ponomarev he exposed the war in Chechnya as “being tantamount to genocide”.

told the audience in an emotional way: “I came here hoping to do what I could to give you strength, yet I already know it is you who have strengthened me”.

An article of May 30 1988 in the New York Times tells us that for his visit Ronald Reagan had learned some Russian proverbs. However, it seems that his pronunciation was so poor that nobody understood them. In his speech to the dissidents, he cited a line from a poem by the 19th-century poet Aleksandr Pushkin. In April 1984 during his visit to Beijing President Reagan had already impressed reporters and dignitaries with his occasional attempts to speak Chinese. The article does not say if his attempts at Chinese were more successful than his attempts at Russian.

## Creation of martyrs

Exploiting the emotion created by the deaths of martyrs is a technique that has been used in many revolutions.

### Creation of martyrs in history

Going back to the 19th century, it can be mentioned that this “technique” was systematically used during the revolutions that took place in France in July 1830, February 1848, June 1848, September 1870. The scenario can be described as follows (Roehner and Syme 2002, p. 135).

A decisive stage [in the unfolding of the revolution] was reached when the confrontation yielded the first martyrs. The bodies of the victims were then paraded in carts along the streets of Paris while alarm bells sounded and revolutionary chants were sung.

In these cases the martyrs were not killed purposefully by people of their own side. The French revolutions of the 19th century were not peaceful events which means that people were killed fairly early in the revolution which could then be used as martyrs. In more peaceful uprisings it is tempting for each side to “create” victims among their own people in order to benefit from the “martyr effect”.

In more recent times there were two episodes in which there was considerable suspicion that snipers killed people in order to create martyrs and at the same time discredit government police forces. One was the uprising and coup of 11 April 2002 in Caracas and the other the uprising and coup of late February 2014 in Kiev. In both cases snipers belonging to the opposition were accused of the killings of demonstrators. The accusations rely on the following observations.

- **Caracas, 2002** Chávez ally Jorge García Carneiro, taken prisoner at Fuerte Tiuna, was told by a number of rebels, including General Enrique Medina Gómez, Venezuela’s military attach in Washington, DC that the plan to kill a few people with snipers dated back years, as a way to ensure fewer deaths in the event of a coup.

Lucas Rincón Romero, who also came to Fuerte Tiuna later testified to the National Assembly that he had heard similar things.

Moreover, CNN correspondent Otto Neustald has said that on the morning of 11 April 2002 he recorded a video message (destined to be aired on TV) from a number of high-ranking military officers, led by Vice Admiral Hector Ramirez. It was broadcast later in the day. The message, recorded at least two hours before the killings started, accused Chavez of massacring innocent people using snipers, referring to at least 6 dead and dozens wounded. (Wikipedia, article entitled “2002 Venezuelan coup d’état attempt”)

- **Kiev, 2014** Olga Bogomolets was the main doctor for the Maidan mobile clinic when protests turned violent in Kiev. After treating the gravely injured she blamed the injuries and deaths on snipers because both the police and demonstrators were hit by the same bullets.

### **Events of 13 January 1991 in Vilnius: creation of martyrs?**

Let us say from the start that to this day (19 February 2015) there is still much controversy about what happened in Vilnius on 13 January 1991. Rather than trying to bring a final answer to this question our main goal in the following subsections will be (i) to emphasize that on 13 January there were two groups of demonstrators: one was pro-Russian and the other pro-independence. (ii) to show the strong connection that existed between the director-general of the Lithuanian national defense and US groups, particularly the CIA and the group of the Einstein Institution led by Gene Sharp.

Lithuania was at the forefront of the Soviet Socialist republics in their march toward full independence. On 11 March 1990, Lithuania became the first Soviet republic to proclaim its independence. Surprisingly, this move was approved even by the Communist Party of Lithuania. Yet, it was not immediately accepted by the Kremlin. Then, in January 1991 Soviet troops took over the Vilnius TV center; 13 Lithuanians and one Russian soldier died in the event. The Lithuanian Government blamed the Russian troops for the deaths and said that the Russian soldier was killed by friendly fire. The Wikipedia article entitled “January Events (Lithuania)” upholds the same version. It gives the names of all the victims and says that they were awarded the “Order of the Cross of Vytis” which is conferred on those who heroically defended Lithuania’s independence.

Yet, at the end of the article there is a short paragraph in which the Russian commander gives a completely different account. He says that his soldiers did not fire a single shot but came under fire from the roofs of the buildings near the TV tower. What is the truth?

Needless to say, taken alone the account given by the Russian commander would not convince many. But this version of the story has been comforted by several other sources.

- Lithuanian hospital doctors found shot-gun bullets in the bodies of the dead. According to the established trajectory the shots came from the roofs, the bullets went down, the angle was 45-50 degrees. At that time the Soviet soldiers were down on the street near the TV tower. According to Lithuanian witnesses, they did not shoot.

- After doing his own investigation Algirdas Paleckis, a Lithuanian investigative journalist, came to the conclusion that “it appears that in January 1991 our own people were shooting at their natives”. Paleckis was prosecuted under a 2010 amendment made to Article 95 of the Lithuanian criminal code, which bans the denial of crimes committed by the Soviet or Nazi regimes in Lithuania.

- According to former minister of national defense of Lithuania<sup>77</sup> Audrius Butkevicius (also written Butkyavichus), armed men under his command, including snipers trained by US special services, shot at the crowd during the storm of the Vilnius TV tower in January 1991. That is what he told British journalists while being an intern of a UK military school in 1997<sup>78</sup>.

The following excerpt of an interview given in 2000 by Butkevicius describes the motivation which led him to this action<sup>79</sup>.

“I cannot uphold my action from the perspective of the relatives of the victims, but I can justify it from the point of view of history. I have been working for a long time at the Einstein Institut in connection with Professor Gene Sharp, an expert in psychological warfare<sup>80</sup>. It was impossible for Lithuania to win against Russian forces except by using psychological warfare. Each and every Russian officer had to feel ashamed. In other words I had to transform the confrontation into a psychological battle and it is in this way that I was able to win it”.

### **Information about Defense Minister Audrius Butkevicius**

The question which immediately comes to mind is whether one can trust these citations. Giulietto Chiesa is a renowned journalist and former member of the European

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<sup>77</sup>In fact, in January 1991, Butkevicius was director of the National Defense Department of the Lithuanian Government. This department became a ministry only in September 1991 (NYT 19 July 1990, 4 September 1991). Incidentally, the article of 4 Sep 1991 says that he was a psychotherapist, which is not true. He was a medical doctor.

<sup>78</sup>Source is: <http://www.strategic-culture.org/news/2013/01/16/lithuania-stamped-out-truth.html>

<sup>79</sup>The source is:

<http://blogs.mediapart.fr/blog/segesta3756/141014/ukraine-mode-demploi-du-golpe-moderne-giulietto-chiesa-reprise>  
This interview was cited in an article by Giulietto Chiesa published in “Il Fatto Quotidiano” (10 March 2014). The article was first translated from Italian into French and the excerpt given here is my own translation from French into English.

<sup>80</sup>Gene Sharp and the so-called “Albert Einstein Institution” that he founded are well-known for their role in various insurrections especially in East European countries (for more details see below).

Parliament whose pro-Russian stance is well known. In order to make up our mind we need to find more information about Audrius Butkevicius. In the previous excerpt there is one fact that can be checked, namely whether or not Butkevicius has been studying at the Einstein Institute.

Is there a Wikipedia article about him? The answer is yes. It was published in 3 languages: English, German and of course Lithuanian. The English and German versions do not say anything about the Einstein Institut but the Lithuanian version does. What we learn about him can be summarized in the following chronology

(1) 1986: He completed his medical studies at the institute of Medecine in Kaunas.

(2) 1980-1986: He was a junior member of the “Scientific Research Institute of Psychology and Sociology Laboratory”.

(3) 1986-1989: He worked as a medical doctor in Kaunas, first as the chief physician of a dispensary and then at the central hospital.

(4) 1988: He joined the Reform Movement and became responsible for the security of the organization.

(5) 1988: He established an association which studied the life of former Lithuanian political prisoners. The association organized visits to the places in Siberia where Lithuanians had been kept in exile.

(6) 11 March 1990: He was one of the signatories of the declaration which proclaimed Lithuania’s independence.

(7) April 1990: He became the director-general of the Department of National Defense.

(8) 10 October 1991: He became the first Minister of Defense of Lithuania.

(9) 1993: Internship at the Department of War Studies at King’s College in London.

(10) 1994: He deepened his knowledge at the Albert Einstein Institute in Cambridge (Massachusetts)

(11) 12 August 1997: He was apprehended by the Lithuanian secret service agents in a hotel lobby while accepting 15,000 US dollars. He was indicted and sentenced to five and a half years in jail. However, he was released on 20 March 2000.

[The account of his arrest gives very little information: from whom did he receive 15,000 US dollars? Why, despite receiving a relatively small amount, was he sentenced to a term of over 5 years? A partial answer to the first question is given in the judgment of the European Court of Human Rights of 26 June 2002 and entitled: “Case of Butkevicius versus Lithuania”.

It states that the person who gave the 15,000 USD was a senior executive of a troubled oil company who had previously informed the intelligence authorities that

Butkevicius had requested 300,000 USD for his assistance in obtaining the discontinuance of criminal proceedings concerning the company's vast debts. The executive and the company are identified in the archive files of "Radio Free Europe" as being Klemensas Kirsa and Dega Ltd.

In other words, the meeting of 12 August was a trap. What was its purpose remains a mystery. As there is no question of blackmail it cannot be argued that the company contacted the police to protect itself. In short, this episode remains fairly mysterious.]

(12) 2000- Advisory activity in political technologies in Georgia, Ukraine, Belarus. Butkevicius established a private company "Cancosus Development Center" [little is known about the activities of this company]. Around 2005 he became one of the directors of a company offering intelligence services called "Far West Ltd" which appears closely connected with another small company called "Pravda.info".

### **Events of January 1991: the version of the Lithuanian government**

On the Internet there is a long article entitled "January events (Lithuania)" which reflects basically the version of the events as given by the Lithuanian government. It leaves absolutely no doubt about the fact that the 13 persons were killed by Soviet troops<sup>81</sup>. It may well be so. However, one must recognize that the account leaves out two important aspects.

- On 9 January 1991 the Prime Minister, Kazimiera Prunskiene, resigned following rejection by the republic's legislature of her economic reform package. An economist and a key leader of the Lithuanian independence movement, she was the most popular politician in the republic, according to public opinion polls. In former months, her willingness to find a language of compromise with Moscow, have caused friction between her and President Vytautas Landsbergis who had taken a more radical line (Washington Post 9 January 1991)

- On 9 January 1991, the correspondent of the Washington Post, Michael Dobbs, wrote: "Thousands of pro-Moscow demonstrators staged a second day of protests around Lithuania's parliament". On 12 January 1991, he wrote: "I arrived at the Lithuanian parliament shortly after 10 this morning to find two rival crowds besieging the building. To my right were several thousand Russian, Polish and Ukrainian workers waving red Soviet flags and chanting slogans for direct rule from Moscow. On my left, blocking their way toward parliament, was a much larger crowd of Lithuanians, waving the green, yellow and red Lithuanian tricolor and chanting, 'Laisve! Laisve!' (Lithuanian for freedom)".

Back in 1989, the Russian (9.4%), Polish (7.0%), Belarussian (1.7%) and Ukrainian

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<sup>81</sup>For instance the correspondent of the Washington Post wrote: "Soviet Interior Minister Boris Pugo charged that the demonstrators fired first on the army troops, a version of events that was contradicted by witness accounts of numerous reporters on the scene, including this correspondent" (14 January 1991).

(1.2%) minorities represented a total of 19.3% of the population. It seems that they were worried for their rights in an independent Lithuania. Quite understandably, the Soviet government tried to defend their rights and to use them as a counterforce.

We see that instead of the picture of a well-united population opposing the Soviet troops that is given by the Wikipedia article, there were obvious divisions. In short, it was necessary for the citizens to close ranks around their vocal leader, President Landsbergis.

The fact that the population was not all on one side is confirmed by the trial of several dozens Lithuanians who were accused of having been on the Soviet side during these events. This is explained in the next subsection.

### **Trials of pro-Russian citizens**

The thesis according to which the 13 persons who died were all shot by Russian troops has become a cornerstone in the historical account of how Lithuania regained its independence. Therefore, one can hardly expect official Lithuanian institutions such as the Ministry of Justice to give a truly objective account. Nevertheless it can be interesting to examine what happened at the trial of Lithuanians indicted in relation with the events of January 1991. Radio Free Europe gives the following account.

(1) November 1996. A 1991 attack by Soviet troops on an unarmed crowd that left 13 dead will be the focus of the trial of former pro-Moscow Lithuanian Communist Party leaders that opened in Vilnius on 5 November 1996. If found guilty, former party First Secretary Mykolas Burokevicius and ideological department head Juozas Jermalavicius may face the death penalty for the attack at the Vilnius TV tower, while four other defendants face 3-10 years in prison. Prosecutors introduced 330 volumes of evidence and plan to call more than a thousand witnesses.

(2) On 26 August 1997, a Vilnius city district court found these 6 high ranking former Communist Party officials guilty of organizing and carrying out the attempted coup against the Lithuanian government on 12-13 January 1991. During that attempt, Soviet forces killed 14 and injured more than 1,000. The sentences ranged from 12 years for Mykolas Burokevicius, chairman of the Communist Party in Lithuania who still considers himself a citizen of the USSR, to three years for Leonas Bartosevicius, a former Soviet publishing house director. Still awaiting trial are 41 others, who are believed to be in Russia or one of the other post-Soviet states

(3) 13 June 2000. Former Defense Minister Audrius Butkevicius testified in the appeals case of the convicted leaders of the attempted 13 January 1991 Soviet coup in Lithuania. Convicted Communist Party members Mykolas Burokevicius and Juozas Jermalavicius had hoped that Butkevicius would confirm their claims that the Lithuanian government sent snipers to attack their own compatriots. Butkevicius



confirmed that he had worked with the medical institutions “to prepare them for the treatment of victims”. But he said “this does not mean that I put people under Soviet tanks and forced them to attack Russian military vehicles”. Instead, Butkevicius blamed Mikhail Gorbachev.

**Comments** It seems that Butkevicius did not give a testimony at the first trial because he was himself in prison. At the appeals trial he did not say that snipers under his command opened fire on the crowd but neither did he say that the victims were shot by the Russian troops. To blame Gorbachev is evading the issue.

Regarding the numbers of victims, it can be observed that a ratio of wounded to killed of  $1000/13 = 77$  does not seem compatible with shots fired with military, high velocity weapons.

The Wikipedia article entitled “January events (Lithuania)” gives a detailed account which seems to provide ample evidence that the victims were shot by Russian troops. Yet, it does not mention Russian troops shooting from high places which would explain the kind of injuries observed by medical teams. At that point, it is probably best to leave the question open until new evidence emerges.

## Contacts of US intelligence agencies with Baltic countries

As shown by the chronology given in the box, the Baltic countries were approached and visited almost simultaneously by representatives of the Albert Einstein Institution and of the CIA. Not surprisingly, the available information is more detailed in the first case than in the second. This raises the question of the status of the Albert Einstein Institution.

### The Albert Einstein Institution

In the United States there are many private institutions involved in foreign affairs studies whose funding comes from both government and private sources. The Albert Einstein Institution<sup>82</sup> is one of them. It got funding from government agencies such as the “US Institute of Peace” and “the National Endowment for Democracy” as well as from private foundations such as the Ford Foundation or the Stanley Foundation.

The most visible part of its activities consists in a comparative analysis of episodes of nonviolent resistance. Just as illustrations one can mention two episodes which took place in Germany: (i) the Rhineland resistance to Allied occupation in the years following the First World War. (ii) A demonstration organized in Berlin in 1943 which permitted to save over one thousand Jews.

Apart from these case-studies, Gene Sharp wrote a number of broader books whose

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<sup>82</sup>The name comes from the fact that in 1953 Gene Sharp contacted Albert Einstein and got a reply from him which he used as a foreword for his first book published in 1960 that is to say seven years later.

translation into many languages was organized and funded by the Einstein Institution.

It is often said that the main purpose of the institution was to offer advice to groups of people fighting dictatorships. However, such a statement does not really reflect all its activities. In order to get a fairly comprehensive view of the activities of the Einstein Institution one can examine the catalog of the institution's archives on the website of the "Swarthmore College Peace Collection". This leads to the two following observations.

- Whereas some dictatorships attracted many studies and visits by Gene Sharp and his collaborators others were completely ignored. Most often the latter are countries which were close US allies; examples are Saudi Arabia and Egypt under president Mubarak.

- At first sight it would seem that Gene Sharp did not include into his targets regions in which there are separatist movements. Support to secessionists can hardly be seen as an appropriate objective for an organization which claims non interference into the domestic affairs of foreign countries. Yet, the archives of the institution show that Tibet has attracted a considerable amount of studies and visits. Here are some entries of the catalog, each one referring to a number of folders:

Tibet H.H. Dalai Lama

Tibet Rinpoche

Tibet Banerjee, 1998

Tibet: Financial Summaries

Tibet: Gene Sharp Expense Reports

Students for a Free Tibet [2 folders]

In short, the areas on which the Einstein Institution mostly focused are more or less the same as those which are closely monitored by the State Department and the CIA, its operation branch.

Through government organizations (such as the "Institute for Defense Analysis" or the "US Institute of Peace") with which it cooperated <sup>83</sup>, the Einstein Institution remained closely in contact with the State Department.

When Gene Sharp visited opposition movements abroad he was welcomed not only in his capacity of a scholar of nonviolence but also as a semi-official representative of the State Department. Such visits were also of great interest for the State Department because it was a way to establish contacts without any direct involvement.

There were successful nonviolent demonstrations before Gene Sharp started to spread

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<sup>83</sup>An example of such a collaboration is the organization of the US visit of Audrius Butkevicius in July 1992.

his message. The Civil Rights movement led by Martin Luther King in the 1960s and the Islamic Revolution in Iran in 1978-1979 were two impressive examples<sup>84</sup>.

### **Unequal cooperation with US intelligence in the rendition program**

According to the chronology given in the box below, the earliest reported contacts of Lithuanian leaders with US officials or semi-officials were with CIA officers and representatives of the Einstein Institution. This is not uncommon. Collaboration between secret services is a major aspect of the relations between the US and its allies.

#### **Contacts between US intelligence experts and leaders of Baltic countries**

1 November 1989: **Gene Sharp** and his assistant, Bruce Jenkins, met Grazina Miniotaite of the Lithuanian Academy of Sciences at a conference in Moscow. Correspondence followed.

2 Mid-1990: Audrius Butkevicius, director-general of the Department of National Defense, had Sharp's book "Civilian-based defense: a post military weapons system" translated into Lithuanian for use by government officials.

3 October 1990: At an invitation-only conference held in Stockholm about "Nonmilitary resistance" the principal speakers were the Swedish Minister of Defense, **Gene Sharp** and Raymondas Rayatskas, vice-president of the Lithuanian Academy of Sciences. Gene Sharp presented a paper entitled "A civilian-based resistance component". [it is probable that Audrius Butkevicius also took part in this conference]

4 24 April – 1 May 1991: At the invitation of the Lithuanian Ministry of Foreign Affairs, **Gene Sharp**, Peter Ackerman and Bruce Jenkins discussed civilian-based defense with president Landsbergis, Defense Minister Butkevicius, representatives of the Lithuanian militia, Russian Orthodox Archbishop Khrisosthomand. activists from the pro-independence movement Sajudis and members of the Lithuanian Academy of Sciences.

5 26–31 August 1991: A CIA officer, Michael J. Sulick, stayed in Vilnius where he met several personalities, e.g.: Grazina Landsbergis, the president's wife, Mecys Laurinkus, the chief of the new Lithuanian intelligence service, Audrius Butkevicius, the director-general of National Defense, Karol Motieka, the vice-president. His role was to prepare the visit of his chief Milt Bearden (see below).

6 2 September 1991: Arrival in Vilnius of Milt Bearden, Chief of the Soviet and East European Division of the Directorate of Operations of the CIA. He arrived with his team in a motorcade of large vans stocked with luggage and communications equipment. Together with Laurinkus and Butkevicius the US team hammered out the details of the **cooperation between their services and their Lithuanian counterparts**. On the last day of the visit the CIA team visited the prison used by the KGB.

(continued below)

The problem is that it is not a cooperation between equals because in the field of

<sup>84</sup>With respect to Iran considered in a comparative perspective see Schock (2005).

(continuation)

7 14 November – 7 December 1991: [Gene Sharp](#) and Bruce Jenkins visited the capitals of Russia, Lithuania, Latvia and Estonia to discuss civilian forms of resistance to attempted coups and foreign invasions.

In Lithuania [Dr. Sharp](#) met with Defense Minister Audrius Butkevicius and Deputy Defense Minister Ignas Stankovicius and members of the “Nonviolent Action Center” in Vilnius.

In Latvia, [Dr. Sharp](#) met with Defense Minister Talava Jundzis.

In Estonia, [Dr. Sharp](#) met with acting Defense minister Raivo Vare and Military Chief of Staff Ants Laaneots.

8 June 1992: The Albert Einstein Institution and the Ministry of National Defense of the Republic of Lithuania co-sponsored a three-day conference in Vilnius on “Civilian-based defense for the Baltic states”.

9 July 1992: Audrius Butkevicius, minister of defense of Lithuania visited Cambridge, Massachusetts and Washington DC as a guest of the “[Albert Einstein Institution](#)” and the “[Institute for Defense Analysis](#)”.

He spent many hours in discussions at the Albert Einstein Institution. Speaking through an interpreter, he delivered a lecture at the Harvard Faculty Club on the role of civilian resistance in Lithuania. The lecture was co-organized by the “Program on Nonviolent Sanctions” of Harvard’s “Center for International Affairs”. Audrius Butkevicius’ visit to Washington was organized by the “Institute for Defense Analysis.” (IDA) which arranged a lecture and various appointments for him. A dinner for the defense minister and his wife was arranged with the assistance of retired Rear Admiral Gene La Rocque, the director of the “Center for Defense Information”.

**Box 5.1: Contacts between US intelligence experts and leaders of Baltic countries.** At that time, the Einstein Institution had a staff of 11 persons and an annual revenue of about \$700,000. However, in 1987 it received a “restricted gift” of \$1.5 million (the identity of the donor is not given).

Even in early years, Gene Sharp did have contact with government officials. In June 1984 he testified at a hearing of the West German Bundestag in Bonn. In February 1985 the Einstein Institution organized a one-day symposium on the role of intellectuals in the Polish democratic movement. In May 1985 Gene Sharp met with officials of the West German Defense Ministry. In November 1987 he testified at hearings of the US Senate. In February 1988 he gave talks at the “Israeli Institute of Military Studies” and had discussions with right-wing members of the Knesset. The IDA is an organization funded by the US government which assists the “Office of the Secretary of Defense” and the “National Security Agency”. Philip A. Straus, Jr. and his family have supported the CDI since its creation in 1971. *Sources: Albert Einstein Institution, The First Five Years 1983-1987, Biennial Report 1988-1990, 1991-1992; Sulick (2007)*

intelligence US resources and funding by far exceed those of its allies. It is this unbalance which explains that the CIA could bring suspects to Lithuania in order to interrogate and torture them without even informing Lithuania’s political leaders. The following excerpt from the New York times shows that 13 years after the 9/11 attack, Lithuania’s leaders are still in the dark.

NYT (10 December 2014) [Title: Lithuania presses Washington to say whether it tortured prisoners there.](#) Lithuanian Prime Minister Algirdas Butkevicius called on Washington to say whether the CIA used his country to house one of



**Fig. 5.2 The rendition program.** “Rendition” means surrender of a person to a victorious force (same meaning as the French word “reddition”). Altogether the map comprises 54 countries. Here are some details about the case of Poland. On 24 July 2014 in its first ruling of that kind, the European Court of Human Rights found that Poland had violated the European Convention of Human Rights by allowing the torture of Abd al-Rahim al-Nashiri on Polish soil by the CIA; by allowing his secret detention at Stare Kiejkuty; by allowing his transfer out of Poland despite the risk of further torture and secret detention; and by allowing his transfer out of Poland despite the risk of a “flagrant denial of justice” before a US military commission, and the risk of a death penalty. *Source: Press release of the Open Society Initiative. More information can be found on the Wikipedia article entitled “Black sites”.*

the bases where it tortured prisoners.

At the present moment (26 February 2015) we do not know if PM Butkevicius got an answer. This is of minor importance, however. The key-point is that the PM’s question shows how little control he has over his own civil servants for indeed such an operation could not have been set up without the cooperation of the Lithuanian secret service.

This situation was by no means limited to Lithuania. The map shows that altogether some 54 countries participated in this program. Among countries of the European Union one can mention Poland (see the caption of the map) and the UK.

### **Participation of the UK**

In the Guardian of 10 February 2010 one reads that “Miliband (Minister for the Cabinet Office under Prime Minister Gordon Brown) has had to admit that, contrary to earlier assurances, CIA flights carrying terror suspects for secret interrogation had twice landed on the British Indian Ocean territory of Diego Garcia.

Moreover, in 2015, US Secretary of State Colin Powell’s former chief of staff, Lawrence Wilkerson, said that Diego Garcia was used by the CIA as a transit site where people were temporarily housed and interrogated from time to time.

**Participation of Germany** In a separate story revealed by the “European Court of Human Rights” on December 13, 2012, CIA agents tortured a German citizen, a car salesman named Khaled el-Masri, who was picked up in a case of mistaken identity. In 2003 he was abducted by the Macedonian police and handed over to the CIA.

Then, he was flown to Afghanistan, where he was held in a black site and tortured. In May 2004, the US Ambassador to Germany, Daniel R. Coats, convinced the German interior minister, Otto Schily, not to press charges or to reveal the program. Yet, in 2007, a Court in Munich, despite protests from the United States, announced arrest warrants for 13 CIA agents who were suspected to have been involved in al-Masri's abduction to Afghanistan.

The European Court sentenced Macedonia to a fine of 60,000 euros and more generally condemned nations for collaborating with the United States in these secret programs. (Wikipedia article entitled "Khalid El-Masri" in English and German)

These stories show that although the collaboration between secret services is a major component of the relations between the United States and its allies it is not a cooperation between equals but rather a suzerainty relationship between the overlord and his vassals.

## Was there really a disintegration of the USSR?

### Difference between Ukraine or Belarus and Chechnya

Why did Russia wage a bitter war in Chechnya in an attempt to prevent its secession? At first sight, one may think that after much bigger parts of the USSR such as Ukraine (with a population of 45 millions) or Belarus (with a population of 10 millions) had broken apart, the secession of Chechnya with a population slightly over one million would not make a big difference.

There was a crucial difference, however. Ukraine and more generally all 15 Soviet Republics had an institutional status which was already close to independence. As a matter of fact, under international law, as founding members of the United Nations, Belarus and Ukraine had the status of independent countries. In other words, the disintegration of the USSR was not at all similar to the chaotic decomposition of Yugoslavia. It was a controlled process.

On the contrary, Chechnya was an Autonomous Socialist Soviet Republic (ASSR) which did not have the same right to secede<sup>85</sup>. Thus, the secession of a territory like Chechnya would have started an uncontrolled Yugoslavia-like disintegration.

In short, what happened in 1991 was not really a "wild" disintegration. Post-1991 Russia is simply what was formerly called the "Russian Soviet Federative Socialist Republic" (RSFSR).

### Institutionally, the USSR was a loose mosaic of countries

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<sup>85</sup>One must recognize that the word "republic" which is used in both cases contributes to make the distinction rather confusing.



**Fig. 5.3 The 15 republics which constituted the USSR.** The constitution of the USSR recognized the right for each of the 15 republics to secede. The fact that Ukraine and Belarus were two of the founding members of the United Nations shows that this right was not purely formal. In other words the soviet republics had the status of independent countries. The connection between the numbers which appear on the map and the republics is as follows 1: Armenia, 2: Azerbaijan, 3: Belarus, 4: Estonia, 5: Georgia, 6: Kazakhstan, 7: Kyrgyzstan, 8: Latvia, 9: Lithuania, 10: Moldova, 11: Russia, 12: Tajikistan, 13: Turkmenistan, 14: Ukraine, 15: Uzbekistan. *Source: Wikipedia article entitled "Dissolution of the Soviet Union".*

As a matter of fact, what is surprising is not so much the disintegration but rather the fact that after emerging victoriously from World War II, Russia did not try to establish stronger links between the 15 republics constituting the USSR. There are certainly very few federal countries which recognize a right to secede to their members. In this respect, one can remember the long and costly American Civil War which resulted from the secession of the Southern states.

Actually, instead of trying to build a closer association, the leadership of the USSR loosened existing ties even more by transferring to the republics territories which were initially part of the RSFSR. This is illustrated by the following episodes.

- With the adoption of the 1936 Soviet Constitution on December 5, 1936, the size of the RSFSR was significantly reduced. The Kazakh ASSR and the Kirghiz ASSR were transformed into the Kazakh and Kirghiz Soviet Socialist Republics. Why? There is no clear answer.

- In 1944, amendments to the All-Union Constitution allowed for separate branches of the Red Army for each Soviet Republic. Moreover, each republic could set up a commissariat for foreign affairs and defense, thus allowing the Republics to be recognized as de jure independent states in international law.

- In February 1954, at the initiative of President Khrushchev, Crimea was transferred from the Russian SFSR to the Ukrainian SSR. It seems that the decision taken by the Presidium of the Supreme Council of the Russian Republic was in fact too hasty and unconstitutional because a referendum should have been conducted to find

out the opinion of the residents of the two republics. Given that Sevastopol in Crimea was the site of the Soviet Black Sea Fleet, this decision was certainly short-sighted<sup>86</sup>.

It is difficult to understand what were the motivations behind such decisions. In the institutional history of nations one sees rather a trend toward greater integration. Most often disintegration occurs as a result of a weakening of the central government. On the contrary, the institutional changes mentioned above occurred in 1936, 1944 and 1954 that is to say in a time period which was an expansion phase of the USSR.

## How to kindle separatism in China?

Can the observation of the events in Lithuania give some indications about a possible power change in China?

### The weakest link

We emphasized that the Baltic countries were the weakest link in the sense that in 1990 their annexation to the USSR after World War II was still not recognized by western powers. In China the weakest link is certainly Hong Kong because of its special status. Let us illustrate this point by the reforms introduced by Tung Chee-hwa, the first president of the Executive Council of Hong Kong, 1997-2005. It is often said that he was pro-Beijing. Yet, two of his reforms of the educational system would rather tell us the opposite

- Teaching in Cantonese rather than Mandarin<sup>87</sup>.
- Mandatory English examination for teachers.

were certainly not welcomed by Beijing or more generally by Chinese people. In the same connection, it has been observed (Guardian 1 July 2012) that during demonstrations more and more protesters carried the Hong Kong colonial flag, a combination of the UK union flag with the pre-1997 Hong Kong coat of arms<sup>88</sup>.

In short, as far as separatism is concerned, Hong Kong bears some similarity with the Baltic states.

The “Hong Kong National Party” whose main objective is the independence of Hong Kong was established in Hong Kong on 28 March 2016. According to its official program, its ultimate goal is to build an independent Republic of Hong Kong and end the colonial tyranny of China in Hong Kong. The party was convened by Chan Hokin, a former student of the “Hong Kong Polytechnic University” who participated in

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<sup>86</sup>None of the reasons given for this move in a Wikipedia article entitled “1954 transfer of Crimea” seems really compelling.

<sup>87</sup>Developing the usage of Cantonese is certainly on the agenda of the US State Department as shown by the support given to pro-Cantonese protesters by the “Epoch Times”, a propaganda newspaper distributed for free: “10,000 Guangdong Residents March to Safeguard Cantonese Language” (29 July 2010).

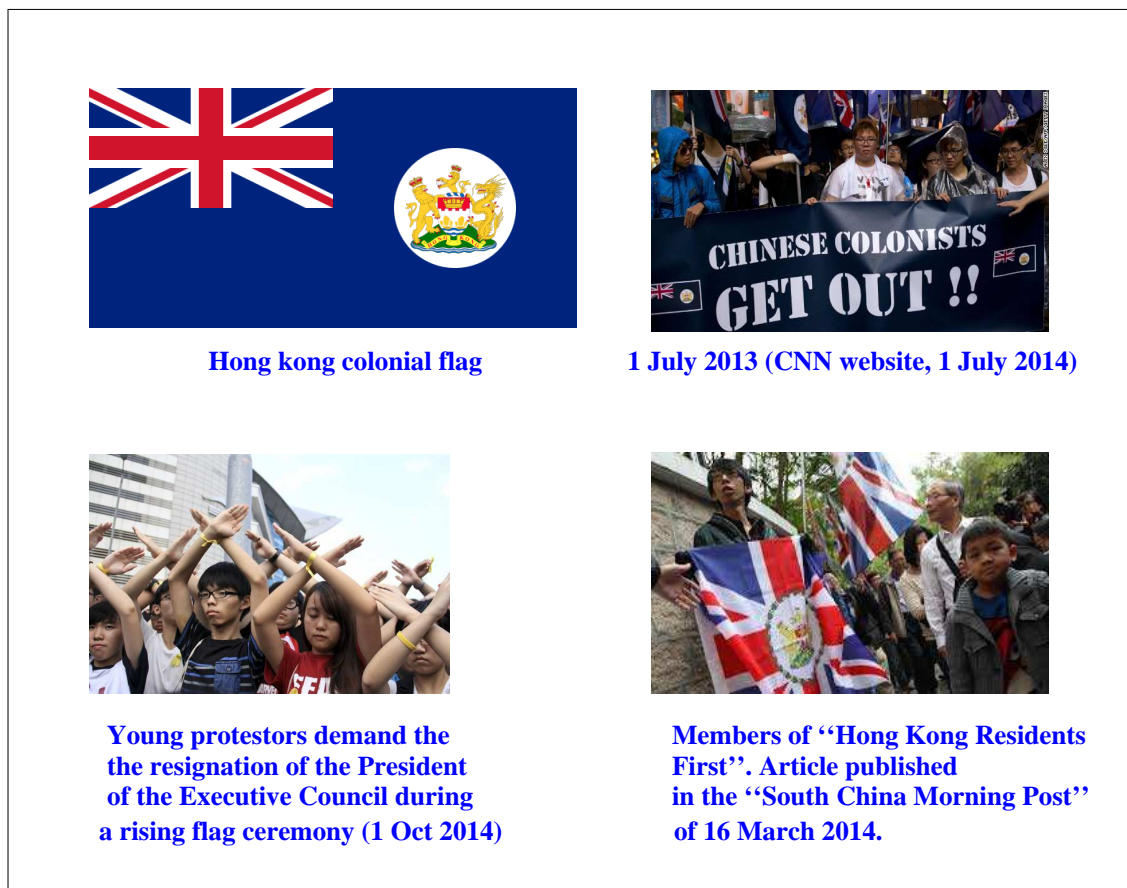
<sup>88</sup>This coat of arms is not an ancient one. It was created in 1959 and, apart from the dragon, relies on British rather than Chinese inspiration.



the protests of 2014 and led a campaign in an attempt to split the HKPU student union from the “Hong Kong Federation of Students”. Other leaders are Joshua Wong, 19, who rose to prominence during the 2014 street protests and Marcus Lau<sup>89</sup>.

Although it may be the first party which made independence its first objective, there are numerous movements and parties which are opposed to the Beijing government for a variety of reasons. In order to avoid the word “independence” these movements are called “localist” movements. The earliest parties of that kind were started several years before the transfert of 1997; they are now regrouped in the so-called “pan-democracy camp”.

One can add that the people of Hong Kong have a long tradition of protest marches. Every year there are demonstrations on July 1 (transfer of Hong Kong from British to Chinese sovereignty) and on June 4 (Tiananmen Square repression). Depending on circumstances participation may range from a few thousands to hundreds of thousands as was the case in 2002 and 2012.



**Fig. 5.4 Protests in Hong Kong.** Although Western media present the demonstrations in Hong Kong as demanding democracy, the analysis of these pictures shows that the most resolute (and well trained) demonstrators were in fact demanding independence. *Sources: Various Internet websites.*

<sup>89</sup>It can be observed that less than one week after its creation the “Hong Kong National Party” had already a fairly detailed article on Wikipedia which describes its leaders and objectives. On 6 April 2016, a Google search with the expression “Hong Kong National Party” gave 82,100 results.

## “Civic Passion” and similar separatist movements in Hong Kong

“Civic Passion” is one of the Hong Kong organizations which is openly separatist. Founded on 29 February 2012 by Wong Yeung-tat, it is an anti-Communist and nativist political group. It tries to appeal to the identity feelings of long-time Hong Kong residents; for instance in early 2015 it picketed shops owned by immigrants from the mainland. In this respect, one should recall that in 2008 there were violent incidents directed against Chinese shoppers in Lhasa, the capital of Tibet. Violence against Chinese people in Xinjiang has probably similar xenophobic roots.

During the protests of 2014 “Civic Passion” was one of the most radical constituent groups of the “Umbrella Movement”. It was involved in the attempt made by demonstrators to force entry into the “Legislative Council Complex” where masked raiders rammed the entrance glass doors. (Wikipedia article entitled “Civic Passion”)

On 30 March 2016 the “Hong Kong National Party” (HKNP), the first political organisation aiming at Hong Kong independence, was launched. Mr Chan Ho-tin, the Convener of HKNP, claims that Hong Kong is still a colony and that its independence is unavoidable.

## “Our constituencies”

As in Lithuania, there are strong links between Hong Kong separatists and some US organizations and foundations. For instance, tycoon Jimmy Lai, chairman of the “Next Media Group”, is not only pro-democracy but also pro-independence. For instance, instead of using Mandarin as does the other Hong Kong newspapers, Lai’s newspaper “Apple Daily” uses mostly written Cantonese. In addition, since 2003, this newspaper has a Taiwanese edition. Lai’s media group was created in 1989 that is to say under British colonial rule. In August 2014 he came under the spotlights because leaked emails showed that he gave money to anti-Beijing groups<sup>90</sup>.

Jimmy Lai’s main business manager, Mark Simon, is the son of a CIA officer and worked for US naval intelligence<sup>91</sup>. Lai is a “good friend” of Paul Wolfowitz, former Deputy Secretary of Defense from 2001 to 2005. He has made donations to at least three American think tanks, including the “American Enterprise Institute” for which Wolfowitz is currently working.

In Chinese, Lai as well as his friend Martin Lee Chu-ming would be categorized as being *hanjians*.

*Hanjian* is a broader term than “traitor”. For instance, Wang Jingwei who set up a Chinese pro-Japanese government during World War II is called a “hanjian” although

<sup>90</sup>Source is: <http://techrighs.org/2014/08/31/akademy-2014>

<sup>91</sup>Source is:

[http://www.trustedsources.co.uk/china/brief\\_notes/china-monitor-hong-kong-heads-for-more-conflict-as-beijing-asserts-the-primacy-of-one-country](http://www.trustedsources.co.uk/china/brief_notes/china-monitor-hong-kong-heads-for-more-conflict-as-beijing-asserts-the-primacy-of-one-country)

he was rather a collaborator. During the Chinese Civil War (1946-1950), the Nationalists and Communists accused each other of being hanjians collaborating with the Americans and Soviets respectively.

In the wake of the uprising of 1989 Chinese authorities used the expression “black hands”.

### **The failed “Saffron Revolution” of 2007 in Myanmar**

This case is interesting in so far as it allows us to analyze foreign interference. Considerable international pressure was applied and as Myanmar is a fairly small country it was voiced much more openly than in cases involving more important countries.

The name of the movement comes from the fact that the Buddhist monks played a leading role in these demonstrations although their robes are red-brown rather than saffron (i.e. golden-yellow).

The movement was well timed because it was known that the Prime Minister, Soe Win, was ill. In March 2007 he was admitted to a private hospital in Singapore. He would die of leukemia six months later, on 12 October 2007.

Although the demonstrations never attracted large numbers of protesters<sup>92</sup>, the State Department weighted in heavily on their side by issuing the following statement (22 August 2007).

The United States calls for the immediate release of the activists and for an end of the regime’s blatant attempt to silence those who are engaged in peaceful promotion of democracy in Burma. We call on the regime to engage in a meaningful dialogue with the leaders of Burma’s democracy movement and ethnic minority groups.

US allies voiced similar concerns.

- On 27 September 2007 Prime Minister John Howard of Australia said that Australia would take financial sanctions against members of the military junta.
- The Dalai Lama gave his blessing to the monks in their bid for greater freedom.
- The Philippine President warned Myanmar that the Philippines would stop its financial help to Myanmar if opposition leader Aung San Suu Kyi was not released.
- The UK ambassador in Myanmar told the BBC of the deep political and economic reasons for the demonstrations, which he said would not go away easily.
- On 15 October 2007 the UK Prime Minister, Gordon Brown, urged the European Union to take tougher sanctions on Burma.
- On 16 October 2007 Japan canceled funding of more than \$4.7 million for a

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<sup>92</sup>The very detailed and very one-sided Wikipedia article entitled “Saffron Revolution” mentions demonstrations some of which had as few as one or two hundred people.

human resources centre based in Rangoon University. Moreover, the Japanese Prime Minister, Yasuo Fukuda, demanded a full explanation about the death of a Japanese photo-journalist. A photograph of his body appeared on the front page of “The New York Times” on September 28, 2007 <sup>93</sup>.

- On 19 October 2007, President Bush announced that the United States had frozen financial assets held by the military government.

- The United Nations top diplomat in Myanmar, Charles Petrie, actively supported the Saffron Revolution. The fact that from December 2001 to July 2003 he had served in Afghanistan suggests that he had good relations with the State Department. On 2 November 2007 he was told to leave the country.

As always in such cases (it was the same during the events of 1989 in China) rumors were spread by western media notably the BBC, “Radio Free Asia” and also “The Democratic Voice of Burma”. For instance there were reports of rebellions of army units. In addition, there were “unverified reports of injured protesters being burned alive”.

As always in such cases the number of fatalities remained unclear, ranging from an official toll of 13 to “hundreds of lives” according to the US TV network ABC. Moreover, Colonel Hla Win, who defected from the army during the uprising, declared that the bodies [of monks buried in the jungle] can be counted in several thousand. According to the United Nations, the death toll was 31.

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<sup>93</sup>The director of the US branch of the organization “Reporter Without Border” said that he was “left to die in the street”. However, the autopsy showed that after hitting the chest the bullet went through the heart. The Myanmar government emphasized that the Japanese journalist had entered the country with a tourist visa and did not ask for a permit to act as a journalist. Incidentally, several journalists died in Iraq after 2003. It would be interesting to know those whose picture appeared on the front page of the NYT.

### Possible scenario

(1) 4 June. Big anniversary demonstration of Tiananmen Square in Hong Kong This is an annual event but for some reason participation was particularly large, reaching a record number of about 400,000 according to the organizers.

(2) A small (and well trained) group of protesters stormed the Government House in Hong Kong. In the resulting shoot out, some 10 demonstrators as well as two police officers were killed. The building is occupied by the demonstrators and a provisional government was formed.

(3) In the wake of the shooting the President of the Executive Council resigned. The independence of Hong Kong was proclaimed by the provisional government.

(4) Troops were sent to Hong Kong to restore order, a move which triggered protest demonstrations in Western capitals. Although the demonstrations were small they received broad media coverage.

(5) In Taipei on the day after the shoot out there was a big demonstration in support of Hong Kong.

(6) In the wake of the shoot out the main squares in Guangzhou, Shenzhen and Beijing were occupied by protesters demanding the institution of a multi-party system on the model of Taiwan. There were also demonstrations by overseas Chinese in many cities particularly in American universities and in Singapore.

(7) Taipei: Independence was proclaimed by the DPP government<sup>94</sup>. The decision will be submitted to the citizens for approval within one month.

**Box 5.2: Possible scenario of a Lithuania-like episode in China.** After these first steps prediction becomes more difficult because beyond this point the outcome crucially depend upon who is in power in Beijing and what he will do.

## Chapter 6

### US influence in Russia (1991-1999)

Before explaining specific issues it will be useful to present a short chronology of the period 1975–2000.

### Chronology

**August 1975** Thirty-five states, including the USA, Canada, and most European states signed the Helsinki Accords.

Soviet propaganda presented this agreement as a great triumph for Soviet diplomacy

and for Brezhnev personally. That was a serious misconception for (at least) two reasons.

- In spite of the fact that the agreement recognized “existing borders”, the United States (and with them other western countries) did not recognize the integration of the Baltic states into the USSR.
- Gradually the Helsinki Accords became a manifesto of all dissidents both in East European countries and in the USSR. In contrast, to our best knowledge, they were never used in the same way by American unionists or pacifists.

In short, this was just one additional episode in which Soviet leaders were outmaneuvered by the US State Department.

**May 29, 1988:** During President Reagan’s visit to Moscow he was able to meet a group of 100 dissidents.

[A more detailed account of this visit has already been given.]

**Oct 10, 1989:** Wave of demonstrations started in East German cities. In the following weeks there will be almost daily demonstrations,

**Nov 9, 1989:** Fall of Berlin Wall.

**Mar 11, 1990:** Members of the Sjudis, an anti-Communist independence movement, proclaimed Lithuania’s independence.

**Jun 12, 1991:** Election by popular vote of Boris Yeltsin as President of the Russian Soviet Federative Socialist Republic, that is to say the Russian part of the Soviet Union.

**Aug 18, 1991:** A coup is attempted by a (small) fraction of the military.

**Dec 26, 1991:** Dissolution of the Soviet Union.

**Apr 5, 1993:** Creation of the Gore-Chernomyrdin Commission. (NYT 5 Apr 1993)

**Sep 3, 1993:** Texaco got aid to invest in Russia. The agreement was signed at the White House, and the ceremony was attended by Vice President Al Gore and Prime Minister Viktor Chernomyrdin of Russia. (NYT 3 Sep 1993)

**Sep 21, 1993:** Massacre of Russian legislators in an attack on the Parliament ordered by President Yeltsin.

[In Wikipedia and more generally in the west this episode is known as the “Constitutional Crisis of 1993”, a weird name for an episode which cost the life of 187 people according to government estimates and 2,000 according to non-governmental Russian sources.]

**Dec 19, 1993:** Prime Minister Chernomyrdin was quoted as scathingly accusing Westernized reformers in his own Cabinet of failing “to think about the people, for the sake of whom the reforms were started”.(NYT 19 Dec 1993)

[Such outbursts were made at regular intervals by President Yeltsin as well as by his prime minister. By showing that the persons in charge were not subservient to western interests, they tried to appease the opposition in parliament and to sooth the public opinion. Similar vocal claims are uttered by all puppet leaders.]

**Jan 25, 1994:** The United States issued a warning to Russia to keep economic reform going.(NYT 25 Jan 1994)

[This warning, in fact a blatant interference in Russia’s internal affairs, was issued after the resignation of Finance Minister Boris Fyodorov who was a convinced “reformer”.]

**Jun 24, 1994:** Vice President Al Gore and Prime Minister Viktor S. Chernomyrdin of Russia signed a series of agreements providing for a major oil exploration project by American companies. (NYT 24 Jun 1994)

**Jan 30, 1995:** The “conqueror of Grozny” [President Yeltsin] is now down to single-digit support, along with his Prime Minister, Viktor Chernomyrdin. (NYT 30 Jan 1995)

[This article comes immediately after the Russian army had recovered the control of Grozny, the capital of Chechnya. Obviously the NYT disapproved this move.]

**June 30, 1995:** Exxon expected to sign a deal for Russian oilfields today that may contain 2.5 billion barrels of oil. (NYT 30 Jun 1995)

**Dec 20, 1995:** Communists gained in Russia’s parliamentary elections. (NYT 20 Dec 1995)

**Jan 05, 1996:** As Russian presidential election nears, US officials fear that if Mr. Yeltsin does seek reelection, he will keep Prime Minister Chernomyrdin from running, and then perform badly or suffer another heart attack. (NYT 5 January 1996)

[In short, the State Department favored the replacement of Yeltsin by Chernomyrdin. However, in a subsequent article of 24 January 1996 one reads that “Prime Minister Chernomyrdin is less unpopular than Mr. Yeltsin, but not by much”. Then, on 16 February 1996 Yeltsin announced that he will run for a second term.]

**Mar 26, 1996:** Russia renounced to a big tariff increase, thus clearing the way for a loan from the International Monetary Fund. (NYT 26 Mar 1996)

**May 28, 1996:** Prime Minister Chernomyrdin signed the peace agreement with the Chechen rebels through which they were granted an autonomy confining on inde-

pendence. (NYT 28 May 1996)

[By opening the door to other defections, this agreement could have started a process similar to the disintegration of Yugoslavia. A second peace treaty was signed one year later on 13 May 1997.]

**Jul 04, 1996:** Yeltsin won the election by a surprisingly wide margin. (NYT 4 Jul 1996)

[Today (February 2015) it is widely admitted that the election was rigged. Nevertheless, the New York Times called it a “victory for Russian democracy”. President Clinton hailed the election as a “spurning of tyranny”. (NYT 4, 5 Jul 1996)]

**Feb 6, 1997:** Russia’s sale of nuclear reactors to India raises US protests. (NYT 6 February 1997)

**Mar 8, 1997:** Russia’s most hated official, Mr. Chubais, is given control of the economy. (NYT 8 Mar 1997)

[Mr. Chubais had a close connection with the team of the “Harvard Institute for International Development” lead by Harvard professor Andrei Shleifer.]

**Mar 7, 1998:** Russia plans to sell nuclear reactors to Iran despite US protests. (NYT 7 Mar 1998)

**Mar 28, 1998:** Yeltsin dismissed his whole cabinet, including his longtime Prime Minister, Viktor Chernomyrdin. (NYT 29 Mar 1998)

**Aug 25, 1998:** Five months after abruptly firing Prime Minister Viktor Chernomyrdin, Boris Yeltsin has just as abruptly brought him back. (NYT 25 Aug 1998) However he was not endorsed by Parliament (dominated by the Communists) and on 13 September, in the middle of a financial crisis, Yeltsin named Mr. Primakov for prime minister.

**Dec 31, 1999:** Yeltsin announced his resignation, leaving the presidency in the hands of his chosen successor, then Prime Minister Vladimir Putin.

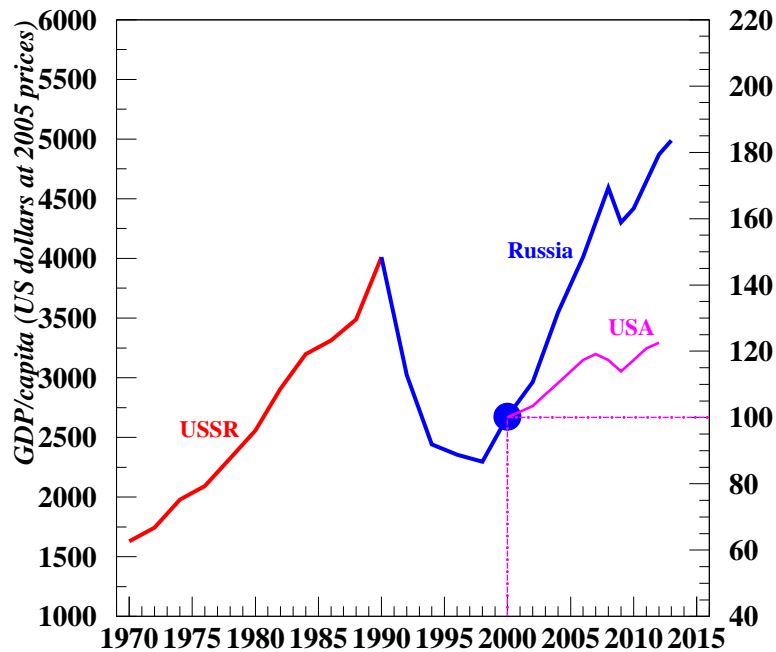
## Privatizations

Altogether 225,000 Russian companies were privatized. This means that by focusing on a few big companies like Yukos or Gazprom one misses a great deal.

### The Gore-Chernomyrdin Commission

The decision leading to the creation of the Gore-Chernomyrdin Commission was taken in April 1993 at the Vancouver summit between President Clinton and president Yeltsin (NYT 5 April 1993). At that time Viktor Chernomyrdin had been prime





**Fig. 6.1 GDP per capita in Russia.** The scale on the right-hand side is an index which applies to the two curves. The graph shows that the crisis of 1990 was *not* due to an economic slowdown. On the contrary, it is the political crisis which disrupted economic flows and brought about a severe depression. As a result the decade 1990-2000 became a lost decade. The fast growth of the Russian economy after 2000 was largely a recovery effect similar to what can be observed after wars. Sources: Wikipedia file entitled “Soviet Union GDP per capita”.

minister for just four months and was still considered with suspicion by the State Department because he was named Prime Minister in replacement of Yegor Gaidar, the architect of the privatization program.

Vice-president Al Gore took his role as co-chair very seriously and made numerous visits to Moscow.

At about the same time and probably not unrelated, Vice-President Gore initiated a CIA study about state failure. Initially called “[State Failure Task Force](#)”, it was later renamed as the “Political Instability Task Force”, a less aggressive designation. The project had begun as an unclassified study that was commissioned to a group of academics by the CIA’s Directorate of Intelligence in response to a request from Vice-President Al Gore’s office. Particularly active was the Center for Global Policy at George Mason University.

The official name of the commission was “Commission on Technological Cooperation”. Among its main objectives was cooperation in space (the international space station) and energy especially oil. In fact, its role was much broader. In her book Janine Wedel (2009) described it as follows

Members of the intertwined Chubais-Harvard network appointed each other to visible binational posts in economic, energy, and high tech areas. They arranged for each other to be well represented on the high-level Gore-Chernomyrdin Commission which helped to facilitate cooperation on US-Russian oil deals and the Space Station, among other issues.

### **Capital flight as a side effect of privatization and economic collapse**

Let us be a little bit cynical for a short while.

Is it in the interest of the United States to replace the government of China based on the Communist Party by an effective system of government in which, as for instance in Switzerland, the decisions are really made by the people<sup>95</sup>? Probably not, because that would make the country more united and hence stronger than under a one-party system that is not well accepted by a sizable fraction of the citizens.

In the ongoing competition the real purpose is to make competitors weaker not stronger. The case of the Soviet Union gives us some clear indications in this respect. After 1991 Russia became weaker and poorer in at least three respects.

1 After Eastern European countries and several Socialist Republics became members of the European Union, the trade links that they had with Russia were disrupted or at least weakened. This was damageable for the economy of Russia.

2 Privatization, and especially its second wave, the so-called loans for shares privatization in 1995-1997, brought major Russian companies (like Yukos, Sibneft, Surgutneftegas, Novolipetsk Steel) into the hands of banks and financial institutions,

2 The privatization shifted ownership of companies from the state to individuals who moved billions in cash and assets outside of the country in an enormous capital flight. This was one of the main causes of the Russian bankruptcy in the fall of 1998. However, even in more normal times there was a net outflow of capital. According to the Wikipedia article entitled “Economy of Russia” during the 1990s net Russian capital flight was estimated at about \$15 billion annually.

### **Joint Russian-American ownership**

During the second phase of the privatization major state-owned Russian companies were sold at undervalued prices. One may wonder whether US banks or companies were willing to enter into joint ownership agreements with their Russian counterparts. Unfortunately, little information seems to be available in this respect because many of the largest Russian companies so far did not disclose the identities of their

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<sup>95</sup>One should recall that in Switzerland every law passed by Parliament must be approved by the citizens through a referendum. In addition new laws can be proposed by citizens (provided enough signatures are collected) and submitted to the country for approval by referendum. As a matter of fact, in such a system the number and organization of political parties becomes largely unimportant because the citizens are able to express their wishes directly through the referendum procedure.

main shareholders. There are only a few cases of documented joint ownership.

1 The chronology provides evidence of investments in Russia by US oil companies which certainly took the form of joint-ownership.

2 In July 2004 the Harvard Management Company (which manages Harvard's property) filed a claim against a Russian oil company called Surgutneftegaz respective to the \$130 million worth of shares that it had bought. (NYT 3 July 2004). Without this claim nothing about this investment would probably have come to our attention.

3 In September 2000 Harvard University (more precisely the Harvard Institute for International Development) was indicted in the United States for inappropriate investments in Russia while advising the Russian government. In August Harvard agreed to pay \$26 million to settle the complaint.

Andrei Shleifer (one of the advisers) and his wife who had been accused of using their position for personal profits agreed to pay \$3.5 million to settle their case. (NYT 4 August 2005)

The size of these fines suggests that considerable transactions had taken place.

### **Semi-privatization in China**

On 8 May 1993 there was an article about privatization in China which was entitled: "China sells off public land to the well connected". In fact, the land was rather leased for a long period rather than sold, but that made little practical difference. The article adds the following precisions. According to government statistics the number of areas zoned for real estate sales exploded from fewer than 120 in 1991 to about 8,700 by the end of 1992. The Chinese governments is sometimes accused of expropriating private property without adequate compensation. But here the concern is the opposite: well-connected individuals (including foreign companies) seem to be expropriating the state's property at bargain prices.

In other words, there is a close parallel between the emergence of a class of oligarchs in Russia and the creation of a class of newly enriched people in China. The only difference is the extent of the two phenomena. In China it was not an overall privatization as in Russia. There can be little doubt that if the privatization projects promoted by Secretary General Zhao had been carried out, China would have experienced the fate of Russia.

### **Russian leaders as seen by US medias**

- **Boris Yeltsin** The expression "Our buddy Boris" was used as the title of an article in the New York Times (16 April 1999) by the columnist Thomas Friedman. He wrote: This is reflected in the way they are described by US (or more generally

western) medias.

A half-dead, stone-cold-drunk Boris Yeltsin is still an enormous asset for the US. No other Russian leader today is as big a bear and as clever a fox as old Boris. We are going to miss this guy. Indeed, we will one day look back and ask, how did the US use the Yeltsin years? Not very wisely. The Clintonites used the Yeltsin years to cram NATO expansion down Russia's throat, rather than to really bring Russia into Europe. (NYT 16 April 1999)

When read some 15 years later this appears as a very lucid judgment. It can be observed that when Friedman talks of bringing Russia into Europe he means of course into an Atlantic Europe which would belong to the US zone of influence. This makes sense for historically Russia has mostly been under the influence of Europe rather than the other way round.

When this article was published in April 1999, the question of finding a suitable substitute for Yeltsin was high on the agenda of the Department of State. Viktor Chernomyrdin and Yevgeny Primakov, two former prime ministers, appeared as appropriate candidates.

- **Viktor Chernomyrdin**

Chernomyrdin was Prime Minister from 14 December 1992 to 23 March 1998.

Chernomyrdin replaced Yegor Gaidar, the West's reformist darling. Even with the more cautious apparatchik Viktor Chernomyrdin in the job, reform could still go forward, though at a slower pace. (NYT 16, 17 Dec 1992)

At first Chernomyrdin was not welcomed by the State Department. This can be seen by the fact that he is labeled as being an "apparatchik". In another article he is called a "lifelong Soviet bureaucrat" (he had been the director of Gazprom). One year later, in an article of 26 December 1993 he is called "industrialist Viktor Chernomyrdin". On 15 January 1994, the NYT talks of "Viktor Chernomyrdin, whose star is in the ascendancy".

In January 1996, the opinion about Chernomyrdin had changed to the point that the State Department would have preferred him to run for president instead of Yeltsin (see the chronology). On October 13, 1996 he is called a stolid, statesmanlike Prime Minister.

Chernomyrdin died in 2010. Characteristically, it is only in his obituary published by the Guardian, that the general public could learn that in 2001, he was ranked No 8 on Forbes magazine list of Russian billionaires and that his garage housed an impressive fleet of luxury cars.

- **Yevgeny Maksimovich Primakov**

Western diplomats have had numerous contacts with Mr. Primakov long before he eventually became prime minister at the end of 1998. The New York Times has 731 articles in which he is named, only slightly less than for Mr. Chernomyrdin who has been prime minister for several years.

In 1990, Mr. Primakov was the recipient of the George F. Kennan Prize<sup>96</sup>.

In the New York Times of 8 March 1999 it is said that “Mr. Primakov enjoys a very big reserve of confidence on the part of the population” and he was seen as a “potential successor to President Yeltsin” in 2000. Then, on 13 May 1999, one learns that “according to opinion polls, Mr. Primakov has emerged as Russia’s most trusted politician.

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<sup>96</sup>George Kennan was a public servant of the US State Department. At the end of World War II he advocated a policy of containment of Soviet expansion that became the US policy under president Truman.

## Chapter 7

# Deng Xiaoping, Zhao Ziyang and Tiananmen

## Deng Xiaoping

Deng Xiao-ping (written Teng Hsiao-ping in western media until the late 1970s) is known as the man of the “opening up” of China. However, two things should be kept in mind in this respect.

- From 1950 to 1975 the major obstacle to opening was the rigid embargo on trade that the United States enforced and imposed to its allies through the COCOM and CHICOM committees, sometimes even against their own will and interests. In 1960, when Canada wanted to export wheat to China, Prime Minister John Diefenbacker had first to conduct lengthy negotiations with the US government. In the mid-1960s, when Britain wanted to export Vickers Viscount turboprop aircraft to China the operation had to be done almost secretly to overcome US opposition. After the visit of President Nixon to China in 1972 the embargo was softened but its suppression came only gradually years later, first with US diplomatic recognition of the PRC in 1979 and secondly with the status of “Most Favored Nation” granted to China in the 1990s, first on a temporary basis and permanently in 2001.

- Deng played a key role in souring the relations between the PRC and the USSR. In 1956 he led a Chinese delegation to Moscow for the 20th Congress of the Communist Party of the Soviet Union. He returned to Russia in 1957, 1960 and 1963 for negotiations in which his obdurate attitude antagonized his hosts. An article published on 16 July 1963 in the “New York Times” observed that “few men could be more likely to infuriate the Kremlin these days than Teng Hsiao-ping”.

On the contrary, in spite of ignoring English (French was the only foreign language that he knew) he had many contacts with US and western leaders. (i) In 1974 he was the chairman of the Chinese delegation to a special session of the United Nations in New York. (ii) On a trip to France in May 1975, the first to Western Europe by a senior Chinese leader in many years, he startled his hosts by urging them to play a stronger role in the North Atlantic Treaty Organization as a way of containing the aggressive designs of the Soviet Union. (iii) In December 1975 he welcomed President Ford in Beijing. (iv) In January 1979 he made a one-week visit to the US which led him from Washington to Atlanta and Seattle (see below). (v) In 1984



**Fig. 7.1a Deng Xiaoping on the cover of “Time Magazine”.** Deng Xiaoping was shown on the cover of “Time” as early as 1 January 1976 that is to say 9 months before Chairman Mao’s death. Subsequently, Deng appeared on the cover of “Time” at least 8 times which is far more than any other Chinese leader. Moreover, he was designated twice as “Man of the year” in 1979 and 1985. After he endorsed the repression of the insurrection of 1989 he lost some US support but is still remembered as the father of the market economy in China. Incidentally, what do the covers of “Time Magazine” suggest about the US attitude toward President Xi Jinping? Not surprisingly, his portraits have appeared on a number of covers, but both the pictures and the comments reveal an attitude which is much less friendly than with respect to Deng. One sees comments such as “Leader of the unfree world”, “The People’s Republic of Scandals”, “Emperor Xi”. On one cover, one sees Xi’s portrait surimposed on a portrait of Chairman Mao, an association which for American readers is probably not quite laudative. *Source: Internet*

Deng discussed with PM Margaret Thatcher the new status of Hong Kong which introduced a rigid “one country-two systems” model that was hardly conducive to gradual integration of HK into the nation and would lead to many difficulties in subsequent years.

Given that in those years the Soviet Union was the main adversary of the United States, Deng’s pro-US and anti-Soviet attitude could only favorably attract the attention of the US State Department.

Even before the death of Chairman Mao, Deng Xiaoping was the darling of US media. His portrait appeared on the cover of “Time Magazine” in January 1976. As

always in such cases one can safely consider that this choice represented a preference of the State Department. His visit to the United States in late January 1979 boosted his stature and helped him to win the power struggle with Hua Guofeng, the designated successor of Chairman Mao<sup>97</sup>.

It can be observed that during the four years during which he was in power (from 1976 to 1979) Hua Guofeng did not appear a single time on the cover of “Time Magazine”. An indication pointing in the same direction was given in October 1979 when Hua visited Britain, France, Germany and Italy but not the US. In short, Hua did not have a close connection with the US.

Deng, in contrast, had the favor of Washington. He offered the US a strategic alliance directed against the Soviet Union. During his visit to the US, in an interview with the chief editor of “Time Magazine” Deng called the Soviet Union “a hotbed of war” and declared: “If we really want to be able to place curbs on the polar bear, the only thing is for us to unite” (Steele 1979). Accordingly, China provided assistance to Afghan guerrilla forces resisting the Soviet invasion. However Deng’s assessment of the real situation was clearly incorrect because in the same interview he said that in the near future the Soviet Union strategic force might surpass that of the United States. Actually, under President Reagan it is the opposite which happened.

The same article of the “Guardian” (Steele 1979) emphasizes that US companies had great expectations in China. At that time Coca Cola had already won an exclusive contract to supply American soft drinks to China. During his visit Deng visited the Coca Cola headquarters in Atlanta. Another company which had great expectations was Boeing. Its Seattle headquarters were visited by Deng in 1979 as well as by Jiang Zemin in 1994.

With the benefit of hindsight it can be said that Deng’s assessment of the international situation was not correct. Instead of what he predicted the future showed the opposite.

- Against all evidence in terms of respective defense expenditures, he claimed that the USSR was overcoming the US in terms of strategic weapons and called for a reinforcement of NATO. This was of course sweet music for the US State Department.

- He sounded alarm against Soviet expansionism (particularly in Europe) and ignored completely the growing ideological dominance of the neoliberal model promoted by the United States. It is in the late 1970s that this model began to be implemented particularly in Latin America (e.g. in Chile and Argentina during the time of the dictatorships). Subsequently the nefarious influence of this model, particularly in boosting inequality, was also felt in China and it has remained a critical issue up

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<sup>97</sup>During Deng’s visit to the White House Chinese protesters charged him with being a traitor (Steele 1979).



to the present time (2017).

From this perspective one can draw a parallel between Tiananmen 1989 and the stand off which in late September 1993 opposed the Russian parliament (supported by a fraction of the population) to President Boris Yeltsin (supported by the United States). In both episodes the move toward an unbridled market economy was a major trigger and in both cases the protests were suppressed by the army.

In 1988, as Deng was already 84 year old, the question of whom would succeed him became of central importance.

## Hu Yaobang and Zhao Ziyang

In association with Deng Xiaoping (1904-1997), Hu Yaobang (1915-1989) and Zhao Ziyang (1919-2005) promoted the policy of economic reform and opening. In 1980 a New York Times article (March 10) presented them as Deng's chosen successors. Of the two the most pro-US was certainly Zhao.

However, it seems that both Hu and Zhao were too focused on imitating western ways to win the sympathy of Chinese people.

For instance, Hu wished Chinese people to adopt western style eating ways: "We should eat with forks and knives and each from his own individual plate". When asked which of Mao Zedong's principles were desirable for modern China, he replied "I think, none" (Wikipedia article about Hu Yaobang). No US president would ever say that the principles proclaimed by Abraham Lincoln should be dropped altogether.

At the end of his book "Prisoner of the State" that was published in 2009 that is to say four years after his death, Zhao wrote that the system of western parliamentary democracy is the only one through which China can solve the problem of its growing gap between rich and poor. This is a fairly surprising statement on account of the widening income gap in all western countries and particularly in the United States.

In US newspapers Boris Yeltsin was called "Our buddy Boris", (New York Times 16 Apr 1999), Prime Minister Thaksin Shinawatra of Thailand was called "Our man in Bangkok"<sup>98</sup> (Washington Post 26 Dec 2003, p. A34), French president Nicolas Sarkozy was called "Bush's poodle" (Daily Mail, 7 November 2007). As will be seen shortly, US newspapers were quite as enthusiastic about Hu Yaobang and Zhao Ziyang; they referred to Zhao as the Chinese Gorbachev.

The bulk of this chapter is a detailed chronology of the sequence of events which led to the uprising of May-June 1989. A distinctive characteristic of this chronology is that it is based on a variety of different sources: Chinese sources (see for instance the

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<sup>98</sup>In the same article Thailand was labeled a "major non-NATO ally"

pictures contained in Fig. 7.4a,b), western newspapers<sup>99</sup>, US diplomatic papers disclosed on Wikileaks websites, lists of Chinese people charged with violence against troops as published by western organizations which tried to obtain their liberation. It will be seen that all these sources are necessary in order to get a comprehensive view.

What is the picture which emerges?

Broadly speaking, there was not one uprising but rather *three* uprisings.

- In western countries almost all accounts focused on the *student uprising*. There were two obvious reasons for that. The first is that through the demonstrations on Tiananmen Square, this was the most visible part of the iceberg. The second is that the demands presented by the students suited western governments and medias very well.

- Secondly, there was an *uprising in the Communist Party*. We mentioned that in the west Zhao was called the Chinese Gorbachev. Actually, a more appropriate label would have been the “Chinese Boris Yeltsin” for he was quite as willing as him to follow the US model. Although Zhao had some followers at the highest levels of the Party, overall the fraction of the Party which supported him was probably fairly small, especially at the grass-root level. This was quite understandable because many of the reforms that he promoted were not in the short-term interest of Chinese workers. This brings us to the third, and least known, component of the uprising.

- Most of the people charged with violence (e.g. killings, beatings) against troops or with sabotage actions (e.g. on rail tracks) were not students but *workers*. Those people may have been dissatisfied with the reforms that had already been implemented. They have had access to free healthcare, but no longer. Education had been free at all levels. but was no longer. In this connection one should remember that the earliest general elections in Russia were won not by Yeltsin’s party and his reform agenda but by the Communist party. Incidentally, this led to the bloody confrontation of October 1993 when the House of Parliament in Moscow was shelled by tanks. In short, the driving force of this component of the uprising may have been opposition to market oriented reforms. It is quite understandable that both western governments and the Chinese Communist Party did not (and still do not) wish to throw much light on this aspect of the uprising.

As a matter of fact, with the trend of the “financialization” of the Chinese economy, that is to say the shift from industrial capitalism to financial capitalism, one would not be surprised to see movements similar to the Spanish “Indignados” and “Podemos” party or the US “Occupy Wall Street Movement” take root in China.

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<sup>99</sup>In the chronology entries, NYT means “New York Times”, WP means “Washington Post”. Except when two different dates are given, the date of the article is the same as the date of the entry.

## The case of Hu Yaobang

In the title of an article of the US magazine “The Atlantic” (16 April 2014) Hu Yaobang is referred to as “China’s forgotten liberal hero”.

As will be seen in the chronology his removal as Secretary General of the Party in January 1987 was opposed by many voices in the US. The mourning demonstrations which followed his death in April 1989 initiated the mass movement which led to the uprising of June 4, 1989. In the following decades Hu’s iconic status took hold especially in the United States.

**Oct 25, 1981** Experts on China in the State Department generally agree that preventing the sale of jet fighters to Taiwan is an essential ingredient for keeping the *pro-Washington group in Peking in power*. (NYT 25 October 1981)

[In 1981 the United States had a strategic partnership with China which was directed against Russia. This partnership included the sale of advanced weapons to China. Between 1979 and 1989 China supported Afghan resistance to Soviet occupation.]

**Oct 11, 1982** Communist Party General Secretary, Hu Yaobang, and Prime Minister, Zhao Ziyang, are highly intelligent, strong leaders. By choosing them, Deng solved the succession question. (NYT 11 October 1982)

[This article was written by former president Richard Nixon after he completed a visit to China, his fourth visit to this country. There is one sentence which sounds weird when read in 2015:

“Chinese leaders know perfectly well that the Soviet Union threatens them and the United States does not”.

It shows that in the sphere of foreign relations things can change fairly quickly.]

**Oct 18, 1982** *Relations with the Soviet Union.* State relations between China and the Soviet Union have worsened in recent years because of a territorial dispute along the China-Soviet border, where Moscow has deployed about a million troops. China has accused Moscow of seeking expansion by invading Afghanistan and supplying huge amounts of military aid to Vietnam.

Hu Yaobang, the party general secretary, was quoted as saying of the Soviet Union that “the Chinese side sincerely hopes that the obstacles to normalization of relations will be removed so that relations between the two countries will embark on the road of healthy development. It is a pity that relations between the Chinese Communist Party and Soviet Communist Party were interrupted such a long time ago”.

(NYT 18 October 1982)

[There is a great difference between the opinion expressed here by Mr. Hu and the statement made by Mr. Zhao on 15 September 15, 1980 (see below) in which he calls the Soviet Union a “serious threat to world peace”.]

**Nov 27, 1983** On a trip to Japan, Mr. Hu touched off a furor by saying that next year's exchange of visits between Prime Minister Zhao Ziyang and President Reagan would be reconsidered unless the United States gave a satisfactory reply to Chinese protests over recent expressions of support for Taiwan in the United States Congress. A resolution of the Congress affirmed Taiwan's right to determine its own future peacefully and free of coercion by Peking. "If the US reply is not satisfactory," Mr. Hu said, "then we will have to reconsider whether to proceed with the exchange of visits. (NYT 27 November and 18 December 1983)

[Zhao's visit was considered important by the American side because it involved the signing of an accord for closer civilian nuclear cooperation (NYT January 4, 1984).]

**Dec 1983** In commenting the current campaign against "Western spiritual pollution" Hu Yaobang belittled this risk by saying that only a handful of intellectuals were concerned. (NYT 18 December 1983)

**Jan 4, 1984** Prime Minister Zhao Ziyang said that when he visits the White House next week he will not press President Reagan to halt "immediately or completely" the sale of United States military hardware to Taiwan. (NYT January 4, 1984)

[When compared with Hu's position, Zhao's attitude appears more flexible. That is perhaps why the US government saw some advantage in inviting Zhao rather than Hu.]

**Jan 14, 1984** *Divergence between Hu and Zhao* Mr. Zhao may be willing to open all doors, but Hu Yaobang, the Communist Party Secretary, puts considerably less priority on trade with the West. (NYT 14 January 1984)

[There was another disagreement between the two leaders on the question of a nuclear pact with the United States.]

**May 14, 1985** United States officials said that a warship visit to Shanghai planned for 18 May 1985 had been postponed because of a dispute over whether the vessel would be nuclear-armed. It started when Hu Yaobang, the Chinese party leader, claimed that the United States had agreed not to send a nuclear-armed ship. (NYT 14 May 1985)

[This incident once again shows that Mr. Hu was much less pliable than Mr. Zhao. Previous incidents had occurred about the US-China nuclear pact or about the US attitude toward Taiwan. Mr. Hu made official visits to many countries (e.g. Japan, Australia, New Zealand) but he never visited Washington.

The visit to China of three US Navy warships eventually occurred on 6 November 1986. A second visit took place in mid-May 1989.]

**Jan 15, 1987** State Department officials expressed concern over the status of Hu Yaobang, the General Secretary of the Communist Party, who has long been viewed

as Mr. Deng's most likely successor. (NYT 15 January 1987)

**Jan 17, 1987** Hu Yaobang, the chief of the world's largest Communist Party, was forced to resign after being accused of major "mistakes" during his tenure. (NYT 17 January 1987)

[These mistakes were mostly about domestic policy. A key-issue was how much leeway should be given to intellectuals. Reflecting this uncertainty, is the fact that between 1980 and 1988 the chief of the "Propaganda Department of the Communist Party" was changed 4 times (subsequent chiefs would keep their positions for 5 or 10 years). It seems that the dismissal of Mr. Hu was due to a clash with Deng after Hu had refused to follow his advice.]

**Jan 17, 1987** Representatives of Chinese students and professors in the United States have drafted a statement condemning the dismissal of Hu Yaobang. (NYT 19 and 20 January 1987)

[As seen above, the State Department expressed also its concern. However, Hu has not always been an easy partner. His replacement by Zhao was probably welcomed because Zhao was quite as reformist and in addition much more pliable.]

## Zhao Ziyang

During the Cultural Revolution, like many other officials, Zhao was sent in political exile to the country side. His rehabilitation started in April 1971 when he was recalled to Beijing by Premier Zhou Enlai<sup>100</sup>.

In a movie entitled "Nixon in China" which lasts about one hour and is available on the Internet, one sees a dinner at the end of President Nixon's visit to China (that is to say around 27 February 1972). In this short episode one of the guests resembling Zhao speaks with Nixon in excellent English. Zhao was at that time deputy Party chief of Inner Mongolia. In March 1972 he became vice-chairman of the Revolutionary Committee of Inner Mongolia. Zhao Ziyang is widely credited with his economic success in Sichuan, the home province of Deng Xiaoping. Yet, he had been Party chief of Sichuan for less than 3 years, between 1977 and 1980.

According to the Wikipedia article about him, Zhao was a fervent golf player and is credited with popularizing the game's reintroduction to the mainland in the 1980s. However, the article does not say where he was able to learn to play golf. In fact, as

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<sup>100</sup>This point is mentioned in the English version of the Wikipedia article about Zhao, but the article does not explain what led Zhou to select him. The account of how Zhao emerged from exile is almost word-for-word identical to the description given by Adi Ignatius in his Preface to "Prisoner of the State", Zhao's biography published in the United States after his death. There is one important difference however. Ignatius added a paragraph which says that it is in fact chairman Mao who decided Zhao's rehabilitation. Is this really true? As always for this kind of book "Prisoner of the State" was (cleverly) edited by its US publisher. Not surprisingly, the first part is entitled "The Tiananmen massacre". Given what will be said below, this shows what is the general tone of the book.

will be seen below, he started to play golf in 1985 at the age of 68.

To be a golfer has a deep significance everywhere in the world but especially in China. There are at least three reasons for that.

- Golf is a prohibitively expensive pastime. In 2014 an average round would cost \$150.
- A standard golf course occupies about 600 hectares and in summer time it requires some 30,000 cubic meters of water a day (Washburn 2014).
- Golf is primarily an American sport. In 2008 the United States had 17,000 golf courses which represented 50% of all the golf courses in the world. Three of the four main competitions take place in the US (Wikipedia article entitled “Golf”.)

Before 1949 golf was practiced by the Chinese elite, but it was banned in the wake of the Revolution. Yet, by 2004, there were 38 golf courses in Beijing. In a region afflicted by chronic water shortage, this implied an uneven allocation of resources. Whereas poor neighborhoods used reclaimed water, wealthy sections of Beijing are dotted with golf courses. Although in 2004 the government banned the construction of new golf courses, construction continued. Around 2010 the Beijing phone directory indicated 60 golf courses and an aerial survey suggested that there were even more. (Santolan 2011, Washburn 2014)

Additional information about Zhao’s action in support of golf can be found in the chronology at the date of 19 June 1986.

After his death in January 2005 the White House praised Zhao, saying that he “was a man of moral courage who suffered great personal sacrifices for standing by his convictions during difficult times”.

It is tempting to draw a parallel between Zhao Ziyang and Bo Xilai. The later was praised by western media for his fight against corruption and for upholding Maoist ideals. Yet, at the same time he had sent his son to the most expensive foreign schools.

## Hu, Zhao and the Beijing uprising of 1989

Both Hu and Zhao were closely related with the Beijing uprising. Hu lost his position as Secretary General of the Party after the demonstrations of December 1986. In April 1989 his death was the starting point of the student demonstrations. Zhao was Secretary General of the Party when the demonstrations started and there is evidence that he encouraged them. His opposition to the declaration of martial law on 19 May led to his house arrest.

### US involvement



**Fig. 7.1** President Reagan walking with Premier Zhao Ziyang during his visit to the White House in 1984. The visit took place on 10 January 1984. Source: Wikipedia article entitled “People’s Liberation Army at Tiananmen Square protests of 1989”.

In what ways was the United States involved in the events of 1989? The chronology given below provides a few answers which can be synthesized as follows (for more details see the corresponding entries).

- In the years prior to 1989 Hu and Zhao got full support from the State Department and US medias. Zhao was said to be the Gorbachev of China.
- In the spring of 1989, the State Department gave to the US ambassador in Beijing the instruction to meet with as many student leaders as possible.
- On 23 April 1989, US Ambassador to China Winston Lord was replaced by James Lilley. While the former was a dove, the second was a hawk who had served in the CIA for 30 years, including as head of station in Beijing in the early 1970s. In fact, apart from a position in South Korea, Lilley’s appointment in Beijing was his only position as US ambassador.
- Dr. Gene Sharp of the Boston-based “Albert Einstein Institution” was in Beijing where he had many discussions with student leaders and particularly with Li Lu, one of the leaders of the student movement.

In an article by Scott Kennedy (1997) one learns that “overseas political forces” established contact with student leaders through the offices of the Stone Corporation, a computer company selling word processing systems. This information is based on interviews conducted with former executives but unfortunately the author does not give more information about these overseas forces.

- In late May in the the days preceding and following the dismissal of Zhao, intense US pressure was applied. The president and several senators cautioned Beijing to avoid any strong action against the demonstrators. In addition, there were huge demonstrations in Hong Kong, Taiwan and the United States in support of the students.

- During the crackdown which followed 4 June 1989, the US and British governments organized operation “Yellow Bird” through which a number of dissidents could be ex-filtrated to Hong Kong.
- The US embassy harbored the political dissident Fang Lizhi for about one year before the Chinese government allowed him to enter exile in the United States.

## Highlights

On 17 June 2009, following the publication of Zhao’s posthumous book entitled “Prisoner of the State”, there was a round table organized by the “Asia Society, Center on US-China Relations” in New York. There were three panelists: Adi Ignatius, Bao Pu and Winston Lord. Ignatius was a US journalist and a co-editor of the book, Bao was the son of Bao Tong who had been an aide of Zhao Ziyang and he was also a translator and co-editor of the book. Lord had been US ambassador to China from November 1985 to 23 April 1989. All three had been present in Beijing in the spring of 1989. The whole discussion was focused on the events of 1989 and lasted one hour and a half which left each participant plenty of time to express himself.

Why do we mention it? Because the whole discussion revealed a complete ignorance (but was it really ignorance?) about basic facts.

- There was not a single word about what happened outside Tiananmen Square and outside Beijing, in particular regarding the well organized operations which prevented police and troops to reach the center of Beijing (as revealed by the US cables released by Wikileaks).
- There was not a single word about the dozens of army vehicles that were torched by demonstrators in the streets of Beijing.
- At one point the moderator asked the panelists the following question: “Let’s speculate about what would have happened if Zhao had prevailed. What do you think?”. In answering such a question it would have been natural to draw a parallel with Russia where indeed Boris Yeltsin had prevailed for almost a whole decade. Surprisingly, there was not a single word about Russia.

## (1) Chronology: before 1989

**Apr. 5, 1976 Riot on Tiananmen Square.** At that time the power was in the hands of the so-called “Gang of Four”. It was 3 months after the death of Prime Minister Zhou Enlai on 8 January 1976 and 5 months before the death of Chairman Mao on 9 September 1976. On 4 April a large number of people had visited Tiananmen Square peacefully. However, on the following days for some reason (some accounts claim that it was because flowers had been removed) there were incidents in which police cars were set on fire and some people forced their way into government buildings



surrounding the square. Incidents similar to those which occurred in Beijing on 4 and 5 April occurred in Zhengzhou, Kunming, Taiyuan, Changchun, Shanghai, Wuhan, and Guangzhou. (Wikipedia article entitle “Zhou Enlai”)

[The removed flowers explanation that is given in the article seems in contradiction with the fact that similar incidents occurred in many other cities, unless one assumes that the flowers were removed in all these places. Moreover, the article says that the people who forced their way into government building was “a crowd of over 100,000”. This seems a wild exaggeration for there would not have been enough space in the buildings for so many persons.

Nevertheless, these incidents can be seen as a harbinger of the events of 1989 in at least three ways (i) The location on Tiananmen Square around the Memorial (ii) Torching police cars (iii) Similar synchronous events in many cities.]

**Apr 20, 1979 US-China intelligence sharing.** Joseph Biden’s 1979 conversation with Chinese leader Deng Xiaoping during a visit to Beijing showed Deng’s willingness to permit the US-equipped listening posts to help monitor Soviet compliance with the proposed SALT II arms limitation treaty. Deng made clear that the monitoring stations would have to be run by the Chinese and that Beijing would share the collected data with Washington. The tapes are analyzed in the United States, however.

US intelligence-sharing with China goes back to 1971 when Henry Kissinger secretly flew to Beijing. Between 1971 and 1976, General Michael Pillsbury met regularly with the Chinese sending a stream of still-classified memos to a select circle of US officials.

(WP p. A1)

[According to the Wikipedia article about him, Michael Pillsbury initiated the idea that the United States should use China to gain Cold War advantage over the Soviet Union. This led to the US-China strategic partnership.

The WP article says that Pillsbury was a 3-star general but this seems impossible for he is born in 1945 and was therefore far too young to be a 3-star general.

A subsequent article in the Washington Post (25 June 1989) says that those intelligence ties have not been severed following the crackdown of June 1989.]

### **1980: Zhao Ziyang, a protégé of the New York Times**

The name of Zhao Ziyang appears for the first time in the New York Times on 30 September 1979. At that time Zhao was the first secretary of the Communist party in Sichuan Province. In 1979 his name is mentioned only in one other article. However, in 1980 the frequency with which his name appears increased suddenly. As soon as 19 January 1980 an article sees in him the next prime minister.

Mentioned as a candidate for Prime Minister is Zhao Ziyang, First Secretary of Sichuan Province, a region that has recently been showered with attention in the press as a model of economic development. NYT January 19, 1980, p. 3

At that time Zhao was not even Deputy Prime Minister and it should be recalled that there are 17 Deputy Prime Minister. In the following months Zhao got promotions in rapid succession. On 3 February 1980 a NYT article says that he has become a member of the Politbureau which comprises 25 members. On 2 March 1980, one learns that Zhao has become a member of the “Politbureau Standing Committee” which consists of 7 members. On 10 March 1980 an article claims that together with Hu Yaobang, Zhao is “Deng’s chosen successor”. Then, on 17 April 1980, Zhao becomes Deputy Prime Minister. On 20 April 1980, his promotion is announced a second time in the following terms.

A new helmsman hinted in China. Ziyang [should rather read “Zhao”] named as one of China’s 17 Deputy Prime Ministers.

Although it is only on 11 September 1980 that Zhao was officially elected as the new Prime Minister in replacement of Hua Guofeng, the information about the coming resignation of Hua was already given in the NYT on 29 July 1980.

Altogether from January to September 1980 there were 38 articles in which Zhao was mentioned, that is to say about one every week. In order to get a better assessment one needs to compare it with the citations of other “junior” members of the Standing Committee. On average and in the same time interval, the names of three of Zao’s colleagues, Chen Yun, Li Xiannian and Wang Dongxing, appear only 5 times in NYT articles<sup>101</sup>

Why was Zhao promoted so rapidly, why got he such a favorable treatment from the NYT? Is it because he was particularly capable and brilliant? When one listens to his speech of June 1989 to the students on Tiananmen Square or when one reads his book entitled “Prisoner of the State”, written during the years he was under house arrest, one does not get the impression that, apart from copying western countries, he did have a real vision for the future of his country.

As an illustration of the favorable tone of the articles mentioning Zhao one can mention the following.

**Aug 14 and 26, 1980** The NYT calls Zhao Ziyang, an energetic 61-year-old innova-

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<sup>101</sup>Later on, in 2010-2011, another Communist leader, Bo Xilai, got also a favorable treatment from the NYT but not to the same extent as Zhao. From January to September 2011, his name appeared in 7 articles which is fairly high considering that, although a member of the Politbureau, he was not a member of its Standing Committee.

tor under whose governorship the province of Sichuan became a model of recovery. In September 1980 after Zhao had been appointed prime minister the NYT called him “a very talented man”. (NYT 14 and 26 August and 4 September 1980)

**Sep 15, 1980** Zhao Ziyang assailed the Soviet Union calling it a serious threat to world peace and security. (NYT 15 September 1980)

[Such a statement made 4 days after Zhao’s appointment as Prime Minister was certainly sweet music to the ears of the officials of the State Department.]

## **1982: US arm sales to Taiwan**

**Aug 17, 1982** [Joint US-China Communiqué about arm sales to Taiwan](#). Excerpts.

The US Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales will not exceed the level of those supplied in recent years since 1979, and that it intends to reduce gradually its sales of arms, leading over a period of time to a final resolution.

(China on the world stage. Text of the US-China Communiqués of 1972, 1979, 1982.)

[Did the United States respect this pledge? The answer is “no”. In fact, instead of being reduced, in subsequent years arm sales to Taiwan remained at the same level or increased. In figures adjusted for inflation (dollars of 2009) the yearly average was \$1.2 billion in 1980-1982 and \$1.6 billion in 2008-2010.

Why do we mention this question? It turns out that James Lilley who was named ambassador to China on 20 April 1989 played a key-role in the discussions that lead to the communiqué of 1982. Not surprisingly, China wanted a time line to be set and several key US negotiators (and in particular Arthur W. Hummel who was the second ambassador to China) were willing to agree. Lilley, who was at that time Director of the American Institute in Taiwan (that is to say the unofficial embassy) opposed such a move. This resulted in a weak agreement without any binding rule.]

## **Good understanding between President Reagan and Prime Minister Zhao**

**Apr 30, 1984** It is with Prime Minister Zhao Ziyang that President Reagan has spent the most time during his 4-day visit in Beijing. (NYT 30 April 1984)

[In January 1984 Zhao had made a 17-day visit to the United States and Canada. In June 1984 he would visit France, Belgium, Sweden, Norway, Denmark and Italy.

Apart from trade agreements, the centerpiece of the Reagan-Zhao discussions was US aid to China in nuclear technology. However, in June 1984 China made known that it did not wish to translate into a formal agreement the pledges about non-proliferation that Zhao had made orally at a White House dinner. This showed that perhaps Zhao’s pledges went too far. At that time, there was a nuclear cooperation

between China and Pakistan. (NYT 23 June 1984)]

**Jul 30, 1984** Sir Geoffrey, the British negotiator on Hong Kong's retrocession, will have a meeting with the Chinese Prime Minister, Zhao Ziyang. (NYT 30 July 1984) [After the meeting a breakthrough in the negotiation was reported. Apart from Zhao, the other senior negotiator was Mr. Wu Xueqian.

Six months later, in December 1984, Prime Minister Margaret Thatcher visited Beijing to sign the Hong Kong accord.

However, the history of the following decades has shown that, instead of paving the way for a progressive integration of Hong Kong into China, the accord has led to a lasting gulf not only between the two systems but also between their citizens.]

### **Mid-1986 to January 1987: student demonstrations in Hefei**

**mid-1986** In the summer of 1986, astrophysics professor Fang Lizhi, who had returned from a tenure at Princeton University, began a personal tour around universities in China, speaking about liberty, human rights, and separation of powers. He became immensely popular and his recorded speeches were widely circulated among students.

([http://rachel.worldpossible.org/modules/wikipedia\\_for\\_schools/wp/t/Tiananmen\\_Square\\_protests\\_of\\_1989.htm](http://rachel.worldpossible.org/modules/wikipedia_for_schools/wp/t/Tiananmen_Square_protests_of_1989.htm) )

[On 5 June 1989 Fang and his wife entered the US embassy in Beijing, and were granted asylum. One year later, on 25 June 1990, after Chinese authorities gave them permission to leave China, they boarded a US Air Force plane. Once in the United States, apart from being a supporter of human rights, Fang Lizhi was also an adviser for the "International Campaign for Tibet", whose activity is partly funded by the "National Endowment for Democracy" (\$25,000 in 2013), an organization controlled by the State Department (and a front organization for the CIA).]

**Dec 5, 1986** The first large-scale student demonstration broke out at Hefei's "China Science and Technology University", On December 9, Hefei's students staged another demonstration, this time joined by Wuhan students.

(<http://www.frso.org/about/statements/2009/looking-back-at-tiananmen-square.htm> )

**Jan 1, 1987** Student demonstrations for democracy and freedom have erupted in about a dozen cities over the past three weeks. The Beijing city government has charged that secret agents from Taiwan were involved. (WP p. A1)

**Jan 6, 1987** Students burned hundreds of copies of Beijing's leading local Communist Party newspaper today to protest what they called distorted coverage of their demonstrations and demands.

Deng Xiaoping and the country's leading reformists, Communist Party leader Hu Yaobang and Premier Zhao Ziyang, have not spoken out since the demonstrations

began on 5 December 1986. (WP p. A1)

**Jan 9, 1987** WP title: Chinese protesters' hero Fang Lizhi thought to be in trouble. Deng Xiaoping has recently called Fang Lizhi "the Sakharov of China". (WP p. A25)

[Fang Lizhi was the vice president of Hefei's "China Science and Technology University", a top Chinese scientific university, where the first demonstrations started. In 1989 he would be invited by President Bush at a farewell diner at the US embassy in Beijing.]

**Jan 14, 1987** Hu Yaobang resigned as Communist Party leader. This forced move is linked to failure to oppose protests. He will be replaced by Zhao Ziyang. (WP p. A1)

**Jan 18, 1987** Despite his efforts to open up the atmosphere, Hu Yaobang was never a popular figure among the students. It seems that Hu remained too much of a peasant in manner and speech to appeal to Chinese university students, who consider themselves an elite. (WP A22)

[Yet, the demonstrations staged by students after he died in April 1989 were the starting point of the Tiananmen Square protests.]

**Feb 24, 1987** In an unusual move, a group of 160 senior American scholars have appealed to the Chinese Government to stop its crackdown on liberal intellectuals. Among the prominent American scholars signing the letter was John Fairbank (Harvard University), Frederic Wakeman (Berkeley), Lucian Pye (MIT) and Theodore DeBary (Columbia University). (NYT 24 February 1987)

[Who protested in the 1950s when the US Congress set up a crack down on leftists in schools, universities and the media industry?]

**Jun 15, 1987** Last week many students boycotted classes for four days at the "Central Institute of Finance and Banking" in Beijing. Several wall posters were pasted up on campus, including one portraying the Statue of Liberty, a symbol that appeared during huge student street marches in Shanghai in December 1986. (NYT 15 June 1987)

[Apparently it was a fairly small event and this 500-word article shows that the New York Times indeed followed very closely student agitation in China. As will be seen below, the "Statue of Liberty" symbol will turn up again two years later on Tiananmen Square.]

**Nov 24, 1987** The report of a possible papal visit followed a trip to China by Cardinal Jaime Sin, the archbishop of Manila. The cardinal met in Beijing with Zhao Ziyang, the Communist Party chief, and later said he thought China and the Vati-

can would come to an agreement. It was the highest level meeting between a Roman Catholic church representative and a Chinese leader since the Communists took power in 1949. (WP p. A17)

[This appears as a surprising development when one remembers that, up to the present day (2015) the Vatican is one of the few states that still recognizes Taiwan. Moreover, according to “Christian Solidarity International”, only 1% of the Chinese population is Christian.]

**Jun 11, 1988** Chinese Central Television (CCTV) started airing the six-part documentary “River Elegy” (Heshang). Soon after, the “People’s Daily” published the scripts of the film. While Zhao Ziyang supported the film, some members of the Politburo were offended by Heshang’s harsh criticism of Chinese traditions and its promotion of American values. Heshang was aired a second time in August 1988 in lightly revised form. (Wikipedia article entitled “River Elegy”)

[The title of the movie comes from a comparison between the muddy Yellow River and the blue Pacific Ocean. One can get an inkling of the kind of western values that the film promoted by following the life of Yuan Zhiming, one of the film’s script writers. In 1990 he moved to the United States where Princeton University hosted him under an initiative for Chinese student dissidents. In 1992 he became a Christian and the founder of “China Soul for Christ Foundation”. He is the producer of an acclaimed documentary, “The Cross: Jesus in China”. Through his documentaries and videotaped sermons he has gained a substantial influence in China.]

**Jun 18, 1988** **Golf round with Secretary General Zhao Ziyang.** Ralph Harding, a former two-term US Congressman from Idaho, is also the co-founder of the “Danny Thompson Memorial Golf Tournament”. In June 1988 he was a special invited guest to the first annual “Chinese International Friendship Tournament”. Also invited from America were PGA (Professional Golfers Association) touring pros Morris Hatalsky, Steve Jones and reigning PGA Championship king Larry Nelson.

General Secretary of the Communist Party Zhao Ziyang officially opened the event by throwing out the ceremonial first tee shot<sup>102</sup>. Thereafter he took part in the game. The chance to play with Nelson, twice a US Open champion, and with Hatalsky, who just the Sunday before had won the Kemper Open in Washington, D.C., might have had something to do with it.

“Ziyang knows everything about American golf” said Harding. “He had just watched the “Kemper Open” live that weekend and knew all about Hatalsky’s win”.

After the round, Secretary Zhao posed for photos with the three American pros.

“We have got a substantial advantage in golf diplomacy” said Harding. When Zhao Ziyang speaks one billion Chinese listen. Ziyang is their Gorbachev.

<sup>102</sup>In golf course, a tee is the area of each golf hole from which players make their first stroke.

(Deseret News, 18 June 1988, “Deseret News” is a newspaper of Utah, the Mormon State)

[A parallel can be drawn with US efforts to develop American football in China (as described in more detail in another chapter). Such contacts are fairly unequal exchanges. It is a reminder of the time when, toward the end of the Qin dynasty, China tried to model itself on western countries.

An article in the “Los Angeles Times” (11 June 1988) says that Zhao “took up golf about two years ago”. An article in “China Daily” (10 June 1988) says that “Zhao started playing golf only one year ago” at the age of 68. Why did he become such an ardent player so quickly? In 1988 he was the honorary president of the Chinese Golf Association which formed in 1985. Zhao had also invited former US president Gerald Ford to the tournament. After teeing off (to strike the ball) from a tee, Zhao will join others in a practice session. It was in 1984 that golf made a comeback in China when a course was built in Guangdong province. Four others followed, two in Beijing and two more in Guangdong. In 1988 golf was still practiced by very few Chinese. A golf magazine estimates that there were only 500 people who played golf in China. Zhao was one of them. Zhao’s wife, Liang Boqi, was also playing golf. Incidentally, one wonders how this interest for golf could be deemed consistent with the official campaign run in the 1980s against “western spiritual pollution”?)

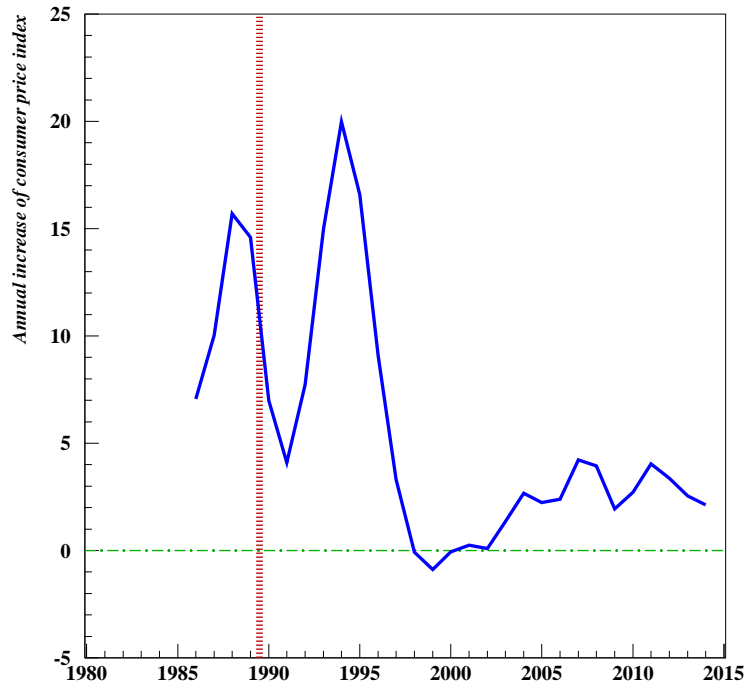
**Oct 9, 1988** Excerpts of an article about Zhao Ziyang in the “Los Angeles Times”. The two political leaders working hardest for freer speech and freer markets are both communists, Mikhail Gorbachev and Zhao Ziyang. Both are people-minded, outgoing optimists.

Zhao is a confirmed political realist, his reforming talents in Sichuan Province became a model for all of China. No Chinese public figure has the capacity to replace Zhao. He has become as much a symbol of modernization as Deng himself and is far more capable of carrying it out to its logical conclusions. (LAT: 9 October 1988) [Entitled “Zhao Ziyang: the man making China modern”, the article is strongly supportive. It was written by Frank B. Gibney, president of the “Pacific Basin Institute” who had interviewed Zhao in 1984 and 1988. Among the books written by Gibney there is one entitled “The Penkovsky Papers (1964)”, which (according to the Wikipedia article about Gibney) was “allegedly commissioned by the CIA”<sup>103</sup>.]

<sup>103</sup>An observation “[citation needed]” was added at the end of the sentence by a Wikipedia editor. Did he really expect that one can get official statements about such kinds of things? Penkovsky was a former Soviet KGB agent executed in 1963 for passing secrets to the West. According to Gibney’s obituary in the Los Angeles Times (14 April 2006), “Gibney acknowledged that the CIA provided some of the source materials”. In other words, some of those “Penkovsky papers” were in fact fabrications. This comes as close as possible to admitting that the book was indeed “commissioned by the CIA”.

## (2) Chronology: 1 January 1989 – 30 April 1989

What was the economic situation in early 1989? In 1983 the government had relinquished direct price control. Thereafter prices started to move up, at first moderately with an inflation rate around 7% in 1985-1986, then much faster at a rate of about 18% in 1987-1989 (see the graph below)



**Fig. 7.1b Inflation rate in China** As prices were under government control until 1983 the price surge of 1985-1989 was the first to be experienced by the population. *Source: World Bank for 1986-2014 and Saint Louis Federal Reserve for 1985.*

It can be expected that the high priceinflation rate gave workers a bad image of the liberalization of the economy. This popular discontent certainly fueled protests by workers which were one of the three components of the insurrection, the two others being the pro-Zhao group within the Communist Party and the student revolt supported by the US.

**Jan 6, 1989** Astrophysicist Fang Lizhi (see above) wrote an open letter to Deng Xiaoping in which he asked the release from prison of Wei Jingsheng who had been sentenced to a term of 15 years in 1978.

On 16 February 1989, a writer named Bao Dao wrote another open letter making the same request. It was signed by 33 intellectuals. About one week later a similar letter was signed by 42 scientists. All these letters were published in western medias.

(NYT 16 April 1989.

[This is a long and, as always, very clever article about Fang Lizhi. It gives an ac-



count (see below) of the evening when Fang tried to take part in President Bush's farewell dinner. Although this happened on 28 February 1989, the article was published only 6 weeks later.]

**Feb 28, 1989** US officials apparently thought that inviting dissident Fang Lizhi [see above] to President Bush's farewell dinner in Beijing was a simple matter that would underline the US concern for human rights without greatly disturbing the Chinese leadership. They appeared to be surprised when the Chinese police barred Fang from the dinner and when Beijing stated that such an invitation showed "disrespect for the host country". (WP p. A45)

[The dinner took place at the Great Wall Sheraton Hotel. The American invitation was made without consulting the Chinese Government. Later on, a State Department official who was closely involved with the trip explained: "Mindful of the precedent of Reagan's trip to the Soviet Union, where he had met with dissidents in 1988, Bush wanted to include some of the people who had been speaking out in China". Probably, this was the wish not only of President Bush but of the State Department itself. Even though Fang was not admitted to the dinner the event was (as always) transformed by the western media into a big public relations success. Indeed, on the very same evening, around 10:30pm, Fang and his wife were welcomed by western reporters at the Shangri-La Hotel where the White House press briefing room had been set up. ABC, NBC, CBS, CNN were all there, altogether some 300 US journalists. If Fang had not been well known in the United States before, this event cast him into an iconic figure. (NYT 16 April 1989)]

**Mar 6, 1989** Some 600 pro-independence rioters in Tibet attacked government and Communist Party offices. Eleven persons were killed. (NYT 6 March 1989)

[This attack occurred on the 30th anniversary of the uprising of March 1959 under the cover of which the Dalai Lama was able to flee to India. More details on the event of 1959 can be found in Roehner (2014a).

On March 11 in New York there was a protest demonstration against Chinese policy in Tibet and on March 20 the US Senate passed a resolution condemning the repression in Tibet.

**Apr 5, 1989** The approval of laws became more complicated in China today, as the "National People's Congress" adjourned its annual session with a rare flurry of "no" votes. One measure, giving special privileges to the southern city of Shenzhen, attracted a record 274 "no" votes and 805 abstentions, compared with 1,609 in favor. The 16-day session included several displays of discontent, particularly with inflation and the privileges accorded top officials. Some delegates went beyond criticism and proposed that the best solution was to invest real supervisory powers into the

National People's Congress so that it could address such problems as corruption and privilege among officials. Li Jing, a delegate from the navy, was quoted as saying that if the Government wanted people to support the current austerity drive, it should lead the way. (NYT 5 April 1989)

[There had been opposition in the Party to Deng's reforms from the very beginning (see the protests which occurred during Deng's visit in Washington in 1979); naturally, the present economic difficulties (inflation and austerity) strengthened this opposition. Conversely, there was also an ultra liberal wing personified by Party Secretary Zhao which was supported by western countries. In short, there was a substantial amount of division inside the Communist Party. Together with the students' and workers' protests this was the third component of the uprising.]

**Apr 11, 1989** After more than a decade of reform, China has slipped into unmistakable retreat. The telltale signal came when Prime Minister Li Peng told the recent session of the National People's Congress that his Government plans to reimpose a measure of centralized economic control. (NYT 11 April 1989)

[In another article one learns that this come back of state control has already started in 1988.]

**Apr 17, 1989** Privately, more and more Chinese say it's past time for Deng to go. (17 April 1989)

[This article shows that even before the repression of the uprising, Deng had lost US support. Three reasons can explain this disaffection. (i) Deng's age (85) (ii) The fact that since 1988 there had been a return to planification and state control (see the previous entry) (iii) The will of the Chinese government to mend the gap with the Soviet Union which led to Gorbachev's visit in May 1989.]

**Apr 19, 1989** **Students demonstrated at Communist Party compound.** After the death of reformist leader Hu Yaobang, students set up wreaths and staged a midnight sit-in to demand action by the government on a variety of pro-democracy demands. (WP p. A21)

**Apr 20, 1989** **Contacts between the US embassy and student leaders.** In the panel discussion of 17 June 1989 mentioned above, former ambassador Winston Lord declared: "We had a general policy of meeting as many students and reformers as possible". Certainly the directive about this policy came from the State Department. He also mentioned that one day (probably in April) he got an oral message from a high Chinese official directly on behalf of Deng Xiaoping warning against "meeting such students without checking with him first".

(The video of the discussion is available on the website of the C-Span TV channel)

[In fact, for a long time the US embassy had organized soirées aimed for reformers

and dissidents. In Eastern Europe as in China dancing to American rock music has been an excellent way to draw youngsters toward western values.

Such gatherings were organized by Bao Betti, the wife of Ambassador Lord, herself a renowned writer. Incidentally, it is Ms. Bao who set up the list of dissidents to be invited at the farewell party given by President Bush. Indeed, it seems that, apart from Fang, other dissidents were invited to which the Chinese side did not object.]

**Apr 20, 1989** A group of workers calling themselves the “Beijing Workers’ Autonomous Federation” began issuing two handbills. The first called on people from all walks of life to come together to fight for truth. Entitled, “Ten Questions”, the second handbill demanded how much money Zhao Ziyang spent playing golf, and how much Deng Xiaoping’s son’s spent gambling on horse racing. (Wikipedia article entitled “Beijing Workers’ Autonomous Federation”)

[The “Beijing Workers’ Autonomous Federation” was probably a parallel of “Solidarity” in Poland. Both were non-official unions which challenged the leadership of the Communist Party.

Its leader, Han Dongfang, turned himself in after June 4, 1989. He was detained until 1991 and lives currently in Hong Kong. On Internet one learns that on 18 June 2008 he testified before the “US Congressional-Executive Commission on China” in Washington DC. According to its website, this Commission is a powerful public relations machine directed against China. Entitled “The prospects for legal enforcement of labor rights in China today: a glass half full”, Han’s testimony is available on the Internet. Just for the sake of honesty one would be happy to see mentioned the fact that foreign companies lobbied the Chinese government against giving more right to unions. In a broader way, on account of its domestic situation, can the United States really afford to be a critic of union regulations in other countries?]

**Apr 20, 1989 Appointment of a new US Ambassador.** Winston Lord was replaced by James R. Lilley. These persons were very different from one another.

A member of the Yale secret society “Skull and Bones”, Lord had been the special assistant to National Security Advisor Henry Kissinger. He accompanied him on his secret trip to Beijing in 1971 and the following year he was part of the US delegation during President Richard Nixon’s historic visit to China.

Lilley joined the CIA immediately after graduating from Georges Washington University and would work for nearly 30 years in a variety of Asian places, particularly in Japan, Manila, Laos, Korea, Hong Kong, Taiwan and China. Lilley was the head of station for the CIA in Beijing in 1974-1975 at a time when George H. W. Bush was the chief of mission<sup>104</sup>. It can be recalled that George Bush became Director of the CIA in 1976. In this position, Lilley helped to insert a number of CIA agents into

<sup>104</sup>Of course, there was no embassy but there was already a “United States Liaison Office”.

China.

(WP 14 November 2009, Wikipedia articles about Lord and Lilley.)

[Of course, we do not know what was the real purpose of this replacement. One can only try to guess. We will see below that in May the US administration tried to counter the influence of hardliners such as Li Peng and Deng Xiaoping. Certainly, it could hardly be expected that the appointment of an anti-Communist former CIA man as ambassador would please the Chinese. On the contrary, it must have reinforced the camp of hard-liners. In other words, there may have been another purpose for picking up Lilley. One possible explanation would be to observe that Lilley was nominated by president Bush on 28 January 1989 and that at the time of the Senate confirmation hearings it was not realized that it might harm US interests.]

**Apr 21–22, 1989** Violent clashes occurred in Xian (Shaanxi province) between demonstrators and the police. Traffic was blocked and stones were thrown at the police. (Asia Watch 1990)

**Apr 22, 1989** **Broad mobilization of Chinese universities.** The students, from at least 30 universities, marched in defiance of government warnings against unauthorized demonstrations. The degree of organization reflected a pro-democracy movement that had been building even before Hu died. Students had been planning to mark the 70th anniversary of the May 4 movement of 1919. (WP p. 1)

[This was not a movement that spread in a spontaneous and progressive way. It was a forcible and synchronous mobilization. The ability to mobilize 30 university shows indeed a high degree of organization. The occupation of Tiananmen Square was also well organized with successive waves of young people sent by Beijing's high schools or colleges.

The WP article says that the May 4 movement of 1919 was “the first time Chinese students mobilized to demand freedom and democracy”. The remark shows a blatant disregard for history (may be intentional?). The May 4 movement was a nationalist reaction directed against the Paris Peace Treaty which allowed Japan to remain in Shandong.

It can be observed that the May 4 movement started with a demonstration on Tiananmen Square.]

**Apr 23, 1989** Title: Violent protests reported. A week of growing anti-Government protests turned violent for the first time on Saturday [22 April], spreading to the central Chinese city of Xian. The protesters forced their way into the Government compound and set fire to several rooms and 10 vehicles. It was reported by the official “New China News Agency” [Xinhua] that some 130 police officers were injured. The fact that the demonstrators attacked a bus of foreign tourists suggests

that they may have been workers instead of students, who tend to be more friendly to overseas visitors. (NYT 23 April 1989)

[These violent actions are distinct from the fairly peaceful marches of the students in Beijing. The article does not give clear information about the identity of the protesters but it is likely that these people were workers upset by the inflation and the deterioration of their working and living condition. This important component of the movement is likely to be overlooked when all attention is focused on the Tiananmen square events.]

### (3) Chronology: 1 May 1989 – end of 1989

**May 4, 1989** In Nanchang (Jiangxi province) traffic was blocked and vehicles were overturned. (Asia Watch 1990)

[This entry shows that unrest was not limited to Beijing or Shanghai.]

**May 9, 1989** People all over China tune in the “Voice of America”. (NYT section A, p. 15)

[It would be of great interest to have a quantitative estimate of the audience of “Voice of America” in China.]

**May 9, 1989** *Admiration for Gorbachev.* Communist Party chief Zhao Ziyang, in an apparent concession to protesting university students, promised today that the Chinese government will promote political reforms along with economic change. Many Chinese students admire Gorbachev’s forceful style in attempting to reform the Soviet Union’s socialist system. (WP p. A25)

[President Gorbachev was visiting China from 15 to 20 May. His visit brought to China a great number of international journalists. It was an ideal time for presenting political demands.

Incidentally, would Chinese students still admire Gorbachev a few years later?]

**May 10, 1989** In the strongest appeal so far for freedom of the press in China, more than 1,000 journalists from official news organizations signed a petition that was presented to the Government. (NYT section A, p.8)

[We already mentioned that CCTV as well as “People’s Daily”, the newspaper of the Communist Party, were at least partially on the side of the protesters.]

**May 11, 1989** Wearing colored headbands and shouting slogans against censorship, more than 5,000 students paraded today on bicycles to the offices of several official newspapers to show support for journalists who have called for greater press freedom. (NYT section A, p. 3)

[This demonstration which comes just one day after the petition was released shows

the excellent coordination between various segments of the protest movement.]

**May 13, 1989** In the first demonstration by a Chinese minority group since a wave of student protests began last month, about 2,500 Muslim students marched to Tiananmen Square to protest the publication of a book they say blasphemes Islam. (NYT section 1, p. 3)

**May 14, 1989** As a signal to the United States of continuing friendship, the Chinese agreed to a visit to Shanghai by three US Navy warships around May 20. (WP p. A26)

[May be this visit of foreign warships in the port of Shanghai reminded Chinese people of the time of unequal treaties and foreign concessions, a time when the harbor of Shanghai was full of western and Japanese warships?]

**May 16, 1989** Protesters form a common front.

Title of the article: 150,000 lift their voices for change.

One after another, groups of teachers, professors, museum workers, factory workers, writers, artists, scholars, entrepreneurs, low-level officials, middle-school students, and even journalists from the official “People’s Daily” paraded into Tiananmen Square behind their own wide, colorful banners. (NYT section A p. 12)

[Although the New York Times may be exaggerating the broadness of this common front, the fact that it was set up so quickly suggests that the movement was *not* spontaneous but well coordinated by a fraction of the Communist Party.]

**May 16 and 18, 1989** Zhao Ziyang who has reportedly been counseling restraint while Deng has been calling for repression, has used the well-organized demonstrations to boost his own flagging popularity.

Demonstrations were reported in 21 provincial capitals, said Beijing Radio. A major demonstration occurred in Shanghai during Mikhail Gorbachev’s visit.

The students in Beijing were reinforced by an undetermined number of other students pouring into Beijing by rail from other provinces. (WP p. A21 and A1)

[The technique of using bus and rail transportation to move demonstrators to the capital city has been widely used during the cultural revolution. In contrast in a western country like France it became commonly used only much later. The first instances were the demonstrations of January 2013 against the marriage of persons of same sex.]

**May 17, 1989** Zhao’s aide Bao Tong pulled together a meeting of people from the “Political Structural Reform Research Center” of the CPC Central Committee and released the information that martial law was on the agenda. (Li et al. (2009), <http://www.frso.org/about/statements/2009/looking-back-at-tiananmen-square.htm> )

**May 18, 1989** Mikhail Gorbachev portrayed the popular uprising that has engulfed the Chinese capital as part of a painful but healthy worldwide upheaval in Communist countries. (NYT section A p.1)

[Made one day before the proclamation of martial law, this declaration seems fairly surprising. One must remember that at least some of the demonstrators were asking Deng's ouster. Did Gorbachev really say that or was his statement re-interpreted by the New York Times? It would be interesting to know the exact words that he used.]

**May 19, 1989** Su Xiaokang, the producer of "River Elegy", and a number of other intellectuals signed a statement in which they "solemnly swear never to retreat in the quest for democracy". After June 4, Su would be exfiltrated to Hong Kong through operation Yellow Bird. After a short stay in France, he went to the United States. (Wikipedia article entitled "Su Xiaokang")

[In December 2014 he wrote a sympathy message for the 25th anniversary of the award of the Nobel Peace Prize to the Dalai Lama which is posted on the website of the "International campaign for Tibet" (<http://www.savetibet.org>). He wrote (excerpts): "The 14th Dalai Lama has performed miracles. Chinese civilization has an old tradition of going west to find the Dharma, and today's west lies on the Tibetan plateau". On October 17, 2014, Su Xiaokang took part in a round table organized in Washington DC by the International Campaign for Tibet.

The website <http://www.savetibet.org> has also messages written by other dissidents living in the US. Among them is one by Yan Jiaqi who was another supporter of Zhao Ziyang. It says that during his 55 years in exile the Dalai Lama has been working for Sino-Tibetan unity. Well, this is simply not true. Until 1989 that is to say over 30 years the Dalai Lama has very explicitly campaigned for the independence of Tibet. Even nowadays, most of his followers of the Tibetan government in exile support Tibetan independence.]

**May 19, 1989** In the morning Zhao Ziyang and Li Peng went to Tiananmen Square. Li Peng conducted himself in accordance with the approach previously established by the Party, i.e. to show concern for the hunger strikes while attempting to bring them to an end.

Zhao, on the other hand, openly voiced his support. In a speech which was broadcast on TV, Zhao stated "We were too late coming. I'm sorry. Your criticism of us is justified".

In the evening Zhao was placed under house arrest.

(<http://www.frso.org/about/statements/2009/looking-back-at-tiananmen-square.htm> )

[Zhao's speech can be listened to on the Internet. For a speech given in such dramatic circumstances it sounds remarkably hollow. Zhao repeatedly urged the students to stop their hunger strike but for the only reason that it would endanger their health.

When he stressed “You are young, we are old” did he mean that the Communist Party of which he was still the Secretary General for a few hours had outlived its usefulness?]

**May 19, 1989** With martial law only hours away, members of the “State Commission for Restructuring the Economy” showed up in Tiananmen Square where they announced that Zhao had been relieved of his responsibilities. They called for a general strike. This call was reprinted in a People’s Daily Extra. Li et al. (2009), <http://www.frso.org/about/statements/2009/looking-back-at-tiananmen-square.htm> .

[In most countries martial law implies the interdiction of large gatherings of people. Clearly, this basic rule was not enforced for over two weeks.]

**May 19-22, 1989** Troops prevented from reaching Beijing and Tiananman Square.

On the afternoon of May 19, residents in Baoding [a city located 150 km south west of Beijing which had a population of 11 millions in 2010] blocked four battalions [a battalion numbers about 600 soldiers] of the 38th Army from leaving the city. The 27th Army was also blocked on May 19 in Baoding by crowds and was forced to re-route its approach on Beijing via Zhuozhou. A detachment of the 64th Army traveling by train was blocked for two days by Tangshan [140 km east of Beijing] students and residents who laid on the railway at Qian’an, Hebei from 21 to 23 May. On May 20, military units advanced on Beijing from all directions. They were stopped and surrounded by tens of thousands of civilians who erected road blocks and crowded around convoys at several points outside the Third Ring Road.

(Wikipedia article entitled “People’s Liberation Army at Tiananmen Square protests of 1989”)

**May 20, 1989** At the meeting of the Standing Committee which decided the institution of martial law there were only two leaders who opposed it: Zhao and Hu Qili. Hu Qili had been put by Zhao in charge of the information department which helps to explain the support the students received from Communist newspapers. In contrast with Zhao, Hu was again able to hold official positions after 1991. (Wikipedia article in English about Hu Qili)

**May 20, 1989** Despite the declaration of martial law, troops failed to arrive in Tiananmen Square. Apparently civilians (may be organized by students) set up road-blocks on the outskirts of the cities. Because the troops had orders to avoid violent confrontations, it was difficult to enter the city as planned.

**May 20, 1989** The United States expressed regret today that China had sent troops to restore order after a month of student demonstrations. [NYT Section 1, Page 6]

**May 20, 1989** Three US Navy ships steamed into Shanghai for a courtesy call one



day after Mikhail Gorbachev visited the city. The command ship “Blue Ridge”, flying the American and Chinese flags, led the way up the Huangpu River, mooring near the Soviet consulate.

Tens of thousands of Chinese students and workers poured into the streets along Shanghai’s waterfront for the third consecutive day of protests. (NYT, Reuters)

[The article says (without much justification) that the demonstrators paid little attention to the US Navy warships.]

**May 21, 1989** Hong Kong joined the protest. Braving gale-force winds and drenching rains from Typhoon Brenda, demonstrators turned out by the thousands today in Hong Kong and Macao in support of the Beijing student protests, and against the Chinese Government’s hard line. (NYT Section 1, Page 18)

**May 21, 1989** An old woman street cleaner rushed up and lay down on the road in front of the military trucks on their way to Tiananmen Square. (NYT Section 1, Page 1)

[Whether true or not, this is the kind of story that US newspapers like very much to spread in such circumstances. “Tank Man”, the person who stood in front of a column of tanks, is another iconic image of that kind.

Incidentally, it can be observed that at the beginning of the long Wikipedia article about “Tank Man” one reads that the event took place “on June 5, on the morning after the Chinese military had suppressed the Tiananmen Square protests”. In fact, the suppression occurred on the night of 3-4 June.]

**May 21, 1989** A former American Ambassador to China said that the Beijing Government was making “a stupid and potentially tragic mistake” by trying to suppress demonstrations by students demanding greater democracy. (NYT Section 1, Page 18)

[It is often said that the NYT is a mouthpiece of the State Department and this is illustrated once again here and in the following articles. In contrast, although of course on the same line, the Washington Post put much less emphasis on the stance against Beijing’s hardliners.]

**May 21, 1989** [US demonstrators support Chinese protesters.](#) Thousands of Chinese Americans and emigres in major cities across the United States rallied to the support of China’s widening democracy movement, with calls for the resignation of Prime Minister Li Peng. (NYT Section 1 Page 20)

[Needless to say, the real target was not the Prime Minister but Deng Xiaoping himself. This is illustrated by the following article.]

**May 21, 1989** If, as is widely presumed, Deng Xiaoping made the key decision to call in the army to crack down on the protesters (who, by the way, have demanded

his retirement) he becomes a paradoxical, possibly even tragic figure. (NYT Section 1, Page 20)

### **May 21, 1989 Roadblocks between 2nd and 3rd ring.**

Excerpts of cable 89BEIJING14047 from the US embassy in Beijing.

Confidential

From: Beijing

To: American Consul in Chengdu, Guangzhou, Shanghai, Hong Kong, Chief US Pacific Command, Secretary of State, Tokyo, Moscow, Seoul, Taipei.

Poloffs [political officers] have reported that students on Tiananmen Square number between 10,000 and 20,000. Between 100 and 200 hunger strikers remain. Usually crowds begin arriving between 7 pm and 8 pm.

**Road blockades** Students appear to control access to the central part of the city through a system of barricades around the second and third ring. In addition there are barricades of vehicles on the closer approaches to the Tiananmen Square.

Poloff visiting one such roadblock at the intersection of the third ring and Jianguomenwai Avenue reported that there are more than 50 buses in the area. 14 buses beneath the Jianguomenwai Avenue [about 2km east of Tiananmen Square] overpass [place where two roads cross each other at different levels] control passage on the third ring road which runs north-south. The buses have left one lane open but can easily block traffic by driving into the lane. Many of the remaining buses are parked along Jianguomenwai up to Xidawang Road and could be pulled into the Avenue to block troops.

Poloff reported that city bus drivers are responsible for moving their vehicles at this place. One of them stated that he and his fellows are confident that their blockades will stop PLA tanks (but we doubt it). He added that drivers intend to remain at the intersection and will not return to work on May 22.

According to a student at Qinghua University who spoke with an embassy FCS [Foreign Commercial Service] officer this morning, students on campus are in close touch with demonstrators manning the barricades and are able to dispatch reinforcements to weak spots in the system. Strong cooperation among workers and students at the blockade suggests that demonstrators may be getting support from neighborhood party organizations.

**Labor Unions** An anonymous caller who phoned the consulate general in Shenyang [formerly Mukden in the Liaoning province] on the morning of May 21 said that at a Central Committee meeting the chairman of the "All China Federation of Labor Unions", Ni Zhifu, condemned the decision to impose martial law. The caller did not state when or where the meeting was held. According to the caller, Ni demanded that the government hold talks with student leaders and threatened to lead a general

strike if the Central Committee failed to accept his demands.

**People's Daily** The May 20 and 21 editions of People's Daily [the official newspaper of the Communist Party] indicate that Li Peng [the Prime Minister] does not have complete control of the party newspapers.

([https://www.wikileaks.org/plusd/cables/89BEIJING14047\\_a.html](https://www.wikileaks.org/plusd/cables/89BEIJING14047_a.html))

**May 21, 1989** Letter signed by 7 PLA retired generals to the Central Military Commission

Since the People's Army belongs to the people, it cannot stand against the people, much less kill the people, and must not be permitted to fire on the people and cause bloodshed; to prevent the situation from escalating, the Army must not enter the city.

[Signed by] Ye Fei, Zhang Aiping, Xiao Ke, Yang Dezhi, Chen Zaidao, Song Shilun and Li Jukui. (Wikipedia article entitled "Chen Zaidao".)

[In a NYT article of 22 May 1989, these generals were referred to as "senior military figures" (the fact that they were retired generals was omitted).]

**May 22, 1989** President Bush today urged pro-democracy forces to "stand up for what you believe in". (NYT Section A, Page 11)

[As is quite understandable, the US government threw all its weight in support of the demonstrators. Yet, the sad story of democratization in Russia raises some doubts about its real intentions.

Eight days earlier, President Bush urged the people of Panama to rise up and overthrow their ruler, General Manuel Antonio Noriega. Eventually, on 20 December 1989, Noriega was brought down by a US military intervention which, due to bombing by aircraft, made probably more civilian victims than the crackdown in Beijing.]

**May 22, 1989** Liu Binyan, widely regarded as China's most respected writer both for his political courage and the forcefulness of his prose, has been spending the last few days in the United States in constant touch by telephone with his broad network of well-placed friends in Beijing. (NYT Section A, Page 10)

[In the 1980s one of the main targets of Liu was corruption. However, corruption is not limited to China and if all political systems which harbor corruption should be brought down, very few (if any) would remain standing. In western countries corruption is called conflict of interest or creative accounting and it is widespread. As the following decades have shown, "corruption" did not prevent fast economic growth in China.]

**May 22, 1989** Open rebellion in the US About 300 Chinese students gathered in

front of the Chinese consulate in Manhattan and delivered an open telegram saying they no longer recognized the Chinese Government of Prime Minister Li Peng.

“We, the 10,000 Chinese students in New York City and the East Coast of the United States, are on the side of the Chinese people. We no longer recognize the Chinese Government led by Li Peng as a legal administration in China, and we pledge our complete disobedience to such a hostile Government”.

(NYT, Associated Press)

[In 1989, there were about 40,000 Chinese students in the US, a number which includes probably those from Hong Kong and Taiwan. In most cities, the demonstrators numbered a few hundreds. The largest demonstration took place in Washington DC with about 3,500 participants.]

**May 23, 1989** *Investors join the fray.* Hong Kong investors reacted swiftly and fearfully to the political crisis in China, frantically selling shares and forcing the market’s index down by almost 11%. It was the greatest plunge in a single day since the worldwide market collapse of 1987. (NYT Section A, Page 14)

[At that time China’s integration in international finance was insignificant. In 2015, with hundreds of Chinese companies listed on US stock markets, the situation would be very different.]

**May 23, 1989** Chinese radio broadcasts monitored by the United States Government show strong support for Beijing student protesters in provinces all around China. (NYT Section A, Page 14)

**May 23, 1989** Mr. Wan Li, the chairman of the National People’s Congress, met with Vice President Dan Quayl and Secretary of State James Baker and, according to an Administration official, said there would be no bloodshed in Beijing if the demonstrators continued to exercise restraint. (NYT Section A, Page 14)

[If it would occur in the US, the fact of hindering and blocking police and military convoys would probably bring about a strong reaction. Can it be called exercising restraint? In fact, in the rest of the article one learns that Mr. Wan Li made no declaration himself.

Mr. Wan is scheduled to meet with President Bush, Defense Secretary Dick Cheney and receive a honorary degree from Johns Hopkins University on May 25. On May 27 he is to visit Disney World in Florida. A scheduled tennis match between Mr. Wan and President Bush was canceled because “it would be inappropriate at this time”.]

**May 23, 1989** The “Voice of America” said that the Chinese authorities had begun jamming its broadcasts to China for the first time since 1978. More precisely three

### Stone Corporation / Stone Institute

In the sources about the Tiananmen events there are two organizations which appear repeatedly: (i) The Stone Corporation, said to be a computer company and (ii) the “Stone Institute for Research on Social Development”. This last name has in fact several variants such as: “Stone Institute for [sometimes “of”] Social Development”. In one source (Strand 1993) it is said that the Stone Corporation was implicated in an attempt to lobby members of the National People’s Congress to rescind the martial law. In another source (Asia Watch 1993) it is said that the Stone Institute organized a petition drive to block martial law in Beijing. In addition one reads that (at least) 3 persons from the Stone Corporation were arrested or fled to the US. Their names are Zhou Duo, Wan Runnan and Chen Zhiming.

So, one starts to wonder whether the Stone Corporation was really engaged in making computers or rather in spreading social agitation. In other words, is the Stone Corporation and the Stone Institute not the same entity?

On 13 June 1989 an article of the New York Times mentions the “Stone Corporation Institute of Social Development”. On the 24 June 1989 an article in the same newspaper and by the same journalist (i.e. Nicholas Kristof) mentions the “Stone Corporation as being an “extremely successful high-technology company”.

Fortunately, the article of 24 June gives the solution of the mystery: the “Stone Corporation Institute of Social Development” was a social research foundation financed by the “Stone Corporation” founded by Cao Siyuan and Wan Runnan.

An article by Scott Kennedy (1997) tells that in 1989 the Stone Corporation had 1,800 employees. Stone donated money and equipment (mobile phones, loudspeakers and printing equipment) worth RMB 200,000 (i.e. 100,000 dollars of 2015) to the Tiananmen demonstrators. This raises a question: why did a high-tech company finance social research and agitation? This is fairly uncommon.

**Box 7.1 Stone Corporation versus Stone Social Institute.** *Sources: Asia Watch 1993, Strand 1993, Kennedy 1997*

of the five VOA Chinese frequencies were being jammed. (NYT Section A, Page 14)

**May 24, 1989** Mao Zedong’s giant portrait on Tiananmen Square was defaced by three men who splattered paint across its face. (NYT Section A, Page 10)

**May 24, 1989** China allows foreign broadcasters to resume news transmission for the first time since the declaration of martial law on 19 May. (Section A, Page 11)

**May 24, 1989 US interference.** President Bush told the leader of China’s Legislature [Wan Li] that he would “urge nonviolence and restraint in your present position”. (Section A, Page 11)

**May 25, 1989** About 100,000 people jammed the streets of Hong Kong for a fifth straight day to support the pro-democracy movement in China. (NYT, Associated Press)

[For a city like Hong Kong, 100,000 represents a large number. In following days

the number of demonstrators would be even larger. May 25 was a Thursday. Was the demonstration taking place after working time?]

**May 25, 1989** Dr. Gene Sharp of the Boston-based “Albert Einstein Institution”, his assistant Bruce Jenkins and a translator arrived in Beijing. According to the account given in the 1988-1990 report of the Institution, their objective was only to study the methods of the students. They brought back 22 hours of interviews.

According to Dr. Sharp, the actions of the students revealed a “high degree of tactical sophistication”: (i) Extensive use of marshalls for crowd control (ii) Sit-ins (iii) Hunger strikes, (iv) Friendly appeals to police and troops (v) Massive street blockades of troops (vi) Creation of temporary newspapers and of a broadcasting system. As a matter of fact, these means were part of the 198 techniques of non-violent action described in Sharp’s books.



**Fig. 7.2 Gene Sharp in Beijing in late May 1989.** Gene Sharp of the Albert Einstein Institution speaks with Li Lu, deputy commander of the Chinese student pro-democracy movement. According to the account given by Sharp, they mostly conducted interviews. However, in the picture it is Sharp who is talking, not Li Lu. *Source: Biennial Report of the Albert Einstein Institution, 1988-1990, p. 4 and p. 12.*

**May 25, 1989** One day after permitting news transmission to resume, Chinese officials abruptly halted the transmission of foreign television news reports from Beijing. (Section A, Page 10)

[In Washington, political analysts were thinking that there was an ongoing power struggle in Beijing. Another explanation is that it took a few days to bring about 200,000 troops to Beijing. However, the order and counter order regarding news transmission supports the first explanation.]

**May 27, 1989** In Hong Kong over 300,000 people gathered at Happy Valley Racecourse for a gathering called “Democratic songs dedicated for China”. Many Hong Kong celebrities sang songs and expressed their support for the students in Beijing. On the following day, Sunday 28 May, a procession of 1.5 million people, one fourth of Hong Kong’s population paraded through Hong Kong Island.

([http://rachel.worldpossible.org/modules/wikipedia\\_for\\_schools/wp/t/Tiananmen\\_Square\\_protests\\_of\\_1989.htm](http://rachel.worldpossible.org/modules/wikipedia_for_schools/wp/t/Tiananmen_Square_protests_of_1989.htm) )



Assemblage of the  
statue almost finished  
29 May 1989



Logo of Columbia Pictures



Tiananmen Square, around 30 May 1989  
The statue can be seen in front of the entrance  
of the Forbidden City

**Fig. 7.3 Liberty statue on Tiananmen Square in 1989.** It is often said that the statue was modeled on the Statue of Liberty in New York. Obviously it was more similar to the logo of “Columbia Pictures Corporation”. In particular the posture of the right arm is exactly the same. The logo shown here was repainted in 1993 but, needless to say, the design followed the traditional logo of the film company. In the Wikipedia article entitled “Columbia Pictures” the old logo appears on a stock certificate of 1965. It is said that the statue was built in 4 days. It was made of plastic foam, plaster, wire and an iron skeleton. The photograph Terri Yue Jones witnessed the construction but the only picture of the building process that we could find shows the head of the statue before it was lifted up. It is likely that the statue was pre-designed elsewhere and brought to the square in separate parts which were then assembled together.

[British authorities may have contributed to the success of these gatherings. Actually, it is a paradox to see Hong Kong people demonstrate for democracy in China while having themselves no democracy under British rule.]

**May 29, 1989** About 1,200 people, most of them graduate students from China, rallied in Manhattan in support of pro-democracy demonstrators in Beijing. (NYT Section 1, Page 7)

**May 31, 1989** An estimated 1 million people linked hands in the rain today to support the student-led democracy movement in China. They said the human chain, from Keelung in the north to Kaohsiung in the south, stretched about 380 km over highways and city streets and was broken only at intersections to allow traffic to pass. Participants, most of them students on their lunch break, sang patriotic songs. In some cities they heard speeches during the 30-minute demonstration. (NYT 1 and 4 June 1989)

[It is remarkable that a similar human chain rally was organized in the Baltic states on 23 August 1989. The various accounts of the so-called “Baltic Way” do not mention that it was organized on the model of the human chain in Taiwan.

On 28 February 2004 there was a second human chain in Taiwan, also from north to south. This event was organized by the (pro-independence) Democratic Progressive Party. The Wikipedia article entitled “228 hand-in-hand rally” which describes this event says that the demonstration was inspired by the “Baltic Way”. That seems

fairly doubtful! The number 228 refers to the uprising of February 28 1947 which was suppressed by KMT troops.

The article of 4 June says there was little enthusiasm among participants. Entitled “Sympathy and aloofness”, it describes what is called “a muted and controlled response”.

It can be noted that at one point there was also a human chain on Beijing’s outer roads to keep troops from passing through (NYT 20 May 1989).

It can also be noted that the technique of the human chain is mentioned in Gene Sharp’s “Dictionary of Power and Struggle”. Apart from the Baltic countries that technique was also used in other East European countries, for instance in Prague on 26 November 1989 (Non violent sanctions, winter 1989/1990).]

**May 31, 1989** Sun Jizhong, a brick factory worker, led a “Dare to Die” brigade which tried to block military trucks from entering Beijing. After June 4 he fled to North Korea but was arrested when he returned to China on 28 September 1989. (Asia Watch 1990 p. 63)

[During the revolution of 1911 “Dare to Die” brigades conducted suicide attacks against Qin troops. In subsequent years the Kuomintang tried to maintain this tradition.]

**June 3-4, 1989** Hou Dejian’s role in the evacuation of Tiananmen Square. Amidst the chaos in the morning of June 4 the “four gentlemen”<sup>105</sup> decided that they had to take responsibility for the students in the square. Although Zhou Duo had volunteered to go out to seek the cooperation of the soldiers, he realized that Hou Dejian was the only person that the soldiers might know of. Indeed, Hou was a famous singer who came from Taiwan to China in 1983.

Hou and the others met with a political commissar and said, “We volunteer to take all the students out of the square and ask the PLA not to open fire. Please give us enough time to organize an evacuation”. After the government accepted Hou’s request, Hou and Zhou Duo rushed to the monument [the memorial at the center of the Square] to announce that the command post had agreed to the evacuation of the square. The crowd of students was initially reluctant to leave the square. However, with the help of Feng Congde, Hou Dejian and the student leaders were able to usher the students away.

After June 4, Hou spent 72 days under the protection of the Australian embassy before emerging out of hiding. Subsequently, Hou remained in China and through his testimony he confirmed the evacuation of Tiananmen Square by the students.

(Wikipedia article in English entitled “Hou Dejian”)

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<sup>105</sup>This expression refers to the 4 persons who were conducting a hunger strike, namely: Liu Xiaobo, Zhou Duo, Gao Xin and Hou Dejian



[This account agrees fairly well with what is suggested by the pictures shown in Fig. 7.4a. Incidentally, it can be observed that, unlike most Wikipedia articles, this one has only two non-English versions (as of 8 September 2015): French and Chinese. The French version does not say a single word about Hou's role in the evacuation of Tiananmen Square.

Among the sources on which the Wikipedia article is based there is: Zhang (Liang) 2001: *The Tiananmen Papers*. Edited by Link (P.) and Nathan (A.J.). New York Public Affairs.]

### **June 3-4, 1989 Latin American diplomat eyewitness account**

Excerpts of cable 89BEIJING18828 from the US embassy in Beijing

12 July 1989

Confidential

From: Beijing

To: Secretary of State, American Consul in Hong Kong, Guangzhou, Shanghai, Shenyang, USCINCPAC Honolulu Chief US Pacific Command, American Embassy in Santiago, London, Paris.

Summary: During a recent meeting, a Latin American diplomat and his wife provided poloff an eyewitness account. Although their account generally follows those previously reported, their experience provide additional insight and *corroboration* of events in the Square. Remaining with students by the monument to the Heroes until the final withdrawal, the diplomat said there were no mass shootings of students in the Square.

Chilean Second Secretary Carlos Gallo (*please protect*) said that, contrary to the experiences of most Americans on the Square, he essentially was allowed free passage. [After leaving his wife at home] Gallo eventually ended up at the Red Cross station. He watched the military enter the square and did not observe any mass firing of weapons although sporadic gunfire was heard. As the military consolidated its control the civilians gathered around the Monument to the Heroes. He said that wounded including some soldiers continued to be brought to the Red Cross station.

The troops began a slow orderly approach to the Monument with soldiers on foot preceding armored vehicles (APCS). From what he could see, Gallo felt that most of the tents on the square were empty when the armored vehicles rolled over them.

When Poloff mentioned some *reportedly* eyewitness accounts of massacres at the monument with automatic weapons, Gallo said there was no such slaughter. Once agreement was reached for the students to withdraw they left the Square through the southeast corner. Essentially everyone, including Gallo, left. The few that attempted

to remain behind were beaten and driven to join the departing procession. Once outside the Square, the students headed west on Qianmen Dajie while Gallo headed east to his car. Therefore, he could not comment on reports that students were ambushed and slaughtered in the alley just near the Beijing Concert Hall.

[signed] Lilley [the ambassador]

(<https://wikileaks.org/cable/1989/07/89BEIJING18828.html>)

[The most important point is probably the following.

This cable was sent out on 12 July that is to say 5 weeks after the events of 3-4 June. It is clear that in the meanwhile the embassy collected as many testimonies as possible. Although the cables about prior testimonies are not available, when this interview took place the poloffs had already been able to form an opinion as to how the occupation of the square unfolded. Thus, the assessment that the present account follows and corroborates previous reports shows that the poloff did not believe previous mass shooting accounts. The word “reportedly” is revealing; it means, “they said they were eyewitnesses but can we believe them?”.

Incidentally, the report also raises a question, namely why did this diplomat join the civilians in the Square. Had there been mass-shooting, he would have been killed. He was certainly aware of that. He could have watched the scene from a distance. Curiously, the poloff did not ask him that obvious question.]



**In the early morning of 4 June 1989, Hou Dejian and other representatives of the people in Tiananmen Square expressed to the martial law troops their desire to withdraw from the square voluntarily. (New Star Publishers)**



**In the early morning of 4 June 1989, college students and other people began to leave by the southeastern corner of Tiananmen square. (New Star Publishers)**

**Fig. 7.4a Parley between student leaders and troops.** Eventually a withdrawal order was passed which led to the departure of the demonstrators. This version of the events was confirmed by the testimony of Hou Dejian himself (see above) and by the account given by Chilean diplomat Carlos Gallo. *Source:* [http://www.chinatoday.com/history/tiananmen\\_1989/tiananmen\\_1989\\_14.htm](http://www.chinatoday.com/history/tiananmen_1989/tiananmen_1989_14.htm).

*Western accounts mostly mention civilian casualties. The pictures below complement this view by showing damages and injuries on the army side.*



The "thugs" burned more than 120 public buses at street intersections (6)

Soldiers clear roadblocks during their advance into Tiananmen Square (7)

The "ruffians" burned over 60 armored carriers (23)



Burned armored vehicles in West Chang'an Street

6,000 soldiers were injured and dozens killed (4). 200 civilians died (14)

Burned armored vehicles on June 4

**Fig. 7.4b Violence and casualties.** For pictures 1,2,3,5 which are from the same Chinese source (namely "China Today"), we kept the original captions (they were only shortened). Numbers such as (6) in the caption of the first picture refer to the position of the pictures in the photo gallery which comprised 24 photos altogether. The captions of pictures 4 and 14 in this gallery give what can be considered as official casualty figures. Soldiers: 6,000 injured and dozens killed; civilians: 3,000 injured, and 200 killed.

One of the techniques used against armored vehicles was to throw on them burning pieces of carpets soaked with petrol. Naturally, such "weapons" had to be prepared in advance. In western medias the standard reference to this night goes as follows "a massacre that killed hundreds, if not thousands of *innocent* citizens in the vicinity of Tiananmen Square" ("Atlantic" magazine, 16 April 2014). The present pictures show something fairly different.

Incidentally, a picture similar to the last one was published in the "New York Times" on 3 June 2014 but it shows a scene under rain; this suggests that the burned vehicles were not removed very quickly or that others were burned in the following days. It can be observed that "China Today" is a magazine published in continental China; moreover, a test made in Beijing in October 2015 showed that all these pictures were freely accessible on the Chinese Internet. However, it must be recognized that probably only few Chinese people have cared to watch them because there is a kind of collective amnesia about these events.

Sources: 1,2,3,5: [http://www.chinatoday.com/history/tiananmen\\_1989/tiananmen\\_1989\\_14.htm](http://www.chinatoday.com/history/tiananmen_1989/tiananmen_1989_14.htm).

Some of the pictures were also published in western media, e.g.: 4 in the "Guardian" (5 Jun 2009), 6 in the "Washington Post" (5 Jun 2009) and in the "Daily Telegraph" (13 Apr 2014).

**Jun 3-4, 1989** Three persons, Wang Fushun, Yang Heugwu, Li Meihu, who turned themselves in on 10 June 1989 in Beijing, confessed to blocking roads with vehicles on 3 June with the result that 32 military vehicles were stopped and 20 of them burned. (Asia Watch Report 1990)

**Jun 4, 1989** The student leaders Gao Xin, Hou Dejian, Liu Xiaobo and Zhou Duo negotiated the peaceful withdrawal of the students from Tiananmen Square in the early morning of June 4. (Asia Watch Report entitled “Repression in China since June 4, 1989” and published in October 1990.)

[“Asia Watch” is a subgroup of the American “Human Rights Watch” organization. Thus, this report confirmed the Chinese account about a peaceful withdrawal of the students from Tiananmen Square. Nevertheless, in the following months, years and decades, western media kept alive the myth that there was a great massacre on Tiananmen Square itself.

In a sense, this is understandable because one of the first rules of public relations campaigns is that the message should be simple, possibly a black and white picture. If one accepts to say that the civilians were killed in the streets of Beijing one is inevitably led to mention their attacks on army vehicles. Such actions will make the picture fairly confused. Instead of a black and white picture it will become a picture with many shades of gray.

Incidentally, Zhou Duo was not a student but a 42-year old economist at the “Stone Corporation”, a computer company; see the Box about it.]

**Jun 4, 1989** 300 irate protesters besiege China’s New York consulate with signs such as “Violent government must die”. (NYT, Associated Press)

**Jun 5, 1989** Pledging to wage “war” against the Chinese Government, the residents of Hong Kong demonstrated in huge numbers to protest the killings in Beijing. Several leaders called for the postponement of negotiations on the return of Hong Kong to Chinese sovereignty. (NYT Section A, Page 12)

**Jun 5, 1989** Chinese citizens continue to attack and burn army vehicles. (NYT Section A, Page 1)

**Jun 5, 1989** Three persons from Sichuan, Zhou Qi, He Xiaohang, Chen Guangping were charged with beating, burning and looting during the riots in Chengdu on 4-6 June 1989. They were sentenced to death on 7 November 1989. Moreover, a peasant from Sichuan Province, Zhou Xiangcheng was charged with burning vehicles in Chengdu on 5 June. He was sentenced to death and executed by firing squad. (Asia Watch Report 1990)

**Jun 6, 1989** Lu Zhongshu from Guan County in Hebei Province was arrested and charged with burning army trucks and armoured vehicles. (Asia Watch 1990)

[In the days following June 4 many persons were arrested on similar charges. Their names and dates of arrest can be found in Asia Watch 1990.]

**Jun 6, 1989** In Guangzhou’s Haizhu Square in the night of June 6 there was a

demonstration by workers who were waving the banner of “Guangzhou Workers”. (Asia Watch 1990 p. 50)

**Jun 7, 1989** The US Government reported turmoil and unrest in many provinces as students and other citizens protest the Government’s crackdown on demonstrators in Beijing. (NYT 7 June 1989)

**Jun 7, 1989 Barricades in Shanghai.** In Shanghai the buses have stopped running, barricades have been erected across main thoroughfares and the police are nowhere in sight. For the moment, the authorities seem to have abandoned Shanghai to its people. (NYT Section A, Page 10)

**Jun 7, 1989** Prime Minister Margaret Thatcher told Parliament that despite the repression in Beijing, Britain would abide by its commitment to hand over the colony of Hong Kong to China in 1997. (NYT Section A, Page 10)

**Jun 8, 1989 Hong Kong falls back in line.** Plans for a series of rallies to mourn the victims of the Chinese crackdown were canceled here today after a violent confrontation between the [British] police and a group described as provocateurs from the mainland. (NYT Section A, Page 14)

[Why did British authorities suddenly oppose demonstrations? A possible explanation is that economically, Hong Kong is dependent on its Chinese hinterland.]

**Jun 10, 1989** Shanghai On Thursday 8 June, in a speech broadcast by Chinese TV, the mayor of Shanghai, Zhu Rongji (who would later succeed Li Peng as Prime Minister), said that factories had been asked to provide 10% of their workers to make up a kind of militia. Mr. Zhu praised these auxiliary police forces and said they had played a major role in removing barricades of disabled buses set up by students at many city intersections. (NYT article by Richard Bernstein)

[This article confirms that in Shanghai as in Beijing the same tactic was used which was based on using buses to create barricades.]

**Jun 10, 1989 Excerpts of the diary of President Bush.** “You have the networks, led principally by Dan Rather [CBS news anchor], pitching everything with the highest emotional content and driving to almost break relations with China, and that I don’t want”.

Then, on 20 June, Mr. Bush wrote:

I’m sending signals to China that we want the relationship to stay intact but dissident Fang is making things much worse. [Moreover] Fang’s son showed up at a hearing under the patronage of Jesse Helms.

On 24 June, Mr. Bush wrote:

Deng accepts my idea of a personal emissary. I proposed to send Brent Scowcroft.

It's highly sensitive. There will be a flight in an unmarked plane going into some Chinese base. I'm upset that Zhao Ziyang has been kicked out.

(The diary is available on the following website:

<http://100yearmarathon.com/files/title-of-file-name-goes-here-lorem-ipsum/> )

**Jun 11, 1989** **Strategic partnership between China and the US only temporarily interrupted.** Since 1979, US private companies have sold more than \$748 million in weapons to China. China also hosted a network of secret American listening posts that monitor Soviet military communications from close to the border.

In Beijing the lines in front of the American Embassy, to get a visa, are longer than ever. Whenever a Westerner starts a conversation on the street these days, a crowd gathers around to take part, and one of the first questions people ask is, "What country are you from?" If the answer is the United States, the crowd sometimes pauses to clap.

Chen Yun, the chairman of the Central Advisory Commission has a granddaughter who is doing brilliantly as an undergraduate in California. Jiang Zemin, the hard-line Communist Party leader in Shanghai, has a son in the United States, and so does Shanghai's mayor, Zhu Rongji. Zhu Yunlai, the son of Zhu Rongji, would graduate from the University of Wisconsin in 1994. In 2015 he was the chairman of the "China International Capital Corporation".

(NYT article by Nicholas D. Kristof)

**Jun 11, 1989** Some 400 persons were arrested in Beijing. There were also roundups in other cities. (NYT Section 1, Page 1)

**Jun 27, 1989** A dynamite explosion on a train bound for Shanghai killed 20 people and seriously injured 11 more. (NYT 27 and 28 June 1989)

[The New York Times of 28 June says that it was an act of sabotage. Should it not rather be called a terrorist attack?]

**Jun 30, 1989** **US sanctions** The sanctions that President Bush has already imposed include:

- A ban on exporting ammunition, crime-control equipment and nuclear materials for peaceful purposes to China. A suspension of exporting US-manufactured satellites.

- Suspension of new government guarantees for private investments in China. Congress is likely to widen these sanctions. For instance, on 1 July Representative Steve Gunderson suggested the creation of a special US task force to help the Chinese students.

(WP 30 June p. A1 and 1 July p. A14))

**Jul 7, 1989** Publication of a paper in the Washington Post which says:

The Stone Corporation, a private, high-technology firm headed by political reformists, donated tens of thousands of dollars in “materials” to the demonstrators. (Washington Post 7 July 1988 p. A19. Written by Michael Weisskopf, the article was entitled: “Beijing spells out case against Zhao”. Most of it was excerpted from a report by the mayor of Beijing.)

**Aug 4, 1989** [Opposition group plans a federal state.](#) A new opposition group called the “Democratic Front of China”, that seeks to provide an alternative to China’s Communist Party, will hold its inaugural congress of 120 delegates from around the world next month in the United States.

Among the key-members of this group are the following members:

- Wan Runnan, the former chairman of the Stone Corporation, a computer company.
- Yan Jiaqi, a former member of the Chinese Academy of Social Sciences and a former adviser to Party leader Zhao Ziyang.
- Journalist Liu Binyan and student leader Wuer Kaixi.

Mr. Wan said his group had had extensive contacts with members of the Solidarity movement in Poland and had learned a lot from their experience.

Mr Yan said his group envisioned a federal state and that accelerated decentralization would solve the problems of Hong Kong, Taiwan and Tibet. These, like the various regions of China, would be allowed to choose their own forms of local government. The two exiles also predicted that the present Chinese Government would fall “of its own weight,” because of a lack of internal support, grave economic difficulties and international isolation.

(NYT 4 August 1989)

[To let each region choose its own form of government goes much beyond the kind of autonomy that is given in a federal system. Moreover, to put Tibet at same level as Hong Kong (still a British colony) and Taiwan seems somewhat surprising.

On the French Wikipedia article about Yan, one learns that he met the Dalai Lama in France on 4 December 1989 together with Kelsang Gyaltzen and Phuntsok Tashi Takla (both were members of the Tibetan Government in exile). In 2009, Yan took part in a conference held in Geneva between some 80 dissidents and 20 Tibetan leaders including the Dalai Lama and the prime minister of the Tibetan government in exile.

Incidentally, the English version of the Wikipedia article about Yan does not mention his pro-Tibetan activities.]

**Aug 23, 1989** [After the chain in Taiwan another human chain was organized in the Baltic countries.](#) In what was called the “Baltic Chain” or the “Chain of Freedom” some two million people joined their hands to form a human chain spanning 670

kilometres across the three Baltic republics of the Soviet Union, namely Estonia, Latvia and Lithuania. (Wikipedia article entitled “Baltic Way”)

## From 1989 to 2015

In the two decades after 1997, instead of becoming closer to China Hong Kong has become a center of agitation and secession. There can be little doubt that the State Department will try to use this Trojan Horse in order to achieve its objectives.

The way the situation has changed is summarized as follows by Prof. Jack Goldstone<sup>106</sup>

Today's protesters in Hong Kong have been able to learn from decades of practice and international teaching in tactics of non-violent protest, including coordination via social media and cell phones to fuel flash-mob demonstrations in different places to evade police; use of vehicles (again coordinated by social media) to form flash barricades; and how to cope with tear gas and pepper spray while maintaining peaceful civil disobedience. As shown in Kiev, modern protests have remarkable staying power and can go on for months, including pop-up demonstrations in different locations that surprise police and create economic disruption. Today's Hong Kong protests are better organized, more dispersed, more skilled, and far better justified and clear on their demands than their predecessors at Tiananmen. All of these factors make it almost impossible for police using ordinary crowd-control methods to disperse the protests. That would take a greater degree of military, perhaps lethal, force.

The author does not seem to consider a tactic that proved very effective in the United States in the 1950s. It consists in collecting the identity of the demonstrators, in submitting them to loyalty investigations and in black-listing those who do not seem “loyal” to their country so as to dissuade universities, federal agencies and private companies to recruit them.

## Conclusion

What conclusions can we draw regarding our initial question of how to start a revo-

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<sup>106</sup>Oct 1, 2014, Opinion on the website of Russia-direct.

<http://www.russia-direct.org/opinion/hong-kong-not-tiananmen>

Incidentally, this “Opinion” by a faculty member of George Mason University also tells us something about the political orientation of Russia-direct. In another “Opinion” published on a German website, namely:

<http://www.dw.com/en/what-do-the-hong-kong-and-tiananmen-protests-have-in-common/a-17979368>

Prof. Goldstone established the following a parallel between 1989 and 2014: “There are several similarities: both began mainly as student movements; both are adopting the non-violent protest tactic of occupying a public space to show their determination and express their demands; both are calling on leaders to step down, and both called for more democracy. On 6 October 2014 for instance, students in Hong Kong further imitated their predecessors in Tiananmen by building a large figure to symbolize their movement, the statue of a protester with an umbrella, outside the HK government headquarters”. However, this statue was much smaller than the one in Tiananmen and the construction technique was not at all the same.



lution?

- Our first observation will be in the form of a negative statement. Separatist movements in Xinjiang and Tibet may be a nuisance for the Chinese authorities but they are completely irrelevant as far as the start of a revolution is concerned. Why can we say that?

One can give four main reasons. (i) During the insurrection of May 1989, these regions did not play a great role. (ii) In the late 1960s and 1970s Xinjiang separatists received substantial support from the Soviet Union. During the 1970s and 1980s, joint Chinese-US radar stations were established and maintained near the border. In the 1980s, in cooperation with the United States China supported and armed the Afghan resistance to Soviet occupation (Shichtor 2004 and Wikipedia article entitled “Terrorism in China”). In other words, fighting separatist movements is nothing new for China. (iii) History shows very few cases of revolutions starting at the periphery and then moving toward the center. In this respect, the collapse of the Soviet Union was quite exceptional. As we have seen earlier, the presence of Boris Yeltsin at the top was quite determinant. It can hardly be said that the mass demonstrations in East European countries triggered overwhelming popular support in Russia itself. Quite, on the contrary. As we have seen, in several elections the Russian people voted massively for the candidates of the Communist party. (iv) The fact that revolutions rarely start at the periphery can also be seen in the fact that, so far, the recurrent demonstrations that took place in Hong Kong had almost no echo in Guangzhou, Shanghai or Beijing. For events in Hong Kong to spread to Beijing there must be something exceptional.

- It seems clear that the pro-democracy movement in Hong Kong will be kept alive unless (as mentioned above) there is broad loyalty investigation. In the long-run there is the risk that the continuation of the “wait-and-see” attitude adopted by the Chinese government in the fall of 2014 will be perceived as an admission of impotence. People in the mainland may wonder why Hong Kong’s students should have the privilege of waging endless protest movements. In addition, one should not forget that a substantial percentage of post-graduate Hong Kong students come from the mainland. A dramatic event such as the creation of martyrs may send a shock wave through Chinese universities.

# Chapter 8

## Conclusion

In the arena of international affairs the two factors which matter are strength and cohesion. However, confidence in its arm forces and in the patriotism of its population may lead a nation to expansionism which, in turn, may lead to war. What should be the right balance? That is a difficult question. The following examples provide some yardsticks.

### The sad condition of the European Union

In the 1930s, US business leaders likened President Roosevelt to Party Secretary Joseph Stalin. In the 1960s, US political commentators labeled French President de Gaulle as being an autocrat. While Boris Yeltsin, the President of Russia who ordered the mass killing of Russian legislators, was recognized by US media as a good democrat his successor is described as a dictator.

The underlying rule behind all these cases can be stated as follows.

Strong systems of government are always decried by their opponents as being non-democratic. On the contrary, weak governments are lauded even if democratic only in name.

The last sentence applies to the European Union. Why is it a system which is undemocratic except in name?

- The president of the European Union is not elected but appointed by the leaders of the main Union members.
- The ministers of the European government (i.e. the members of the Commission) are co-opted in the same way as the President of the Commission.
- The European parliament has little power and in addition its mode of election is undemocratic because it is strictly on a party basis. Whether or not a candidate will be elected is decided by his (or her) party and only marginally by the electors. As a result, there is almost no connection between the voters and their representatives. The lists of the candidates are established by the leadership of the parties. This means that for all major parties, the top-list candidates will always be elected, whether the voters like them or not and no matter how much time they spend campaigning. Democracy means government by the people and it requires a permanent interaction between the people and their representatives.

The fact that over the past two decades the turn-out of the European elections has been steadily falling and is now (2014) down to around 35% shows widespread and growing disaffection with such a system.

- The recent debt crisis showed a complete lack of solidarity among Union members. Instead of helping Greece to develop its *economy* the European Commission remained focused on a purely financial arrangement which led Greece into an endless downward spiral.

- The European Union cannot have a foreign policy that is independent from the United States because the European Constitution contains explicit reference to NATO, a military organization controlled by the United States.

In short, in spite of its 500 million citizens, the European Union has become politically, militarily and culturally numb and powerless. A separate study by the same author which is entitled “How did Europe become an American turf?” shows that this did not occur just by chance but instead was the result of smart, long-term policies implemented by the US State Department.

## Decentralization, separatism and disintegration

### Separatism

Over the past two decades there have been many episodes of separatism which showed in clear light what happens when local groups supported by foreign powers (often in the name of freedom) are able to overcome the attempts of central governments to preserve the cohesion of a country: Yugoslavia which broke up into (at least) 5 pieces, the secession of Erythrea from Ethiopia, the de facto independence of the Kurds in Iraq, the disintegration of Libya after the removal and assassination of President Khadafi, the confrontation between north and south in Sudan, Yemen and in the Ivory Coast, the confrontation between the western and eastern parts of Ukraine, the disintegration of Syria.

In most of these cases there have been overt interventions of foreign powers; in most of them these interventions have resulted in much hardship for the citizens of these countries.

In the following subsections we first examine some historical cases and then we apply the understanding gained from these examples to the discussion of separatism in China.

### The case of Poland in the 17th and 18th century

One of the most “democratic” systems of all times was probably the political system of Poland in the 18th century. The assembly of the nobles held two crucial powers: to

elect the king and to pass the laws. What made the system hyper-democratic was the fact that any single nobleman had a veto right. This was called the right of *liberum veto*.

Needless to say, this right made the system impotent because it was easy for other countries to use some of their Polish (possibly bribed) followers to oppose any decision that they did not welcome. So advantageous was that system that any attempts at changing it were strongly opposed by Poland's neighbors, particularly by Russia.

As one knows, this structural weakness eventually led to three successive partitions of Poland. The last one in 1795 resulted in the elimination of Poland as a sovereign state for 123 years. The partitions were conducted by Russia, Prussia and Austria. Characteristically, the first amputation which took away one third of the territory was even ratified by the Polish Diet.

As always, the occupation of the country by foreign troops gave rise to numerous incidents with the population and also to major uprisings, particularly in November 1830.

### **Political decentralization in occupied countries after World War II**

It is not difficult to realize that the kind of democracy that the United States would like to see established in China is the European-type "democracy". What allows us to say that?

In the aftermath of the Second World War the United States had a determining political influence in three defeated countries, namely (in chronological order) Italy, Germany and Japan. In the three cases the political system which was established had two key-characteristics:

- (i) It introduced political decentralization.
- (ii) The leaders (whether prime minister or chancellor) were *not* elected by the citizens but selected by their party after winning the elections. In other words, it is a British style political regime

For instance in the case of Japan Sue Ellen Charlton (2010, p. 426) describes the decentralization as follows:

Decentralization of the Japanese state was a top priority of US occupation policy. Through its article 92, the Japanese Constitution which was approved (and even partly written) by US advisers introduced the principle of local autonomy. Moreover, the Local Autonomy Act of 17 April 1947 provided for the election of the governors of the 47 prefectures.

It could be argued that by so doing the State Department was merely following the federal model of the United States. That may be partly true, but it can be observed that with respect to the question of how to choose the leader it did *not* follow the

American model.

Leaders who are not directly elected by the citizens do not hold a clear mandate. In a difficult period between 2006 and 2012 which was marked by the economic crisis of 2008 and the tsunami of 2011, Japan has had 6 successive prime ministers, that is to say one per year. Their time in office was shorter than the average of 2.6 years over the whole period of 1945-2012 and of course much shorter than the 8 years of twofold presidential terms in the US.

### **Political decentralization in Russia**

The same objective was pursued in Russia during the 1990s. In particular broad decentralization was introduced by Boris Yeltsin in 1993 probably with the encouragement of his US advisers because the new system had a close similarity with the organization of the US Senate; for instance there were two senators for each province. Given the size of the country, this was a good recipe for impotence. In 1997 there were even discussions in the Federation Council to amend the constitution so as to give regions veto power over federal policies (Moscow Times, 16 January 1997). This would have been a major step in the direction of a Poland-type political organization.

In addition, Yeltsin's agreement of 1996 with the Chechen rebels opened the way to other separatist movements. Such movements would have affected Russia itself. It should be remembered that the so-called collapse of the Soviet Union brought independence only to the *Soviet Republics*, that is to say to parts of the Union which had already the status of sovereign countries.

After coming to power, President Putin tried to fix these two vulnerabilities.

- Instead of being elected, the provincial governors would be appointed by the central government (law of 12 December 2004).
- The short Second Chechen War (August 1999 - February 2000) which led to the defeat of the rebels allowed a pro-Russian government to come to power in Chechnya. It can be recalled that the war started four months before Boris Yeltsin resigned and led him to clash with President Clinton. In December 1999 while visiting China to seek support on Chechnya, Yeltsin replied to Clinton's criticism of a Russian ultimatum to citizens of Grozny by saying: "Yesterday, Clinton permitted himself to put pressure on Russia. It seems he has for a minute, for a second, for half a minute, forgotten that Russia has a full arsenal of nuclear weapons" (Wikipedia article entitled "Boris Yeltsin). Incidentally, this excerpt shows that the State Department strongly opposed the war against the Chechen separatists. This is consistent with a Poland-type scenario.

### **Separatism in the United States**

The fact that the Civil War had the highest death toll of all the wars waged by the United States shows that the federal government is not willing to condone separatism on its territory.

In the 1950s there was another separatist episode which, although much less serious, showed once again that the federal government was not willing to accept any separatist movement on its soil. In this case, the separatists were from Puerto Rico. Puerto Rico is not a state; from 1898 until 1952 it was unincorporated Territory and after the establishment of a constitution it became the Commonwealth of Puerto Rico. Yet, a report of 1996 published by the “US House Committee on Resources” states that Puerto Rico “remains an unincorporated colony and does not have the status of free association with the United States as that status is defined under United States law or international practice”. As it is not a state, Puerto Rico has no voting representation in the US Congress<sup>107</sup>.

The Jayuya and Utuado uprisings of October 1950 were put down with determination. Subsequently no foreign country woved to support Puerto Rican claims for greater autonomy. For instance, the Jones Act of 1920 still prevents foreign-flagged ships from carrying cargo from the mainland to Puerto Rico. As a result, foreign ships going to or coming from US ports cannot stop in Puerto Rico. Puerto Rican consumers ultimately bear the expense of transporting goods on US ships subject to the extremely high operating costs charged under this monopoly situation. One is surprised that the Jones Act is compatible with World Trade Organization rules.

On the contrary, as will be seen in the next subsection, it can hardly be denied that the United States has been supporting separatist movements in China.

### **Separatism in China**

In order to get a global picture and to understand from where the wind is blowing one can consider the case of the “Epoch Times”. This newspaper was started in 2000 by John Tang and a group of Chinese Americans who were Falun Gong practitioners. According to Wikipedia (in the article entitled “Epoch Times”), it consistently supports Falun Gong practitioners, Tibetan and Uyghur separatists, Taiwanese independence advocates.

The interesting fact is published in 11 different languages and (as of 2014) it was distributed free of charge in 37 countries.

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<sup>107</sup>Puerto Rico elects a governor who has authority over some internal questions. However the United States controls interstate trade, foreign relations and commerce, customs administration, control of air, land and sea, immigration and emigration, nationality and citizenship, currency, maritime laws, military service, military bases, army, navy and air force, jurisdictions and legal procedures, radio and television, agriculture, mining, highways, the postal system Social Security and in a more general way all affairs in which US law is involved. Incidentally, in a referendum held on 6 November 2012 there were a majority of votes in favor of statehood: in percentage of registered voters there were 35% for statehood and 22% for free association or independence. It was a non-binding referendum which means that eventually the status will be decided by the US Congress.

Now, in a general way, publications, whether books or magazines, that are translated immediately into so many languages, sold at very low price or distributed free of charge, such publications must have wealthy sponsors. The sponsor can be the CIA (see in a previous chapter a list of books published by the CIA) or the NAM (National Association of Manufacturers) as for Hayek's book "The Road to Serfdom" (in this respect see Roehner 2007, p, 119-125) or any other organization. The important point is not who is the real sponsor but rather the fact that for any country such a newspaper would be perceived as a threat. What would be the attitude of the FBI and US Department of Justice toward a journal which would be a tribune for Indian and Puerto Rican separatists? What would the attitude of French authorities toward newspapers openly advocating the independence of Alsace, Corsica, the Basque country and Guyana?

US support to separatism in China extends to many areas: Tibet and Xinjiang but also Mongolia, Hong Kong and Taiwan. Yet, to make things simple let us focus on Tibet.

For the period prior to World War II, the historical background is described in "Relations between US forces and the population of China" by the present author.

After 1950, it is well known that Tibetan guerrilla forces were trained, armed and funded by the US government. After 1972 came the period of the strategic alliance between China and the US which was directed against the USSR. During this time US support to the Tibetans was more or less frozen but was (at least partly) replaced by Soviet interference.

As soon as 1986 the US Congress passed legislation authorizing the Export-Import Bank to list Tibet as a separate country (Dumbaugh 2009). Then in 1987, it was instrumental in creating the "International Campaign for Tibet" and in encouraging and supporting Tibetan culture.

After the end of the US-China strategic alliance in the wake of the fall of the USSR, US support to the Tibetans was amplified. In 2002, Congress passed the "Tibetan Policy Act" (TPA) It re-organized and increased US funding for Tibetan exiles in India and appointed a high-ranking US State Department official as "Special Coordinator" for Tibet.

The "Tibetan Policy Act" also requires US Government officials to raise the issue of religious freedom in China. It urges the US State Department to seek establishment of a US consulate in Lhasa. Another objective is to obtain a meeting with the 11th Panchen Lama.

The "Tibetan Policy Act" also created 30 scholarships for Tibetan students and a program of cultural exchanges for an amount of \$500,000. It funded the Tibetan

language program of Radio Free Asia. Moreover, \$4 million per year would be

### Xu Zhiyong

What would American people think of an US unionist who would support Puerto Rico separatists for the reason that American workers and Puerto Ricans are both suffering from the same oppressive US Government. They would probably be even more indignant to see an article by him on Puerto Rico published in a Russian newspaper. Replace Puerto Rico by Tibet, the United States by China and Russia by the United States and one gets an idea of what dissident Xu Zhiyong has been doing in China.

In 2012, after a Tibetan monk had died setting himself on fire Xu went to Tibet to pay respect to the family of the monk. The message that the monk left behind him is not a call for greater autonomy but a clear call for separatism and independence. Subsequently, an account of his visit was published in the New York Times (12 December 2012).

Why did Xu (along with so many other dissidents) embrace the cause of separatism in Tibet? It is true that (along with other intellectuals) the French philosopher Jean-Paul Sartre had supported the cause of Algerian independence. There is a major difference, however, because Sartre did not at the same time wage a campaign for French democracy as is doing Xu. How could Chinese people welcome the kind of “democracy” called for by dissidents if they know that at the same time it will mean breaking up China?

In short, the attitude of Xu (and other dissidents like him) seems either foolish and irresponsible or perhaps is simply in compliance with the objectives of the “Tibetan Policy Act”.

**Box 8.1** Source: Dumbaugh (2009), *New York Times* 12 December 2012.

provided to non governmental organizations working in Tibet.

What is the role of the Special Coordinator? The TPA defines the following objectives (Dumbaugh 2009).

- To promote “vigorously” Tibet’s national identity in religion, culture and language.
- To maintain close contacts with Tibetan religious, political and cultural leaders.
- To frequently visit Tibetan areas in China as well as Tibetan refugee settlements.
- To encourage discussions between the Chinese government and the Dalai Lama.

On February 19, 2012, a monk called Nangdrol set himself on fire in the town of Barma, Nagba prefecture in a Tibetan area of Northern Sichuan<sup>108</sup>. In the note that he left behind, he wrote: “I pray for the Tibetan people’s liberation from the Han Devils. Under the rule of the Han Devils there has been immense suffering, and it is unbearable. The Han Devils have invaded Tibet and seized Tibetans. It is impossible to live under their evil law”. (<http://chinachange.org/2012/12/23/ngaba>)

<sup>108</sup>About 60% of the monks and laypersons who self-immolated were from Nagba prefecture.



In October 2012, Xu Zhiyong, a Chinese lawyer, who has been active in providing legal assistance to dissidents, came to Barma to pay respect to Nangdrol's family. Subsequently an account of his journey was published in the New York Times of 12 December 2012.

It is clear that such a wave of self-immolation signals a serious problem<sup>109</sup>. In his article, Xu writes: "I first visited China's far west 21 years ago with college friends. Back then it looked peaceful, but now, sad news arrive daily". It seems that the riots of March 2008 were a watershed. Tibet has always been a sensitive issue for the Chinese government but in addition 2008 was the year of the Olympic games. So, the Chinese government saw these riots as an attempt by the United States to derail the games. As suggested by the two following excerpts this judgment was perhaps not completely wrong.

- 15 March 2008. Witnesses told "Radio Free Asia" that 500 monks poured out of their monastery and chanted "We want an independent Tibet" The police fired tear gas to disperse them. (NYT 15 March 2008)

- 24 May 2008: [Title: China's deadly earthquake may have saved the Beijing Olympics.](#) A few weeks ago, International Olympic Committee President Jacques Rogge described the games as "in crisis". They were battered by pro-Tibet protests and call for boycotts tied to China's support for Sudan. The May 12 earthquake changed everything. After the tragedy in Sichuan province, the games are now riding a wave of good will. Of course, 11 weeks remain before the Olympics begin on August 8 and another unexpected event could change everything. (USA Today, 24 May 2008)

In short, riots, then self-immolations stiffened attitudes on both sides, eventually leading to the message of hatred written by monk Nangdrol.

One is a little bit uneasy when one sees all major Tibetan separatist movements (e.g. [freetibet.org](http://freetibet.org), [International Tibet Network](http://InternationalTibetNetwork.com), [www.savetibet.org](http://www.savetibet.org), [www.tibetsociety.com](http://www.tibetsociety.com), [Central Tibetan Administration](http://CentralTibetanAdministration.org), [chinachange.org](http://chinachange.org)) flying to the rescue of Xu after his arrest and trial.

In Korea, Vietnam and Afghanistan the United States has been waging terrible wars because it wanted to keep these countries inside its zone of influence. For China, Tibet is certainly more strategic than Korea, Vietnam or Afghanistan were for the US, if only because all main Chinese rivers originate there. Thus, US support provided under the Tibetan Policy Act is fanning the flames but is not likely to be of great help for Tibetans. On the contrary, it means more distress for the Tibetan people.

## **Federalization of China?**

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<sup>109</sup>It can be remembered that in Vietnam during the war there was also a wave of self-immolation of Buddhist monks.

Over the past three decades, with the examples of the USSR, Yugoslavia, Czechoslovakia, Iraq and Syria in our minds, it has become fairly clear that claims for regional self-determination have been used as a powerful weapon which can break apart hostile countries. Thus, when the so-called “Charter 08” signed in 2008 by 350 Chinese activists (including Nobel Prize winner Liu Xiaobo) calls for a federative China, one must ask what that really implies.

- The Charter 08 argued for a “Federal Republic of China” granting autonomy to all ethnic groups. This is of course very dangerous for it is strictly impossible to give an objective definition of an ethnic group which means that such a claim can lead to an endless process of disintegration as was the case in Yugoslavia.

In an article entitled “The right to self-government” Liu Xiaobo supported the Dalai Lama’s claim for Tibetan self-government. This would imply an autonomy going far beyond what is currently granted to Chinese autonomous regions.

- In an earlier chapter we mentioned the sad case of Poland which was carved up by its neighbors. One can also mention the case of the “Holy Roman Empire” which, in the late 18th century, was composed of about 500 sovereign entities (e.g. kingdoms, dukedoms, free cities, bishoprics). Clearly, economic (through the *Zollverein*) and political unification of Germany made the country much more powerful. Was it a good thing or not?

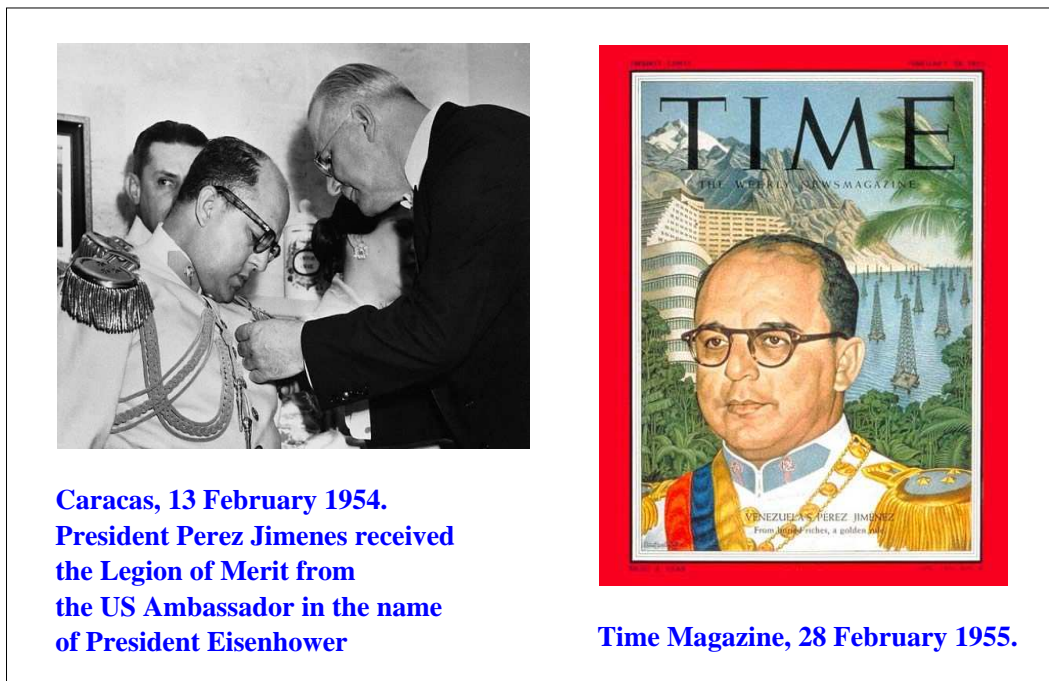
Surprisingly, in spite of its weakness, the Holy Roman Empire was not partitioned like Poland nor was it divided into zones of influence and plundered as was China between 1850 and 1950.

As a matter of fact, the strengthening of Germany led to several wars: against Austria-Hungary, Denmark, France and then in 1914 and 1939 to the first and second World Wars.

- Ultimately, the debate about a Federal Republic of China comes down to the choice between a world dominated by the United States or a multi-polar world. If we believe that the United States is a benevolent country whose sole objective is to foster the growth and prosperity of its partners, then of course one might be tempted to accept a uni-polar world. However, it takes only a short reflection to see that reality is fairly different. As a test experiment, one may examine the situation and prosperity of the neighbors of the United States: Haiti, Mexico, Central American countries, the Philippines. Over the past decades all these countries have been close US allies but gained very little through their cooperation with the US.

It is true that on the Mexican side of the US-Mexican border the tax-free zone has seen a rapid economic development. However, the so-called *maquiladoras* did not really benefit their workers with the result that most of them wish to cross the border into the US (Vigna 2009).

At the present time (July 2015) most Latin American countries have distanced them-



**Fig. 8.1 Celebrating the President of Venezuela.** According to the “Guardian”, a British newspaper, General Marcos Pérez Jiménez was a dictator who ruled through censorship, torture and assassination. He was “elected” twice, each time through fraudulent elections.

selves from the United States. With good reason. Just to give one example, for several decades the oil resources of Venezuela were plundered by American companies (even though in principle the oil production was nationalized) in the sense that the Venezuelan government received minimal royalties. The United States supported successive dictators who were willing to maintain the system (see the picture).

One may say that this was during the Cold War, but in fact this had little to do with the Cold War but much to do with greed. In a broader way, one can hardly expect that a country which has the highest income inequality (in terms of share of income earned by the top 1% or 0.1%) among major countries will be benevolent with the workers employed by its companies in other countries. In the time of the New Deal there was solidarity in the United States. No longer.

## Consequences of excessive decentralization

At first sight the objective of decentralization appears quite appealing because it suggests that if taken locally the decisions will better fit the wishes and needs of grass-root citizens. However, there are also some adverse consequences. In a nutshell, they can be summarized as follows. As a single decision center is replaced by several decision centers big companies and other major economic actors will play the “divide and rule” policy. The result is that each local entity will offer lower tax rates and higher subsidies to make itself more attractive. This mechanism can be

illustrated by the following examples.

- In 2009, Ireland had a corporate income tax rate of 12.5% that is to say about three times lower than in the US, Germany or France. However, worldwide, by cleverly shuttling profits into and out of subsidiaries, Google had an effective tax rate of only 2.4% (Blomberg News 21 October 2010).

- Florida is a top giver of incentives to biomedical research. Recipients of more than \$1 billion in total subsidies include the “Scripps Research Institute” and the “Sanford-Burnham Medical Research Institute” (Seattle Times 16 March 2015).

- In past decades, Boeing received a total of \$13 billion in tax incentives mostly from the two states of Washington and South Carolina. where its plants are located. (Seattle Times 16 March 2015)

Around 2010, when Boeing wanted to create a new assembly plant, South Carolina offered a \$1 billion incentive.

In addition, it was understood that, in contrast to Boeing’s plants in Washington State, the South Carolina plant would be “union-free”.

Therefore it is not surprising that when in March 2015 the Machinists Union offered to unionize the 2,400 workers of the South Carolina plant, the Governor of the state, Nikki Haley. said she will fight any unionization attempt. In a statement, she declared that South Carolina companies understand the importance of taking care of their workers and that employees do not want a middle man between them and management. In short, this means returning to the situation which prevailed in the 19th century. (Seattle Times 17 March 2015)

- Under Deng a major decentralization movement took place in China. However, in the mid-1990s the system was rebalanced particularly through the reforms introduced by Premier Zhu Rongji. Under the new rules some 20% more tax income would be submitted by the provinces to the central government.

In any conflict the winner is the side whose power is most concentrated. In the present game between big companies and public power, weak local entities are easy preys, all the more so when they compete with one another.

## US influence on foreign governments

The US State department has many tools at its disposal for influencing other governments. Let us briefly mention some of them.

- The US government provides \$1.5 billion in aid to Egypt. As this aid must be used to buy US weapons from tanks to jet fighters this aid can be seen as subsidies to US companies. However, the suspension of this aid is also a way to put pressure on the Egyptian government. Suspended after the military coup against President Morsi, the aid was resumed in March 2015 after the new “president” had shown he

was ready to develop closer relations with Russia.

- As already explained, the closest connection between many governments, especially those of countries which had been occupied after World War II, and the US government is in the field of intelligence. This makes it particularly easy to generate a spy scandal. It would be interesting to establish a list of the governments which were brought down (or at least shaken) by a spy scandal. One may remember the case of Willy Brandt, the proponent of a policy which tried to bridge the gap between West and East Germany. More recently, chancellor Merkel had also to face a number of spy scandals. The fact that they involved persons spying for the United States does not necessarily exonerate the US State Department. It can for instance be observed that the pro-US magazine “Der Spiegel” (founded in 1946 when the country was still ruled by the allies) played a key role in these campaigns.

- Another means of action is financial pressure. The fact that all major credit rating agencies, i.e. Standard and Poor’s, Moody’s and Fitch are American can be useful. The fact that on 5 August 2011, Standard and Poor’s downgraded the credit rating of the United States from AAA to AA+ does not imply that such agencies are independent from the US Treasury for indeed Deven Sharma (born 1956 in India), the president of Standard and Poor’s at the time of the downgrading, resigned on 23 August 2011 and left the company by the end of 2011.

## Hong Kong as a lightning rod which parallels Lithuania

On 18 November 1992, an article in the New York Times gave the following news about the past and future of Hong Kong.

Britain for years did what it could to suppress the indigenous democracy movement in Hong Kong, but since the middle of 1992 has been far more assertive in supporting democracy despite objections from Beijing.

One should remember that the 99-year lease granted by China to Britain comes to an end in 1997. An agreement was signed in 1984 giving some guarantees to Hong Kong for the future. However, this agreement and the return of Hong Kong to China are two distinct matters which means that Hong Kong would be returned to China even if no agreement had been signed.

In recent months London has introduced liberal political reforms (for instance lowering the voting age to 18) without consulting Beijing, a move which understandably has infuriated the Chinese government. During a visit to London, Deputy Prime Minister Zhu Rongji declared: “We want cooperation, not confrontation, but no one should expect confrontation to force us into concessions on the matter of principle”. He added that the steps considered by London violated British promises.

## US influence in Taiwan

### Taiwan expelled from the United Nations

An important event occurred in 1971.

After World War II, the Republic of China (ROC) based in the island of Taiwan became the only representative of China in the United Nations and it held a permanent seat in the Security Council. This situation lasted until 25 October 1971 when a vote in the UN General Assembly passed Resolution 2758 which recognized the People's Republic of China (PRC) as "the only legitimate representative of China" and decided to "expel "forthwith the representatives of Chiang Kai-shek from the place which they unlawfully occupy at the United Nations and in all the organizations related to it."

What made this decision possible? Did the United States not try to block such a move? An analysis of the vote provides the answer. It is true that the United States and some of its close US allies (Australia, Japan, Panama the Philippines, Saudi Arabia, Venezuela) voted against the motion. However, several major US allies (Canada, France, Italy, Mexico, the UK) voted in favor of resolution 2758. Had the US wished to block the resolution, at least some of its allies would have abstained. However, on 15 July 1971 President Nixon had announced that he was planning to visit the PRC. A secret visit to China by Henry Kissinger had already taken place on 9-11 July 1971. It is reasonable to suppose that during these talks the replacement of Taiwan by the PRC had been made a condition for Nixon's visit by the Chinese side.

The transcripts of the meetings between Kissinger and premier Zhou Enlai in July 1971 were released in February 2002. They confirm the previous interpretation. In contradiction with Kissinger's memoirs, the transcripts show Kissinger readily acknowledging Beijing's position that Taiwan was part of China. This settled the matter. Clearly a province of China cannot keep the seat at the UN.

Kissinger made other commitments on Taiwan, e.g. to withdraw two-thirds of US forces from the island once the Vietnam War had ended<sup>110</sup>. Nowhere in his memoirs does Kissinger discuss these dramatic concessions. Instead, Kissinger wrote on p. 749 of "White House Years" (1979) that "Taiwan was mentioned only briefly during the first session". In exchange China offered to help end the Vietnam War. (see New York Times 22 February 2002)

In Taiwan, officials and business circles at first reacted with disbelief to President Nixon's announcement that he would visit Communist China and then with dismay but there were no riots similar to the attack on the US embassy in March 1957. (New

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<sup>110</sup>Eventually, the last US forces were withdrawn from Taiwan in 1979. US involvement in the Vietnam War had ended in March 1973 and the Vietnam civil war had ended in April 1975.

York Times 17 July 1971)

The following chronology strongly suggests that the United States also played a leading role in the democratization process.

### **How Taiwan became a “democracy”**

Taiwan for the first time held two-party elections in December 1986. In fact, as will be shown below, there is good reason to think that it was prompted to do so by the United States. The story involves the following steps.

**1976** “Human Rights Watch” was founded as an American non government organization in 1978, under the name Helsinki Watch, to monitor the Soviet Union’s compliance with the Helsinki Accords. (Wikipedia entitled “Human Rights Watch”.)

**1985** “Asia Watch” was created as one of regional “Watch Committees”.

**Aug 1986** Two New York lawyers, Timothy A. Gelatt and Stephen A. Rickard spent two weeks in Taiwan. Their mission was to write a report about democracy in Taiwan for the “Asia Watch Committee” of “Human Rights Watch”. (NYT 16 November 1986)

[It seems fairly clear that they were allowed to do this investigation by the KMT authorities only because there was a prior understanding that this mission was supported by the State Department. Indeed, it was becoming somewhat embarrassing for the United States to promote multipartism in China when there was none in Taiwan and South Korea. It can be remembered that there was a similar move at about the same time in South Korea. Probably not a coincidence.]

**Sep 28, 1986** The “Democratic Progressive Party” was formed. (NYT 16 November 1986)

**Oct 1986** President Chiang Ching-kuo declared that martial law would soon be lifted and replaced by a new national security law.

He also announced that new parties would be allowed, on the condition that they respect the 1947 Constitution and uphold the basic policy of anti-Communism.

(NYT 16 November 1986)

**Nov 10, 1986** In Washington, three leaders of a Taiwan opposition movement based in the United States announced plans to merge with the “Democratic Progressive Party”. (NYT 16 November 1986)

[This created a strong link between the dissidents living in the US and the DPP.]

**Nov 16, 1986** Publication of the 70-page investigation of the “Asia Watch Committee”. The report recognized that restrictions prevent fair elections. These include a ban on opposition parties, government control over television, radio and most news-

papers, the prohibition of rallies and many other campaign activities.

The “Asia Watch Committee” has urged the Taiwan Government to allow a newly formed opposition group, the “Democratic Progressive Party”, to take part in elections next month “without restrictions, harassment or threats of future prosecution”. (NYT 16 November 1986)

**Dec 2, 1986** Taiwan’s newly formed “Democratic Progressive Party” canceled plans for 20 campaign rallies, a day after violent clashes erupted between DPP members and soldiers near Chiang Kai-shek International Airport. The DPP disclaimed responsibility for the violence, which included stone-throwing and the smashing of 33 police cars. The chairman of the party said that organized crime might also have been involved in the incidents.

The crowd gathered near the airport to welcome a leading dissident, Hsu Hsin-liang, on his return from 7 years of exile in the United States. Hsu, who had hoped to campaign in the parliamentary elections scheduled on 6 December arrived on a Philippine Airlines flight from Manila, but was not permitted to enter and was put on the next flight to the Philippines. (NYT 2 and 3 December 1986)

**Dec 6, 1986** NYT title: “Taiwan voters get a choice of parties”. (NYT 6 December 1986)

[In spite of the fact that the opposition could not hold any rally and that at least one of its candidates was not admitted, the New York Times seemed very happy with this election, as attested by the following titles:

- Opposition party is strong in Taiwan vote. (7 Dec 1986)

The KMT got about 80% of the seats and the DDP 15% (the rest were independent candidates). These results were not very different from the results of the election of 1983 in which the KMT got 85% of the seats. The main difference was a change in the opposition party: previously it was a semi-opposition party called *Tangwai* while in 1986 it was the DDP, a party piloted by pro-US Taiwanese.

- Four in new opposition party get most votes in Taiwan. (8 Dec 1986)
- Promising changes in Taiwan. (9 Dec 1986)
- The opposition in Taiwan does well. (14 Dec 1986)
- Taiwan moves toward a two-party system. (27 Dec 1986)

**Jun 1987** In South Korea more than a million students and citizens participated in the nation-wide anti-government protests of the “June Democracy Movement”.

On June 29, 1987, the government’s presidential nominee Roh Tae-woo gave in to the demands and announced the holding of direct presidential elections and restoration of civil rights. (Wikipedia article entitled “History of South Korea”)

[Thus, 6 months after Taiwan, South Korea become also “democratic”. We put the



word within quotes because in South Korea as in Taiwan there is a “National Security Law” which prevents Communists from being candidate. In South Korea any fraternization with North Korea is strictly prohibited.]

### Democratization in Eastern Europe

During the Cold War the citizens of Eastern European countries could have access to the free world through “Radio Free Europe”, “Voice of America” or “Radio Luxembourg”. Through these stations, they became familiar with American music groups, with American ways of life. The United States also granted scholarships and fellowships to influential persons such as journalists or professors. Often such persons became dissidents and after the power change of 1990 they formed the new ruling class.

When Eastern European countries became members of the European Union, political commentators in western Europe seemed surprised that the leaders of these countries continued to take their advice from Washington and cared in fact very little about the European Union. This can be illustrated by two examples.

- It is in East European countries that the turn-out at European Parliamentary elections is lowest (often less than 30%).
- When Poland decided to buy fighter aircraft for its air force it bought US jets instead of one of the three available European fighter jets.

In a general way because there are so many funding opportunities made available by the United States, dissidents are not only pro-democracy but also pro-US, This was true in East European countries and it is true as well in China.

### Destabilization (short-term perspective)

The Beijing uprising of May-June 1989 was not a “spontaneous” protest movement. This is suggested fairly clearly by the chronological description of the events given in a previous chapter. Some of the key-features are summarized below.

- In the years and months preceding May 1989, under Secretary General Hu and then under his successor Secretary Zhao<sup>111</sup>, Communist officials asking that democratization should accompany economic opening, were able to gain a foothold in the [media](#) and in other state organizations.
- The [timing](#) of the uprising was very clever. The first demonstrations were planned for May 4<sup>112</sup>, that is to say some two weeks before the visit of President Gorbachev. As it was hardly possible to proclaim martial law before or during his

<sup>111</sup>It can be remembered that Americans called him the Gorbachev of China.

<sup>112</sup>As already mentioned, although the “May Four” movement of 1919 was a nationalist protest, western media presented it as a pro-democracy movement. Actually, because of the (unexpected) death of Hu Yaobang the demonstrations already started in mid-April.

visit, that gave a two-week long free-hand to protesters. As a matter of fact, martial law was proclaimed as soon as Mr. Gorbachev had left Beijing.

- The demonstrators used all [standard techniques of non-violent protests](#): permanent occupation of Tiananmen Square with well planned visits by successive groups of high school and college students, hunger strikes, songs and music, well coordinated action with the students of other cities, construction of the statue of the Goddess of liberty, blockade of the roads and railtracks leading to Beijing and Shanghai, blockade of the streets leading to Tiananmen with city buses.

- In the week May 19–25 following the dismissal of Secretary Zhao, the White House and the State Department tried to support the protesters by all possible means, for instance by warning that a crackdown would end the Sino-American partnership. It should be remembered that at that time there was a strategic partnership between the two countries with the objective of checking Soviet expansion.

Moreover, huge demonstrations were organized in Hong Kong, obviously with British support. In Taiwan, a human chain demonstration was organized by the authorities.

- During the crackdown the students used all [standard techniques of urban guerilla](#): stones, petrol bombs, carpet squares soaked with petrol, setting fire on buses at intersections to block the streets, throwing buses against troops and military vehicles, taking the weapons of soldiers and shooting at them (Asia Watch 1990).

- After 4 June, operation “Yellow Bird” was set up by the Americans and British in order to exfiltrate the leaders from China.

The uprising was not able to bring down the Communist Party. However, similar uprisings succeeded in East European countries and then in the USSR. This was mostly due to the action of Mr. Gorbachev and Mr. Yeltsin. If Mr. Zhao had not been removed from power there may have been a similar outcome in China. Organizations such as the “State Commission for Restructuring the Economy” and the “Political Structural Reform Research Center” were staffed with pro-US reformers ready to play the role played by the Gore-Chernomyrdin Commission in Moscow.

It is impossible to say whether or not there will be a second revolt against the rule of the Communist Party. It is often said, that a one-party rule will not be accepted by the new middle class. However, this “theory” is applied only to China (and also to Iran) and not to other one-party countries such as Saudi Arabia, the Emirates or Egypt.

If there is a second revolt it is impossible to say whether it will be in one, five or ten years. However, once it happens, we believe that it will take more or less the same form as in 1989.

A major upheaval will bring about chaos and may result in a “lost decade” as was the case in Russia. However, in the long term, that is to say in a perspective of

several decades, it will not much change the prospect of economic growth. This was shown in a previous chapter through the case of the Soviet Union. After 2000 growth resumed at about the same rate as before 1990. As soon as Russia recovered some strength it is natural that it was not happy to find so many NATO countries just at its doorsteps. This set the stage for strained relations with the United States and its allies.

One would expect a similar story in China. In other words, even if the Communist Party is replaced by a multi-party system, even if the transition is marked by a few years of chaos, even if some parties are very open to US suggestions (as is the “Liberal Democratic Party” in Japan or the “Democratic Progressive Party” in Taiwan), nevertheless one would expect economic growth to resume at about the same rate as before the crisis. At least if under the new system the state can recover its strength.

In history there are numerous cases of countries for which a weakened state spelled disaster and hardship for the whole population. We have already mentioned Poland in the 18th century, another example is France in the 14th century. Under Philippe IV the Fair, France was a united and prosperous country. After his death in 1314 he was succeeded by a number of weak monarchs under whom the high nobility (dukes, counts) and high clergy (bishops, abbots) regained much of their power. As a result, a succession dispute involving the king of England became a civil war, the so-called “Hundred Years’ War”. The Dukes of Brittany, Burgundy and Luxembourg, the Counts of Flanders and Hainaut sided with the King of England. This was a situation similar to what we have seen happening in recent years (2003-2014) in Afghanistan, Iraq, Libya, Syria or Yemen.

When a country sinks into chaos and segmentation one cannot know how long this situation will last. In China it lasted for one century, from the first opium war to 1949. In Russia the transient state was much shorter, basically from 1992 to 2000.

As far as foreign relations are concerned, one would expect them to be shaped by fairly permanent geo-political factors. This leads us to a discussion of long-term trends.

## In which direction will the system evolve?

Several factors and effects are involved in the relationship between the United States and China. Some of them will advance cooperation while others will cause antagonism.

If the factors in the first set (let call them  $C_k$ ) are approximately of same strength as those in the second set (that we call  $W_k$ ), no prediction will be possible unless we know if the outcome will be a stable or unstable equilibrium. For the equilibrium

to be stable there must be some negative feedback loops, by which we mean that a move out of equilibrium under a disturbance  $h$  should raise factors able to reduce  $h$ . In this case, *status quo* will prevail. This situation will be denoted by  $E_{\text{stable}}$ .

If the equilibrium is unstable, a disturbance  $h$  will make the system move out of equilibrium. This situation will be denoted by  $E_{\text{unstable}}$ .

The system will drift either toward increased cooperation or toward higher antagonism depending on the direction of  $h$ . If  $h$  is a cooperation effect the system will move toward greater cooperation. This situation will be denoted by  $E_{\text{unstable}}(C)$ .

If  $h$  is an antagonistic factor, the system will move toward war. This situation will be denoted by  $E_{\text{unstable}}(W)$ .

It will be impossible to predict whether the outcome will be peace or war because the occurrence and nature of the disturbance  $h$  cannot be anticipated.

On the contrary, if the  $\{C_k\}$  and  $\{W_k\}$  factors are not of same strength, then the system will follow the direction set by the strongest set. This makes prediction much easier. All that is required is to identify the  $C_k$  and  $W_k$  and to estimate their weights. The drift of the system corresponding to these cases will be denoted by  $D(C)$  and  $D(W)$ .

In order to flesh out this argument, let us consider an example. What was the situation between the United States and Japan in the years before 1941?

There was a very strong  $W$  factor because the two countries wanted to dominate the western Pacific.

There were also some  $C$  factors. The most important was the economic cooperation. It is often said that Japan was dependent on the United States for its imports of oil. That does not seem very realistic however for after the war broke out, Japan was able to get oil shipments from the territories that it invaded. This suggests that before the war Japan should had been able to import enough oil from these countries. In short, with a  $C$  factor notably weaker than usually thought and with a strong strategic  $W$  factor, confrontation was fairly likely. Note however, that it came gradually in the sense that between 1938 and 1941 US support for China increased progressively (loans, weapons, advisers).

## The information war

The fact that there is an ongoing information war was mentioned several times in this study. It is a topic which is so important that it would deserve a study in its own. The CIA is sometimes referred to as “The Mighty Wurlitzer”. A Wurlitzer is a musical

instrument, intermediate between a piano and a jukebox<sup>113</sup>. In the CIA context the term refers to the covert manipulation of the media by US intelligence agencies, or in the more musical terms used in Crewdson (1977), “the Wurlitzer became the means for orchestrating in almost any language anywhere in the world whatever tune” the CIA wanted to play. Of course, it was not the CIA which was choosing the tune but the White House or the State Department.

Here, we will limit ourselves to giving a few references to studies which help to understand why the world media are largely dominated by the United States.

### **Crewdson (1977a,b,c)**

This is a series of three articles published in the New York Times about the role of the CIA in molding world news. The study was done by the newspaper in response to a request of the House Committee on intelligence. The second of these papers provides the following information.

- **News agencies.** The CIA had agents in the overseas bureaus of the “Associated Press”, the “United Press International” and it could also “borrow” the “assets” that British intelligence had in Reuters. “DENA”, the West German news agency, was financed and operated by the CIA.

- **Journals and radio stations.** One learns that at its peak the CIA owned or subsidized more than 800 newspapers, news services, radio stations or periodicals, some in the US but mostly overseas”. Among them one can mention the British journal “Encounter”, the French magazine “Preuves”, “Forum” in Austria, “Der Monat” in west Germany, “El Mundo Nuevo” in Latin America, the “Brussels Times” in Belgium, the “Manila Times” in the Philippines, “Thought” in India.

In addition, there were newspapers on whose staff the CIA was able to place agents. Among them one can mention the “Japan Times”, the “Bangkok Post”, the “Caracas Daily Journal”.

- **Publishers.** Among the US publishers who published books subsidized by the CIA, the article mentions “Praeger”, “Putnam”, “Scribners”, “Doubleday”, “Ballantine Books”, “Franklin Books”. The article reports that, with the exception of “Praeger”. those publishers claimed to have been unaware of any connection with the CIA. Nonetheless, they accepted the subsidies.

Over the last three decades, every year there were over 30 books which were produced, translated and distributed by the CIA. Among them, the article mentions “Escape from Red China” (the story of a defector from China), “The anthill. The human condition in Communist China” by French writer Suzanne Labin which was published in 1960 by Praeger (after having been translated from French into English), “The Yen-an way” by Eudocio Ravines published by Scribner in 1951, “The new

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<sup>113</sup>“Wurlitzer” was the name of the founder of the company which produced these instruments in the United States.

class” by Milovan Djilas published in 1957 by Praeger<sup>114</sup>.

- The “Committee for Free Asia” was created by the CIA as the Eastern counterpart of the “Free Europe Committee”. Moreover, in the early 1960s, the CIA was able to “plant” its articles in 300 newspapers around the world, including the “New York Times”, the “Christian Science Monitor” and the “New York Herald Tribune”. The article does not explain why these newspapers accepted to play this role. (Crewdson 1977b).

In this investigation as in many others the CIA is presented as the main actor whereas in fact it is only an arm of the US government. In other words, the real account should not be presented as spy stories but as reflecting US policy. The study by Barstow and Stein (2005) is more satisfactory in this respect.

### **Leigh (1978)**

This is an article published in the British journal “The Guardian”. It describes the British propaganda department which has been closed shortly before 1978. The fact that this story appeared one month after the NYT articles is probably not a simple coincidence.

### **Barstow and Stein (2005)**

This is a long article published in the New York Times. It explains how TV segments produced for US federal agencies are distributed worldwide to TV networks without any indication that there were produced for the US government. The article gives many real examples but all of them are domestic cases. This mechanism is probably the key which explains how world news are controlled by the United States. “Controlled” is probably not the right word; “soaked, drenched, permeated” would provide a better description.

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<sup>114</sup>It can be observed that all these books were written by non-American authors. This was of course very clever. Another distinctive characteristic is that very quickly they were translated into several languages so as to have a worldwide distribution.

## Chapter 9

### Conclusion: Deng's era hazardous domestic legacy

In this chapter we will recall the specific features of Deng Xiaoping's economic policy and explain why it can be considered that this era came to an end in mid-2018.

Deng's era started around 1978. As was already emphasized it would be a mistake to think that fast economic growth started with Deng's Xiaoping. In fact, in the 20 years between 1955 and 1975 the average growth rate of the Chinese GDP was almost the same as in the 30 years following 1978<sup>115</sup>.

One should recall that in 1949 the situation of China was very bad. Decades of civil war and Japanese invasion had left China's transportation and industrial infrastructure in a terrible state. In 1940 two third of the population could not read and even less write. Levies and dams had to be built or restored to prevent dramatic floodings. From 1950 to 1972 a trade embargo was enforced by the United States which deprived China of many essential items (machinery, grains in years of scarcity, and so on). In short, China started from a much lower state than South Korea, Taiwan or even Japan (despite large scale destructions due to American bombing).

After 1972 the trade embargo was gradually lifted and a period of strategic Sino-American cooperation began. This was the right time for the "Full speed ahead" slogan which marked Deng's era. Free trading zones were created, companies like Coca-Cola or Microsoft got the privilege of quasi monopoly positions and foreign investors were favored in many ways.

It is true that by asking foreign firms to create joint companies, China was able to take a more active part in its economic development than countries such as Mexico or Brasil.

However it is also true that this unbridled development left China as a nation with severe weaknesses. This is the topic developed in the present chapter.

### The adverse effects of Deng's era laxity

In this section we will focus our attention on three aspects: (i) pollution, (ii) preference for listing on US stock markets, (iii) lack of vertical integration.

#### Pollution

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<sup>115</sup>However, the annual growth rate had larger fluctuations.

Between 2008 and 2016 the number of cars in large cities of over 10 million people increased rapidly making air-pollution a serious problem. However, this was only one aspect of the pollution problem. To allow production at the lowest cost factories were tacitly allowed to discharge their pollution into the environment. Environmental rules edicted by the government were not enforced (or enforced with laxity) at provincial level. As a result, not only air was polluted but also water and land.

One of the first signs that the central government wanted to become more serious about fighting pollution came in 2015 with a video documentary entitled “Under the Dome”. The fact that the producer, Ms. Chai Jing, was a former employee of CCTV (China Central Television) showed that she had at least tacit government approval. Its main revelation was of course not the existence of pollution but the fact that companies could bypass existing rules.

According to most sources air pollution levels (particularly in terms of small particles) started to regress after 2016.

### **Listing on US stock markets**

Currently (2018) there are at least 100 Chinese companies listed on the New York Stock Exchange and the NASDAQ market. This is due to the fact that listing on the Shanghai or Hong Kong stock markets was more demanding in terms of garanties (for instance the compagny had to be profitable for a number of years) and took longer.

This has two serious implications.

- The policy of a company like Alibaba (which is listed on the NYSE) will be decided by its main stockholders most of whom are US institutional investors. For instance, “Blackrock”, “Price Associates”, “Baillie Guifford” and “State Street” own 17% of Alibaba (the source is Yahoo Finance). As each of the other owners holds less than 2.5%, if the main investors agree with one another they can control the company. No doubt that they will agree to maximize growth and dividends but this policy may not necessarily be the best for China as a nation. As explained below this may have very serious implications.

Moreover, to see major policy decisions taken abroad may not be satisfactory for a great nation like China. After all, very few US companies are listed abroad. That does not necessarily mean that the policy of major US companies is designed to benefit American citizens but at least the decisions are made nationally. As there is no need to blame foreign intervention the situation is much clearer.

A last point should be noted. Even if everything moves smoothly the fruits of Alibaba growth will end up in the form of dividends in the deep pockets of US investors.

### **Lack of vertical integration**



It is certainly easier for a computer manufacturer like Lenovo to buy the chips which go into its products rather than to produce them itself. Similarly, the High Speed Train was developed by buying and integrating technological inputs from the French TGV (Alstom), the German Intercity (Siemens) and the Japanese Shinkansen. Thus a development which has taken 20 years in Europe and Japan was achieved in China in about 5 years.

The major drawback of such a policy was made clear by the ZTE case when the US decided to stop the delivery of essential chips to this Chinese company. Although not the largest cell phone manufacturer ZTE was one of the most advanced in the introduction of 5th generation smart phones.

On 22 November 2017 the front page of “China Daily” had the following title: “Xi sees new vistas in Sino-US ties”. This message was addressed to the “National [US] Committee on US-China Relations” for its annual gala held in New York. In his speech at the gala, Microsoft president Brad Smith celebrated the healthy relationship between China and the US.

Microsoft had indeed good reasons to be satisfied. In 2016 the Chinese government had called for the introduction of Linux. This at least would have made China less vulnerable than its present complete reliance on the Windows operational system. However, as seen previously for the rules on pollution, nothing happened. Chinese banks, airlines and other companies continued to rely on Windows. Universities who were supposed to show the way have been quite as unwilling to change.

### **Vulnerability of European countries and Japan**

What we said in the previous subsections also holds for the European countries and Japan. It is true that these countries are traditional allies of the US, but in order to keep that status they must be obedient partners.

An episode which occurred in 2003 shows that this is not pure speculation. In a recent French video documentary about how “General Electric” took control of the turbine division (particularly big turbines used in nuclear power plants) of Alstom, a French general states that after France had not only refused to take part in the invasion of Iraq but in addition was ready to use its veto in the UN Security Council, the US side retaliated by stopping delivery of spare parts for US made weapons used in French armed forces.

As in China and Japan, Microsoft holds a monopoly position in Europe (except for a small part of the research sector which uses Linux). Although in terms of vertical integration Europe is even more exposed and vulnerable than China there is no political will to remedy this situation.

## Rectification of the weaknesses inherited from the Deng era

How can the weaknesses described in the previous section be overcome? This is the question considered below.

### Pollution

As already said, for air pollution in big cities it seems the turning point occurred around 2016 but it will take decades to reverse course for water and land pollution, not to speak of the pesticide issue for which western countries are also facing a difficult challenge.

### Listing on US stock markets

In the spring of 2018 the People's Bank of China introduced so-called "Chinese Depository Receipts" (CDR). What are they and how can they improve the situation? The CDR are built on the model of the "American Depository Shares" (ADS). The later allow foreigners to invest in US publicly listed companies. The basic principle is simple. A pool of shares of company  $A$  is bought on US markets by a large financial institution  $F$ . Through the offices that  $F$  has abroad these shares are then sold to foreign investors who can pay for them with their national currency. In short, the ADSs are like shares but they do not give any voting rights in stock holders assemblies.

This is an excellent system for US companies because it allows them to collect funds without giving foreigners any control over the company. For China the system of the CDRs is much less favorable for even if Chinese institutions buy many CDRs of Chinese companies listed on the NYSE, the control of the company will still remain in the hands of the real share holders, most of whom are likely to be American financial institutions.

Simultaneously with introducing the CDRs, the "People's Bank of China" relaxed the rules to make it easier and faster for Chinese companies to get listed in Shanghai, Shenzhen or Hong Kong.

In summary, it took over 10 years for the Chinese government to realize the risks entailed in the present situation but at long last appropriate measures were taken. However, it will be nearly impossible to bring back all Chinese companies listed in New York. Here too the unrestrained capitalist development of Deng's era left a long-term strain and vulnerability. Recovery may be long and difficult.

### Vertical integration

South Korea had developed a chip industry able to provide Samsung with the chips it needed. For China too a policy of vertical integration would have been more appropriate but probably was it not found profitable enough by major Chinese companies.

For Alibaba and other major high tech Chinese companies listed in New York it will not be easy to make progress in this direction because, needless to say, for US investors, developing a Chinese chip industry will not be a high priority. Firstly, it would be a long term investment for which shareholders are usually not very enthusiastic and secondly there is of course a strategic aspect that the US government can enforce by various means.

In contrast to Europe, China can fight back. Its greatest asset is its population of 1.4 billion people and the huge related consumer market. On 5 July 2018, in the wake of a patent dispute, a Chinese court took an injunction prohibiting “Micron”, a US chip manufacturer, to sell many of its products in China. The court also ordered “Micron” to halt operation of a chip assembling and testing plant in Xian, Shaanxi Province. As in 2017 the Chinese market contributed more than half of the company’s revenue of US\$20.3 billion this is a great blow. Micron’s stock price fell 5% within a few hours until transactions were suspended.

### **Revival of the Communist Party**

If, as is likely, foreign stock holders bar Chinese high tech companies from developing a Chinese chip industry, then only the Chinese State, that is to say the Communist Party, has the ability to solve the problem. Whereas its role and necessity had become fairly unclear in recent years the confrontation which started in 2017–2018 has created a situation of emergency which will make its role not only acceptable but even welcome as a last ditch defense of national interests.

Before 2016 the policy of the US State Department had two faces: publicly it favored international cooperation but at the same time it developed a confrontational agenda destined to weaken China through all possible means. Despite State Department protests the hawks of the Trump administration as well as Trumo himself lifted the veil<sup>116</sup>. It was not so much the policy which changed than the way it was staged. Suddenly, for the Chinese public, the confrontational side became much clearer.

In the mid-1930s the Communist Party was saved from annihilation by KMT forces through the Japanese invasion. By uniting the country against a determined adversary, the Trump administration has given a new legitimacy to the Chinese Communist Party and the PLA.

### **Mao versus Deng**

At the root of Deng’s era policy was the belief that the United States would accept cooperation with China and eventually share world hegemony in a kind of condominium. In the short term Deng’s policy delivered prosperity to many and wealth

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<sup>116</sup>Torture is a case in point. Although used and even taught to other countries by the CIA for decades, there had never been a president talking about torture in such approvingly terms as President Trump.

to a few. Politically, however it was based on an illusion as explained in previous chapters.

At this point several of Mao Zedong's injunctions inevitably come back to mind.

- On what basis should our policy be based? On our own strength. We hope to receive outside help, but we must not depend on it; we rely on our own efforts.

- Today there are two big mountains that weigh heavily on the Chinese people: one is imperialism, the other is feudalism.

- Just as a real tiger, US imperialism represents a danger. However, because the goal of the Chinese Revolution is just whereas reactionary interests are self-centered and unjust, eventually imperialism will appear much less dangerous and successful than would be perceived at first<sup>117</sup>.

- Fighting is unpleasant, and the people of China would prefer not to do it at all. At the same time, they stand ready to wage a just struggle of self-preservation.

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<sup>117</sup>This quotation explains what Chairman Mao meant when he used the expression "paper tiger". It was based on the fairly optimistic belief that the spirit of a struggle has more significance than the weapons which are used. It is true that this belief was confirmed by the Civil War in China and by the Vietnam War but history has also many cases in which weapons were the decisive factor. Western colonial wars (and particularly those against the Qing empire) are clear illustrations.

# Chapter 10

## The US foreign affairs machinery

### The US Department of State and affiliated organizations

The distinctive feature of the State Department is the fact that in the years after World War II it has had several opportunities to practice nation-building. Moreover, the Nuremberg and Tokyo trials (as well as the trials of class B defendants) required to develop strong links with the US Ministry of Justice. As a result, the State Department has an “Office of Global Criminal Justice”. The fact that this office was formerly called the “Office of War Crimes Issues” (WCI) is testimony of its origin.

It is the role of the Central Intelligence Agency (CIA) to collect intelligence for the Department of Defense as well as for the Department of State. Moreover, the CIA can implement State Department directives in the form of actual actions on the ground.

In terms of efficiency there is certainly a big gap between the US State Department and the Ministries of Foreign Affairs of most other countries<sup>118</sup>.

As already said in previous chapters, the political science departments of several US universities, particularly Harvard, Columbia and universities located in the Washington area, are so to say “subsidiaries” of the State Department.

### The National Endowment for Democracy

It is a US organization funded by Congress which supports many protest movements against governments that the US State Department does not like. For instance, the “World Uighur Congress” receives about 40% of its budget from the N.E.D.<sup>119</sup>

## The International Visitor Leadership Program

### How the program works

The “International Visitor Program” of the United States Information Agency an-

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<sup>118</sup>The French Ministry of Foreign Affairs was described in a 2013 comedy film directed by Bertrand Tavernier. Although it was a fiction many of the shortcomings are certainly quite real. Just to mention two of them, in France there is no big intelligence agency like the CIA, and there are probably only few ties with the Ministry of Justice.

<sup>119</sup>The information is given on the website of “Initiatives for China” an organization which supports independence movements in Tibet, Hong Kong and Xinjiang and which, most likely, is also partially funded by the N.E.D.

nually brings to the United States approximately 5,000 foreign nationals. Among the thousands of distinguished individuals who have participated in the International Visitor Program since its inception more 50 years ago are more than 175 current and former Chiefs of State, 1,500 cabinet-level ministers<sup>120</sup>, and many other distinguished leaders from the public and private sectors.

Two types of visitors make up the International Visitor Program: Grant Visitors and Voluntary Visitors. Grant Visitors or “Grantees” travel to the US for periods up to 21 days. All grantees receive full or partial funding from USIA for their US visits. Voluntary Visitors generally stay for shorter periods of time, usually 2-14 days, and receive little or no funding from USIA.

The International Visitor Leadership Program (IVLP) is the US Department of State’s premier visitor program.

Through short-term visits to the United States, current and emerging foreign leaders in a variety of fields experience this country firsthand and cultivate lasting relationships with their American counterparts.

### **Why is this program so successful?**

The grantees know that through the worldwide dominant position of US media together with their close links with the State Department, US support will indeed be a great asset for them.

As an illustration one can remember the case of former French President Sarkozy which was described in an earlier chapter. The support of President Bush during his visit to Washington some 6 months before the election boosted his campaign. In return, throughout his time as president, he was a faithful and obedient ally of the United States.

While the US State Department is the heart of this machinery, there are many smaller institutions, either public or private, with which the State Department has close connections.

## **Organizations**

This section comprises a list of organizations such as the “Heritage Foundation”, the “Cato Institute”, the “Whitherspoon Institute”. Such organizations are often cataloged as being conservative think tanks. In the perspective of the present study we prefer to call them “nationalistic” because we wish to focus on their role in the field of foreign affairs. Whether or not they are opposed to abortion or to the Darwinian

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<sup>120</sup>If one assumes that the annual number of visitors has remained constant the total number over 50 years would be 250,000 and the total proportion of Chiefs of State and cabinet ministers would be  $1.675/250 = 0.67\%$ . However in this calculation one should include only the Grant Visitors

thesis of evolution is irrelevant.

Most of these organizations are funded by US companies and private donors. By 2013, the largest 21 think tanks in the US spent more than \$1 billion per year. Moreover, 60% of the top personnel of the US State Department has been working in a think tank before being recruited. (Wikipedia articles entitled “Think tank” in English and French)

How can one distinguish nationalistic from patriotic organizations? The fact that there is no clear separation between them was made clear during the US occupation of Japan. The purge targeted organizations which had sponsored Japanese overseas expansion as well as organizations which had provided relief to wounded Japanese soldiers. Ultimately, the ability to speak English and a willingness to go along with the objectives of the occupation turned out to be the most effective shields against being purged.

Albert Einstein Institution. It was founded by Gene Sharp and Peter Ackerman in 1983. It has received funding from the US Institute of Peace (an organization funded by Congress which provided an annual grant of \$50,000), the Ford Foundation, the Stanley Foundation, the International Republican Institute, the National Endowment for Democracy. Some former directors have come from the RAND Corporation and the Ford Foundation; Thomas Schelling who was one of its directors in 1988-1990 was a professor who has been working for the CIA. According to the French Wikipedia article entitled “Albert Einstein Institution”, this institution played a role in the events of 1990-1991 when the Baltic states seceded from the USSR.

Gene Sharp has been nominated for the Nobel Peace Prize in 2009, 2012, 2013 and 2015. He was widely considered to be the favorite for the 2012 award. On 3 September 2012, that is to say a short time before the Nobel Committee reached its decision, the New York Times published a laudatory article about him. The article contains the following comment made by a Serbian activist: “There is nobody else who deserves the Nobel Peace Prize more than Gene”. The article mentions that in 1989, Sharp went to Beijing with his assistant Bruce Jenkins and a translator and talked to protesters on Tiananmen Square.

The article is an illustration of how Sharp’s work on peaceful resistance can be used as a facade for undercover forms of action.

For instance, the article upholds the fiction that back in September 2012 there were only peaceful protesters in Syria. It extols the Egyptian uprising against Mubarak but forgets to say that Mubarak left only because he was dropped and asked to leave by the US government and by the Egyptian army.

In a more general way, the article overlooks the fact that without lavish funding from various US organizations the uprisings in Serbia, Ukraine or elsewhere would prob-

ably have achieved very little. In order to bring one million protesters to Belgrade one needs more than just faith and smart ideas. See Cohen (2000).

American Enterprise Institute.

Asia Foundation.

The Foundation carried out a variety of media-related ventures including a program, begun in 1955, of selecting and paying the expenses of Asian journalists for a year of study in Harvard's prestigious Neiman Fellowship program (Crewdson 1977b).

The Wikipedia article about the "Asia Foundation" tells us that in 1967 the US media revealed that the CIA was covertly funding the Asia Foundation and it adds that this immediately ended all CIA funding. Perhaps it would be more correct to think that the funding was channeled more discretely through a front organization. This is indeed what was done for other organizations after their links with the US government became known in 1967. The Asia Foundation was certainly a major asset for the State Department and it would be unrealistic to think that it was dropped merely because of some allegations made in a New York Times article. As a matter of fact, a subsequent article also in the New York Times (Crewdson 1977a) tells us that prior to their publication the articles about the CIA published in 1966 and 1967 were submitted to the director of the CIA. Therefore, it is reasonable to assume that the modification of the funding channels had been decided and implemented before the publication of the articles was authorized.

Asia Society.

Among other functions it selects and hosts the "Asia 21 Young Leaders" (usually 21 annually, except in 2013 when there were 24)

Atlantic Council of the United States. A think tank. Former US ambassador in China Jon Huntsman became chairman of the Washington-based think tank in January 2014.

Brookings Institution.

Cato Institute.

Center for Strategic and International Studies.

The CSIS is dedicated to finding ways to sustain American prominence in the world. 20% of the funding comes from the US government. Allies such as Japan, Norway, Germany, the United Arab Emirates have been important donors.

The Wikipedia article about the Center says that even China has been a donor. Yet, in line with the policy of the State Department, the Center seems to have a strong focus on alleged Chinese expansion in the South China Sea. For in-



stance, on 22 February 2015 the center released satellite pictures (without revealing who provided them) showing ongoing Chinese infrastructure work on some of the Spratly Islands (also called Nansha Islands). Both Taiwan and mainland China are involved in such development work on different islands. (Taipei Times 22 February 2015)

#### Congressional Human Rights Foundation.

Also called “Congressional Human Rights Caucus” This organization is semi-private in the sense that it is funded by the “National Endowment for Democracy” but has however no connection with the US Congress, apart from the fact that it was founded in 1982 by two congressmen. It is with a big public relations company named “Hill and Knowlton” that it has a strong connection in the sense that it is housed in Hill and Knowlton’s Washington headquarters and the firm’s vice chairman, Frank Mankiewicz, became a member of the foundation’s board in October 1991.

It is “Hill and Knowlton” which organized the famous testimony of Ms. Nayirah on the baby incubators in Kuwait.

Hill and Knowlton’s client, “Citizens for a Free Kuwait”, donated \$50,000 to the foundation. Between August 1990 and February 1991 the Kuwaiti government channeled \$11.9 million dollars to “Citizens for a Free Kuwait” (the citizens themselves gave only \$18,000) almost all of which went to Hill and Knowlton in the form of fees.

(Source: MacArthur, John 1992: “Remember Nayirah, Witness for Kuwait”. (OP-ED) New York Times January 6, 1992.

#### Council on Foreign Relations.

Foreign Policy Initiative. It is a conservative advocacy group which has warned about rising challenges from China and Russia. It sponsors the visits to the United States of Russian opponents or Chinese dissidents. For instance, in March 2013 it sponsored an event for Dmitry Gudkov which was co-sponsored by the “Institute of Modern Russia” (see below). In his talk, Gudkov expressed support for the “Magnitsky Act” that aims to punish Russians who are targeted by the United States by denying them visas to travel to the United States.

Freedom House. It is a nonprofit pro-democracy group promoting American interests. Part of its funding comes from the US government particularly through the USAID.

Heritage Foundation.

Hudson Institute.

Initiative for China.

Its objectives are stated on the website of this US based organisation: “Advanc-

ing a peaceful transition to democracy in China through truth, understanding, citizen power, and cooperative action.”

The material posted on the website shows that the organisation also supports the independence of Tibet and Xinjiang. For instance there is (downloaded on 5 May 2016) a congratulation letter to Dr.Lobsang Sangay for his reelection as the head of the Tibetan government in exile and a favorable account of the action of Dolkun Isa, the head of the World Uighur Congress that was created in 2006 and who presently lives in Germany.

Institute of Modern Russia. It is a nonprofit group whose president is Pavel Khodorkovsky, the son of the Russian oil tycoon, Mikhail B. Khodorkovsky.

International Republican Institute. Together with the “National Democratic Institute, it was allocated \$2 million by the US government to fund Serbian opposition groups and help them to bring down president Milosevic.

Jamestown Foundation. It was established in 1982 as a platform to support Soviet dissidents. Currently (May 2013) its primary focus is on China, Eurasia and Russia. It publishes studies; for instance: “Chechen fighters hold their ground against Kadyrov” (28 May 2010)

Laogai Research Foundation. It is a non-profit organization that monitors conditions in China’s prison camps. In 2009 its executive director was Mr. Harry Wu, a former Chinese dissident who became a US citizen.

National Democratic Institute. Together with the “National Democratic Institute, it was allocated \$2 million by the US government to fund Serbian opposition groups and help them to bring down president Milosevic.

Open Society Institutes. They are established in many countries. For instance in 2010, Nilofar Sakhi, a Fulbright scholar, was the Director at the Open Society Institute in Afghanistan.

Project for the New American Century.

Radio Free Asia.

It was created in 1950 by the US government through CIA funding. It seems that broadcasting was interrupted from 1971 to 1996. According to the Wikipedia articles (in French and English) entitled “Radio Free Asia”, in 2007 it had a budget of \$30 million. It targets mainly China, North Korea and Vietnam. Apart from the programs in mandarin (24 hours/day), it has also programs in Tibetan (23 hours/day), Cantonese (7 hours/day) and Uyghur (6 hours/day). According to a report written in 1999 for the Brookings Institution, RFA relies heavily on reports by dissidents in exile.

Rand Corporation (funded by the federal government).

United States Institute of Peace (USIP).

Witherspoon Institute. In 2012 it recruited the Chinese dissident Chen Guangcheng. Wilson Center. Kissinger Institute on China and the United States.

Woodrow Wilson International Center for Scholars (Washington, DC).

As an example, here is the profile of a Chinese expert at the Wilson Center. Ma Jun is the director of one of China's most dynamic environmental NGOs, the Institute of Public & Environmental Affairs (IPE), which is committed to promoting transparency around pollution issues in China.

## US fellowships and grants for visitors

Arthur Ross fellow at the Center on US China Relations at the Asia Society. Zha Daojiong, Professor of International Political Economy at Peking University, is a Senior Arthur Ross fellow. He is also Rio Tinto China fellow (see below). On 25 July 2008 he had a long discussion about Chinese oil exports to North Korea with a Political Officer of the US Embassy (see above).

Asia21 Young Leaders (at Asia Society). Lobsang Sangay, the Prime minister of the Tibetan government in exile, is a member (class of 2006)

Ash Institute for Democratic Governance and Innovation (part of Harvard University)

This institute organizes annual "training sessions" for Chinese leaders under two different programs:

- China's Leaders in Development Executive Program (20 participants annually)
- China Executive Leadership Program (60 participants annually)

Asian Cultural Council

Bernard Schwartz Fellows Program (at Asia Society)

"China's Leaders in Development" is a Harvard (Kennedy School) 8-week training program designed to prepare senior local and central Chinese government officials to more effectively address the ongoing challenges of China's national reforms. Sessions are taught by faculty and post-doctoral fellows from Harvard University, Harvard Kennedy School, Harvard Graduate School of Design, Harvard Business School, and the University of Massachusetts.

As a part of the program, officials visit local, state, and federal government organizations in the United States.

Past participants have included:

- JIANG Xiaojuan, Deputy Director-General of the State Policy Research Office,
- LI Jiange, Chairman, China International Capital Corporation,
- ZHENG Zeguang (Aug-Nov 2004), Assistant Minister of Foreign Affairs,

- ZHANG Jinan, Vice Minister of the Organization Department

Chinese People's Association for Friendship with Foreign Countries.

Created on 3 May 1954, on the initiative of Premier Zhou Enlai, this is one of the few *Chinese* exchange associations. It is through this association that Xi Jinping's stay in the United States in 1985 was funded.

However, in order to decide whether it was really an *exchange* program, one would wish to know how many Americans came to China in 1985.

Incidentally, one would expect that in 1954, due to the US containment policy, the exchanges were mostly with Communist and non-aligned countries. This is indeed confirmed by the historical account given on the website of the association. In 1956 a delegation of the association went to India and met president Nehru. The same year there were exchanges with Albania, Bulgaria, Czechoslovakia, Hungary, Mongolia, North Korea, Romania, Vietnam. In 1960 the China-Latin America Friendship Association was set up. Remarkably, in 1963 the China-Japan Friendship Association was created.

The historical account gives information mainly on the personalities who took part in the activities of the association. There is little information about grass-root level participants.

East Asian Legal Studies Program. Lobsang Sangay who became Prime Minister of the Tibetan government in exile in 2011 has been a Senior Fellow in this institution until 2011.

Einstein's Institution Fellows program. It started in 1983 with the creation of the "Albert Einstein Institution" which funded the "Program on Nonviolent Sanctions in Conflict and Defense" at the "Center for International Affairs" at Harvard University.

Fulbright Scholars and Fellows

Henry Crown fellow.

Josiah Macy Foundation.

Created in 1942, the Foundation launched in December 2010 a Scholar Program: up to 5 early- to mid-career nursing and medicine faculty are selected to pursue educational reforms at their home institutions over a two-year period. Each Scholar receives \$100,000 each year.

According to several websites<sup>Footnote</sup>For instance:

<http://www.truth-out.org/archive/item/91211:the-hidden-tragedy-of-the-cias-experiments-on-children>, during the Cold War the Josiah Macy Foundation funded several researches done in the framework of the medical programs Bluebird, Artichoke and MK-ULTRA run by the CIA. The investigations covered a broad range of topics from the use of LSD to electroshocks and hypnosis.

Kennedy School of Government at Harvard University: this institution hosts “Research Associates”, “Senior Research Associates” and “Senior Research Fellows”.

Open World Program: It is a program, sponsored by the US Congress, that brings Russian professionals on week-long educational exchanges to the United States.

Nieman fellowship at Harvard. In the fall of 1988, the Chinese writer Liu Binyan started such an annual fellowship. Liu visited the United States for three months in 1982. Permission for a longer stay came after years of effort by the Nieman Foundation.

Parker Scholar

Rio Tinto China fellow at the Lowy Institute for International Policy. Zha Daojiong, Professor of International Political Economy at Peking University is a Rio Tinto China fellow

Rothermere American Institute fellowships. The institute is located at Oxford University; it hosts three permanent professorships and two visiting professorships. The main fields are American history and American government. The Institute offers three kinds of fellowships: senior visitors, post-doctoral visitors, associate visitors.

United States Institute of Peace (USIP): Jennings Randolph Senior Fellows.

Victims of Communism Memorial Foundation.

Established in Washington DC this organization supports opposition and separatist movements in Communist countries like China or in former Communist countries like Russia. For instance in April 2016 it invited Dolkun Isa, the head of the “World Uighur Congress”, to Washington during a visit of President Xi Jinping. From the perspective of human rights, along such an organization, should there not also be a foundation for the victims of anti-Communism?

Wilson Center fellow.

My colleague Jack Goldstone was a fellow of the Wilson Center from September 2014 to May 2015. His main fields of interest are the Middle East and China.

World Press Institute fellow

Yale World fellows. The fellowship implies a 4-month stay at Yale. A famous CCTV anchor, Rui Chenggang is a member (class of 2005)

## Legislation

This section lists US laws similar to the Tibetan Policy Act (2002), the Jackson-Vanik amendment (1974) or the Magnitsky Act (2012), that is to say laws which

shape foreign relations with allies, competitors or adversaries. They are a distinctive feature of an imperial power which rules the world.

#### Taft-Hartley Act (1947)

This was the first major anti-“New Deal” law. It started the downward spiral for workers and employees first within the United States and subsequently in most western countries. What did it say?

Before answering this question one must explain the US collective bargaining procedure. It is very different from how unions operate in Europe. Very often, at least in the past, during the negotiation of a new contract for the coming 3 or 4 years the workers were striking to put pressure on the company and thereby get a better bargain. During this strike the workers are paid by the union. If a union is poor it will not be able to put much pressure on the company, therefore it will not get a good contract; as a result its membership will dwindle.

The Taft-Hartley law prohibited unions from collecting fees from non-members or making union membership mandatory. Yet, unions were still required to represent every worker covered by a contract, even workers who were not members of the union and did not pay union dues. Why should workers pay a membership fee if they can get the same service without paying anything? So, the unions were drained of funds which in turn weakened their ability to fight for better wages.

The states which have included this regulation into their legislation are called “right-to-work” states. Needless to say, “right-to-work” states have lower salaries than others. South Carolina, the state to which Boeing moved part of its facilities in 2010, is a “right-to-work” state.

#### Fulbright-Hays Act (1961)

#### Smith-Mundt Act (1948).

It organizes US overseas public relations organizations. It was highly successful in the sense that nowadays the US vision of world affairs is shared by all its allies and by most of the other countries.

#### Jackson-Vanik amendment (1974).

It set up sanctions against countries that restrict freedom of emigration and other human rights.

#### Magnitsky Act (2012).

Destined to punish Russian officials responsible for the death of Russian lawyer Magnitsky in a Moscow prison in 2009.

#### Tibetan Policy Act (2002).

It re-organized and increased US funding for Tibetan exiles in India and appointed a high-ranking US State Department official as Special Coordinator for

Tibet.

# Chapter 10

## Acronyms

AID: Agency for International Development (an agency of the US State Department that is often seen as a front organization for the CIA)

AIIB: Asian Infrastructure Investment Bank. It was created in November 2014 on an initiative of President Xi Jinping by 22 founding members.

APEC: Asia-Pacific Economic Cooperation. A forum for 21 Pacific Rim member economies that promotes free trade throughout the Asia-Pacific region. It includes China, Russia, the United States but not India.

CASS: Chinese Academy of Social Sciences

CBS: Columbia Broadcasting Systems. An important American TV network.

CCCPC: Central Committee of the Communist Party of China

CDIC: Central Discipline Inspection Commission (the anti-corruption watchdog of the Communist Party)

CDRF: Chinese Development Research Foundation. Training programs in the US of young and senior Chinese leaders were organized by this institution.

CCP: Chinese Communist Party (alternatively CPC is also used, see below)

CCTV: China Central Television. This network comprises about 12 national government TV channels. One of them (formerly called CCTV-9 and later CCTV-International) is in English. In addition to the CCTV channels there are also local channels. Apart from historical series, domestically produced programs are rare. The national CCTV channels as well as the local channels are controlled by the Communist Party but as many party leaders are openly pro-US one should not be surprised to see many US series being broadcast.

CELP: China Executive Leadership Program

CDRF: Chinese Development Research Foundation

CIPS: China International Payments System. A computer system for handling transactions in renminbi which should be introduced by the end of 2015.

CNN: Cable News Network (a powerful US TV network whose international subsidiaries cover the whole world)

COD: Central Organization Department (of the Communist Party of China)

CMC: Central Military Commission



Congen: Consulate General

CPC: Communist Party of China.

CPS: Central Party School

CUPL: China University of Political Science and Law

CYL: Communist Youth League (before becoming Prime Minister, Li Keqiang was the head of the CYL from 1993 to 1998)

DAS: Deputy Assistant Secretary (designates aides of the Secretary of State)

DRC: Development Research Center (of the Chinese State Council). It comprises many institutions including the “International Cooperation Department” and the “China Development Research Foundation”.

FCS: Foreign Commercial Service (name of a service in a US embassy)

HIID: Harvard Institute for International Development (advised the Russian government in the privatization of the Russian economy)

ICMA: International City Management Association (American association of professionals in local government management). It has a partnership with the “China University of Political Science and Law”.

IP address: Internet Protocol address. It is a numerical label assigned to each device participating in a computer network that uses the Internet Protocol for communication.

KMT: Kuomintang. The Kuomintang party was created by Sun Yatsen and it governed China until 1949. After 1949 it remained in power on the island of Taiwan.

LAT: Los Angeles Times (US daily newspaper)

MFA: Ministry of Foreign Affairs

MFA-DAS: Ministry of Foreign Affairs Deputy Assistant Secretary (is in charge of a given area, for instance the “Bureau of East Asian and Pacific Affairs”).

NED: National Endowment for Democracy. It is a US organization founded by Congress in 1983 and funded mainly by the State Department. For finance year 2009 (1 April 2008 - 1 September 2009) the NED had an income of \$135 million dollars. In China around 2012, the NED was funding some 18 non-governmental organizations. Most of these grants went to organizations promoting democracy or in the case of Hong Kong, Xinjiang and Tibet, local interests and independence from China. The NED was for instance funding the “World Uyghur Congress” (Wikipedia article in English entitled “National Endowment for Democracy”, consulted on 23 March 2015). In France, the former director of “Reporters sans frontières” (RSF) [reporters without borders], Robert Ménard, acknowledged that his organization has been funded by the NED. As a matter

of fact, it can be verified that all the initiatives taken by this organization were well in line with the objectives of the State Department.

NPC: National People's Congress

NATO: North Atlantic Treaty Organization. Whereas the Secretary General of NATO may be from any member country, its military commander is always an American general appointed by the President of the United States.

NYT: New York Times (US daily newspaper)

PBSC: Politburo Standing Committee (composed of 7 members it is China's cabinet)

PITF: Political Instability Task Force.

The acronym designates a group of academics under contract with the CIA for developing a dataset for the study of the collapse of state power of the kind which occurred in Russia. Initially, when it was started around 1994 the group was named "State Failure Task Force" which described more accurately its real purpose.

PLA: People's Liberation Army. It designates the Chinese Army. First named the "Red Army", it was renamed as the People's Liberation Army in 1945.

Poloff: Political officer (member of US embassies in charge of collecting information from the nationals of the country where the embassy is located. There is probably no sharp distinction between CIA case officers and poloffs.]

RMB: Renminbi. Currency of China. It means the people's (ren min) currency (bi).

TCP connection: Transmission Control Protocol connection. It is a reliable error-free connection between two computers. Web browsers use TCP when they connect to servers on the World Wide Web. TCP is also used by other communication procedures such as SSH (Secure SHell). Although the encryption used by SSH is intended to provide confidentiality, the information leaked by Edward Snowden indicate that the National Security Agency can decrypt SSH.

TPA: Tibetan Policy Act. Passed in 2002 it organized US support to the Tibetan claim for greater autonomy.

USAID: United States Agency for International Development. The operations of this agency of the US government are subject to the guidance and control of the President, Secretary of State, National Security Council and State Department. In 2012 the budget of the USAID (including the bilateral assistance programs administered by USAID) was of the order of \$25 billion dollars. The 3 countries which received the largest assistance were Afghanistan (2.2 billion), Pakistan (\$1 billion) and Jordan (\$0.5 billion). (Wikipedia article in English about the USAID)

VOA: Voice of America. A broadcasting service of the US State Department.

## References

Agee (P.) 1975: *Inside the Company. CIA Diary.* Penguin, Harmondsworth (England).

[*Inside the Company* was first published in Britain, then the same year by Stonehill in New York. A French translation was published in 1976 under the title: *Journal d'un agent secret. Dix ans dans la C.I.A.* Seuil, Paris.

What decided Agee to leave the CIA? In his book he explains that on December 12, 1965 while visiting Uruguayan police headquarters, he realized that the screaming he heard from a nearby cell was the torturing of a Uruguayan, whose name he had given to the police as someone to watch. After the publication of his book, several requests from the US government eventually led in 1977 to his expulsion from Britain. Subsequently he was also expelled from the Netherlands, France, West Germany and Italy. Agee's US passport was revoked by the US government in 1979.]

Aldrich (R.J.) 1997: *OSS, CIA and European unity: the American Committee on United Europe, 1948-1960.* *Diplomacy and Statecraft* 8,1,184-227.

[This study is mostly based on the records of the ACUE that are publicly available. However, the author is well aware of the fact that the most interesting parts of these records are probably those which are still classified.

The paper contains some 10 excerpts from Rebattet's thesis (see below) but which are of fairly small significance.]

Asia Watch Report 1990: *Repression in China since June 4, 1989. Cumulative Data.* Published by Human Rights Watch in the United States.

[This report of 121 pages is a catalog of persons who were arrested and tried after 3 June 1989. Through the charges brought against them one can get additional information about these events.] The defendants were accused of firing at the PLA and injuring or killing soldiers, of beating soldiers or policemen, of blocking streets with vehicles, of setting buses or military vehicles afire. Such charges are consistent with the account of the uprising given in the chapter about these events.]

Asia Watch 1993: *Detained in China and Tibet. A directory of political and religious prisoners.* Human Rights Watch, New York.

Baaquie (B.E.), Wang (Q.) 2014: Chinese dynasties and the “Red dynasty”. Preprint of 27 November 2014. Department of Physics, National University of Singapore.

[The authors replace the present situation of China into its broad historical context. In particular they point out that whereas previous dynasties were often brought down by succession problems, “the Red dynasty seems to have successfully settled, for now, its system for succession”. Usually, political analysts speak of China with a horizon of a few years. If the model proposed in this paper is correct, the time constant of the system would rather be of the order of several decades.]

Barlett (D.L.), Steele (J.B.) 2005: *Critical condition: how health care in America became big business and bad medicine*. Broadway Books (Random House), New York.

[Donald Barlett and James Steele are two investigative journalists]

Barstow (D.), Stein (R.) 2005: Under Bush, a new age of prepackaged television news. *New York Times* 13 March 2005.

[This is a long and a very interesting article. It explains how prepackaged ready-to-serve news reports are made by public relations companies for the federal government. These segments (ranging from 90-second segments to longer documentaries) are then distributed to international news organizations like Reuters and Associated Press Television News. which in turn distribute them to TV channels either in the United States or abroad. The purpose of such reports is to give a rosy image of the United States.

Although not mentioned in the present article, there is certainly also another stream of reports which have the purpose of giving a bad image of countries which are considered by the State Department as being unfriendly. In this respect see Crewdson (1977).]

Blanton (T.) 2001: State [i.e. US State Department] historians conclude US passed names of Communists to Indonesian army which killed at least 105,000 in 1965-1966.

National Security Archive Electronic Briefing Book No 52.

[The FRUS (Foreign Relations of the United States) volume which covers Indonesia in 1965-1966 gives a note sent by Ambassador Marshall Green to Washington on 2 December 1965 which says that he endorsed a 50 million rupiah covert payment to the Kap-Gestapu organisation that was leading the massacre or in Green’s terms, “carrying the burden of the current repressive efforts targeted against the PKI”. Then 8 months later, on 10 August 1966, Ambassador Green acknowledged that an Embassy-prepared list of Communists is “being

used by Indonesian security authorities”. These two documents are the tip of the iceberg in the sense that more sensitive documents were not included in the FRUS volume. It should be recalled that the FRUS volumes reproduce only *selected* documents. For instance, the message sent by William Colby of CIA’s Far East Division to the State Department on 3 December 1965 was not included in the volume. See also Roosa (2006).]

Chang (G.G.) 2001: *The coming collapse of China*. Random House, New York.

[It can be noted that the title is not about the downfall of the Communist Party but about the downfall of China. One of the chapters is entitled “State-owned enterprises are dying”, another is devoted to the failure of Chinese banks. The author predicts that joining the World Trade Organization (in 2001) was going to completely expose China’s lack of competitiveness. In the economic sphere China has certainly showed more flexibility than the author suspected. The collapse was expected within one decade after the book’s publication.]

Charlton (S.E.M.) 2010: *Comparing Asia politics: India, China and Japan*. Westview Press. Boulder (Colorado).

Chetelat (E. de) 1950: *Roaming Korea South of the iron curtain*. With 34 illustrations and a map. *The National Geographic Magazine*, June 1950, 778.

[This is a nice example of smart disinformation.]

China Daily 2011 (14 July): *Tiananmen massacre: a myth*. [The article gives excerpts of the article published in the *Japan Times* (1 July 2011) by Gregory Clark (see below).

It is often said that the events of 3-4 June 1989 are a taboo in China and it is indeed true that they are considered in such a way by many Chinese people.

Yet, this article proves that it is not a taboo altogether. On the website of “China Today” namely:

[http://www.chinatoday.com/history/tiananmen\\_1989/tiananmen\\_1989\\_23.htm](http://www.chinatoday.com/history/tiananmen_1989/tiananmen_1989_23.htm)

there is a gallery of 24 pictures entitled:

“The Beijing riot: a photo record by New Star Publishers, Beijing 1989 (pictures released by the Chinese government after the incident)”.

The vocabulary that is used in the captions of the pictures leaves little doubt that it is indeed an official publication. The protesters were called “rioters” or “ruffians”, e.g. “the ruffians burned more than 60 armored personnel carriers”, but the captions also recognize that: “More than 6000 officers and men of the martial law troops and police were injured, and dozens were killed at the hands of the rioters.” (picture 4) “During the rebellion, more than 3,000 civilians were wounded and over 200 died. However, not a single corpse was found while cleaning up Tiananmen Square” (picture 14)

Chinn (M.), Frankel (J.) 2008: The euro may over the next 15 years surpass the dollar as leading international currency. *International Finance* 11,1,49-73.

[The prediction made by the authors about the euro was far off the mark. History rather suggests that the strength of a currency is in close connection with the strength of the government which backs it. A paper written 4 years earlier (Persaud 2004) gives a much more lucid view. However, the present article contains some interesting data about the competition between the pound sterling and the dollar back in the 20th century.]

Clark (G.) 2011: Black info and media gullibility: creation of the Tiananmen myth. *Japan Times* 1 July 2011.

[The article starts with the following sentence:

“The recent Wikileaks release of cables from the US Embassy in Beijing has helped to kill the myth of an alleged massacre in Beijing’s Tiananmen Square on the night of June 3-4, 1989”. Yet, “kill” is certainly not appropriate for the myth in fact remained well alive after 2011.

Although, as a former Australian diplomat, the author has had contacts with the Chinese government as far back as 1971, his article does not bring any new evidence. Most of what the article says was already contained in the article by Jay Mathews published in 1998.

Usually, except in rare cases, the “Japan Times” follows the lead of the US press; almost every issue contains reprints of articles published in US newspapers. This article comes after the myth had been revealed and recognized by American media. Incidentally, it can be observed that in July 2011 Japan had a fairly pro-US government led by Prime Minister Naoto Kan.]

Cohen (R.) 2000: Who really brought down Milosevic? *New York Times* 26 November 2000.

[This article is interesting but it was written *after* Milosevic was brought down. A similar article was published in the *New York Times* by Jane Perlez two months earlier that is to say *before* Milosevic was overthrown. Thus it provides a better proof of the fact that the protests following the elections unfolded according to a plan that was designed by its sponsors, namely the USAID, the National Democratic Institute and the International Republican Institute.]

Crowdson (J.M.) 1977a: The CIA’s 3-decade effort to mold the world’s views. Agency network using news organs, books and other methods is detailed *New York Times* 25 December 1977 p.1 and 12.

[First article in a series of 3. One should not think that this series of articles were written at the initiative of the *New York Times*. In fact, the House Select Committee on Intelligence prompted the NYT to survey the CIA’s relationship

with American news organizations in preparation of hearings which started on December 27, 1977.

These articles are written in what can be called typical “CIA style”: i.e. achievements are systematically downplayed, all ties between media organizations and the CIA described in the articles are said to have been severed a long time ago. This “CIA style” can be illustrated by the following episode. After “Radio Free Asia” began broadcasting to mainland China in 1951, the CIA came to realize that Chinese people had almost no radio receivers. An emergency plan was drawn up. Balloons holding small radios tuned to “Radio Free Asia” frequency were lofted toward the mainland from Taiwan. The plan was abandoned when the balloons were blown back to Taiwan across the Formosa Strait. This makes a good, funny story but is hardly believable. Certainly “Radio Free Asia” did not target Chinese peasants but rather students, intellectuals, Communist leaders, police and army officers; these people had radio receivers. Secondly, the Formosa Strait is only 150-200 km wide. It should have been easy to send the balloons under appropriate wind conditions and forecasts so that they do not come back to Taiwan.

Finally, the second Crewdson article claims that “Radio Free Asia went off the air in 1955”, but is this really true? According to the French version of the Wikipedia article about “Radio Free Asia”, RFA has been broadcasting from Manila, Dacca in Bangladesh and Karachi in Pakistan at least until 1961 and probably until 1971 when the organization came under the supervision of the “Board for International Broadcasting”. Then, it seems that there was a 25-year interruption which coincided more or less with the strategic partnership between the USA and China. Broadcasting restarted in 1996. Like “Radio Free Europe”, RFA is funded by the US Congress. Although it may have the status of a private organization, this is of course purely formal because usually the persons who provide the funding also control the organization.]

Crewdson (J.M.) 1977b: Worldwide propaganda network built and controlled by the CIA. *New York Times* 26 December 1977 (p. 1 and 37)

[Second article in a series of 3. It is interesting to observe that this article is *not* on the microfilm of the *New York Times*. It had to be retrieved from a library which had a paper archive.]

Crewdson (J.M.) 1977c: CIA established many links to journalists in US and abroad. CIA’s numerous links with journalists differed widely in degree and value.

[Third article in a series of 3. In spite of the title the article is mainly about the United States; this was the main concern of the House Committee for which this investigation was conducted.]

## Epoch Times

[Anti-Communist and anti-Chinese daily newspaper. It was created in 2000 by Falun Gong practitioners. It is published in over 10 languages and has many regional editions.]

Denis (N.A.) 2015: *War against all Puerto Ricans. Revolution and terror in America's colony*. Nation Books, New York.

[The book gives a lively and at the same time well documented account of the history of Puerto Rico from US annexation in 1898 to the 1950s. The events that it describes, e.g. the appropriation of the land by US companies, the suppression of independence movements (e.g. the "Cadets of the Republic" marching behind the flag of Puerto Rico), the massacres of Rio Piedras and Ponce, the Gag Law of 1948, the insurrection of 1950, the secret files collected and kept by the FBI on about 100,000 Puerto Rico residents, these events are not unknown but they become incomprehensible when they are described independently from each other as is done in most other US accounts.]

Desmurget (M.) 2008: *Mad in USA: les ravages du modèle américain*. [The great damage caused by the fascination for the American model]. Max Milo Editions, Paris.

[After the author had returned from an 8-year stay in the United States most of his French friends did not understand why he did not remain in the "US Wonderland". Through this book he brushes a picture of the United States that is more realistic than the one offered by French media.]

Druon (M.) 1966-1970: *Les rois maudits* [the accursed kings].

[It is a series of 7 historical novels about the French and English kingdoms between 1310 and 1350.

In France these four decades were marked by a rapid weakening of the authority of the king. It led back to a revival of the power of the counts and dukes and to a territorial segmentation that was a distinctive characteristic of feodality. Eventually it resulted in a creeping civil war. Along with foreign allies aristocratic factions fought powerfully against the monarchy. For more details see Dufayard (1894). In fact, this so-called "Hundred Years' War" was not a single war but consisted in several successive wars: the war of the Breton succession, the Burgundy war, the war between England and France.

In 1420, thanks to his alliance with the Duke of Burgundy, the king of England proclaimed himself king of France. Thereafter and until the beginning of the 19th century the kings and queens of England continued to claim the crown of France.

It can be noted that this period was also marked by the Black Death of 1346/53



during which Europe lost at least one third of its population. What were the social consequences? Surprisingly, neither Druon nor Dufayard tries to take them into account.]

Dufayard (C.) 1894: *La réaction féodale sous les fils de Philippe le Bel* [the feudal reaction during the reigns of the sons of Philip IV the Fair.] *Revue Historique* 55,2,241-289.

[Under feudal rule, the dukes and counts held powers almost equivalent to those of the king. They had courts of justice, they could collect taxes, they had the right to go to war against one another. In addition, the Church was exempt of any taxes while authorized to collect the tithe. Needless to say, this led to a segmentation of the country. It was a situation similar to the one which prevailed in China under local warlords.

During his 29-year long reign the king of France Philip IV (1285-1314) was able to curb the power of the nobility and the Church. Altogether the reigns of his three sons Louis X (1314-1316), Philip V the Tall (1316-1322) and Charles X (1322-1328) lasted only 14 years.

The so-called feudal reaction was the successful attempt of the nobility and church to win back their former privileges. This left France in a state of chaos. This period of French history was well described in a series of 7 books by Maurice Druon entitled: *Le roi de fer* (the Iron King), *La reine tranglé* (the strangled queen), *Les poisons de la couronne* (the poisoned crown), *La loi des mâles* (the royal succession), *La louve de France* (the she-wolf of France), *Le lis et le lion* (The lily and the lion), *Quand un roi perd la France* (the king Without a kingdom).

Dumbaugh (K.) 2009: *The Tibetan Policy Act of 2002: background and implementation*. Congressional Research Service.

Durbin (T.) 1947: *Formosa killings are put at 10,000*. *New York Times* 29 March 1947.

[The article refers to the repression by Kuomintang troops of the Taiwanese uprising that started on 28 February 1947. The insurgents were expecting that the United States would prevent the KMT from going against them.

For some reason, this article cannot be found through the search engine on the website of the journal.]

Durbin (T.), Reston (J.), Topping (S.) 1971: *The New York Times Report from Red China*. Quadrangle Books, New York.

[In June 1971 a team of New York Times reporters was allowed to visit China. The purpose was to prepare the American public to the idea of a policy change.

Although, in 1971 the Cultural Revolution was still going on, the report says that it was over. Generally speaking, the report gave a rosy picture of life in China. At that time “China bashing” had not yet become the standard way to report about events in China.]

Eichengreen (B.) 2011: Exorbitant privilege. The rise and fall of the dollar. Oxford University Press, New York.

[The section about a possible fall is fairly short and gives little indications as to the factors and circumstances that may lead to it.]

Famularo (J.) 2015: The China-Russia NGO crackdown. Authorities in both countries apparently aim to cripple NGOs with foreign patrons or partners.

The Diplomat (23 February 2015).

[The article compares the way China and Russia are monitoring non governmental organizations (NGO) which receive part from their funding from abroad. It turns out that Russia led the way but that China seems to be willing to follow in the same footsteps.

In July 2012, President Putin signed a foreign agents law which extends the definition of treason to the transmission to foreign powers of information that may damage constitutional order and territorial integrity. Nine months later began an inspection of hundreds of NGOs. About 30 organizations were required to register as foreign agents. It can be observed that several other countries including the United States have similar requirements regarding the registration of persons or groups as foreign agents.]

Gates (D.) 2015: Boeing pays \$581 million in federal income tax unlike in previous year. Seattle Times, 24 February 2015.

[The \$581 millions represent an effective tax rate of 8.5%. However, over the previous 12 years, the overall tax rate paid by Boeing was *minus* 3%, meaning that on average it got net federal tax refunds. The article explains that it is a rule on development costs that makes this possible.

- For the purpose of paying taxes, billions of dollars of development costs can be taken out of the current year’s income.

- On the contrary, the net income reported to shareholders is based on pushing out into the future such development costs (e.g. \$4.5 billions in 2014).

Thus, thanks to this rule on deferred development costs, Boeing can at the same time pay hefty dividends to its shareholders and no (or minimal) income tax to the federal government.]

Goldstone (J.A.) 1995: The coming Chinese collapse. Foreign Policy 99, Summer 1995, 35-53.

Gorrie (J.R.) 2013: The China crisis. How China’s economic collapse will lead to a

global depression. Wiley.

Greensboro Truth and Reconciliation Commission 2006: Labor and unions in North Carolina textile mills (Chapter 2).

[On the topic of unionization see also Sexton (1991) and Smith (2003). The name of the commission comes from an event that occurred in Greensboro, North Carolina on 3 November 1979. On that day, 5 protest marchers were shot and killed by members of the Ku Klux Klan and the American Nazi Party at a rally organized by communists and leftists through which they intended to show their opposition to the Klan. Not surprisingly, two criminal trials held in April 1984 (four years and a half after the shooting) resulted in the acquittal of the defendants by all-white juries. This kind of justice was similar to what could be observed in the wake of anti-black riots (more details can be found in Roehner (2004).]

Hersh (S.) 1978: CIA said to have aided plotters who overthrew Nkrumah in Ghana, *New York Times* (5 September 1978). Reprinted in: Ray (E.), Schaap (W.), Van Meter (K.), Wolf (L.) 1979: *Dirty work 2. The CIA in Africa*. Secaucus (New Jersey).

Heyman (J.), Rho (H.J.), Schmitt (J.), Earle (A.) 2009: *Contagion nation. A comparison of paid sick day policy in 22 countries*. Center for Economic and Policy Research (CEPR)

[This study does not compare average *actual* sick day payment; it rather compares the *legislation* about sick day payment. The conclusion of the study is that the US is the only rich country in the world that does not mandate (at the federal level) any form of paid sick days. This is not due to the federal structure of the country for the sample analyzed in this study comprised other countries with a federal organization, e.g. Australia, Canada or Germany. However it is true that some states (e.g. California, Connecticut, Hawaii) have passed laws providing payment of sick days.]

Hodge (General J. R.) 1947: *With the US Army in Korea*. *National Geographic Magazine*, June 1947, 829-840.

Huang (Y.) 1995: *Why China will not collapse*. *Foreign Policy* 99, Summer 1995, 54-68.

[This papers is a reply to the paper by Jack Goldstone published in the same issue of "Foreign Policy".]

Hussey Papers [Hussey, Alfred Rodman Jr], Microfilm, 12 reels.

[Hussey is mainly known because of his contribution in the drafting of the Japanese constitution, but he played a key-role in many other questions. The documents about the drafting of the constitution can be consulted online on the

website of the National Diet Library at the address:

[http://www.ndl.go.jp/constitution/e/library/06/hussey/hussey\\_0031.html](http://www.ndl.go.jp/constitution/e/library/06/hussey/hussey_0031.html) These documents represent only about 15% of the whole microfilm.]

Jong (de A.) 1989: The demise of the Dragon. Backgrounds to the Chinese film “River Elegy”. China Information 28-43.

Kan (S.A.) 2014: US-China military contacts: issues for Congress. Congressional Research Service, Washington DC (July 29, 2014).

Leigh (D.) 1978: Death of the department that never was. Guardian 27 January 1978, p. 13.

[David Leigh recounts the 30-year history of the Foreign Office’s covert propaganda operation.

The expression “that never was” is justified by the fact that this department, the “Information and Research Department”, was “on the secret vote” which means it has never been officially funded by Parliament.

In fact, this article followed closely an article published in the New York Times in December 1977 (see Crewdson 1977) about how the CIA shaped public opinion.

It is likely that the so-called “death” was merely a change of name. The new name seems to be “Overseas Information Department”. Probably, one will not hear much about it until it is dissolved.]

Kennedy (S.) 1997: The Stone Group: state client or market pathbreaker. The China Quarterly 152,746-777.

[Based on interviews of employees and former employees, the article describes the activities of the Stone Corporation from its creation in 1984 to 1996. In 1984 it had 94 employees, 1,853 in 1989 and 3,800 in 1996. The “Stone Social Development Institute” was created in October 1988.

During the uprising of 1989,

- Stone donated money and equipment (mobile phones, loudspeakers and printing equipment) worth RMB 200,000. Converted into dollars at the exchange rate of 1989 it is only \$50,000 in dollars of 1989 (i.e. about \$100,000 in dollars of 2015); however, given the general price level in China at that time it was a huge amount).

- “Secondly, [Stone offices were used as a conduit for contacts between the students and overseas political forces](#)”.

It would be interesting to know more about these overseas forces. Clearly, through his interviews the author must have been able to get more details. It is difficult to understand why he goes so quickly over this important point.]

Labin (S.) 1960: The anthill: The human condition in Communist China. London, Stevens and Sons, London; Praeger, New York.

English translation of “La condition humaine en Chine communiste”, published in 1959 by “La Table Ronde”, Paris.

[The book is based on accounts of Chinese refugees in Hong Kong. It has had many reeditions, notably in 2011 by “Nabu Press”.

In an article of the “New York Times” (26 December 1977) one learns that among the Praeger books in which the CIA had a hand was “The Anthill” by the French writer Suzanne Labin. As her bibliography comprises many anti-Communist books, one would expect that “Anthill” was not the only one to be sponsored by the CIA.

The fact that Suzanne Lambin had a close connection with the US government is revealed by her involvement in a study presented to a subcommittee of the US Congress, namely: “The techniques of Soviet propaganda”, 89th Congress, US Government Printing Office, 64 pages. This publication is mentioned in the English version of the Wikipedia article about her. It can be noted that neither the French nor the English version mentions that her writing activity was supported by the US government through CIA subsidies to her publishers. In France, her books were published by the “La Table Ronde” publisher and by the “Editions de la Ligue de la Liberté”.]

Mathews (J.) 1998: The myth of Tiananmen and the price of a passive press. *Columbia Journalism Review* September/October 1998.

[The “myth of Tiananmen” refers to the belief that many people were killed there. During his visit to China (25 June to 3 July 1998) President Clinton accepted to attend a welcoming ceremony in Tiananmen Square. Mathews writes that, in the wake of this event, some US newspapers (e.g. the “Washington Post” and “New York Times”) “explained that no one died there”. However, he adds that “these were short explanations” in inside pages or at the end of long articles. We were not able to find those “short explanations”. As a matter of fact, these same newspapers as well as other western medias keep the myth well alive. For instance, the “Washington Post” issue of 25 June 1998 (p. A25) has the following sentence: “Clinton will be officially greeted Saturday in Tiananmen Square, where, in 1989, the army annihilated pro-democracy protesters, most of them students. How many died? No one seems to know. Surely it was hundreds, maybe more”.

Mathews analyzes carefully the reports of (mostly US) eye-witnesses who claim they have seen the massacre from their hotel and observes that Tiananmen square could not be seen from the designated places. In this connection see also Moore (2011), *China Daily* (2011) and Clark (2011).]

Moore (M.) 2011: Wikileaks: no bloodshed inside Tiananmen Square, cables claim. Secret cables from the United States embassy in Beijing have shown there was

no bloodshed inside Tiananmen Square when China put down student pro-democracy demonstrations 22 years ago.

Telegraph 4 Jun 2011.

[In 1998, that is to say 13 years prior to this article it had already been recognized by the “Washington Post” and the “New York Times” that “no one died on Tiananmen Square” this article provides a confirmation based on US diplomatic sources released by Wikileaks. In this connection see also Mathews (1998).]

Navarro (P.) 2006: *The coming China wars: where they will be fought and how they can be won*. Pearson FT Press.

Navarro (P.) 2011: *Death by China. Confronting the Dragon. A global call to action*. Pearson FT Press.

Perlez (J.) 2000: US anti-Milosevic plan faces major test at polls. *New York Times* 23 September 2000.

[One day before the election of 24 September 2000 in Serbia the present article announced that no matter how honest the election will be the opponents sponsored by the US government will seize the pretext of fraud to bring down Milosevic. In previous months, two Washington-based organizations, the “National Democratic Institute” and the “International Republican Institute”, had received \$4 million from the US government to help Serbian opposition groups. Likewise, the USAID had given contracts to “Freedom House” and to the “Marshall Fund” in Germany.

According to this plan, “angry voters will take to the streets in a way that will eventually drive Milosevic from office, much as Ferdinand Marcos was ousted in the Philippines in 1986” (the Manila model is mentioned twice in the article). The events indeed unfolded as predicted.]

Persaud (A.) 2004: *When currency empires fall*. Seminar given at Gresham College on 7 October 2004.

[This talk provides a view which seems much more insightful than the one presented 4 years later by Chinn and Frankel (2008). The author states his conclusion as follows: “The most likely candidate to replace the dollar is not the euro, it is China’s renminbi” but he warns that: “The principal risks to this forecast are whether China can maintain a degree of political stability. If the Chinese leadership fails the dollar’s reign will last a little longer”.]

Pillsbury (M.) 2015: *The hundred-year marathon. China’s secret strategy to replace America as the global superpower*. Henry Holt and Co. [At the beginning of the book there is a note which says: “The CIA, the FBI, the Office of the Secretary of Defense reviewed this book prior to publication to make sure that there is no disclosure of classified intelligence”].

As the author has spent all his career working for the State Department and the CIA, it can be expected that his book promotes the agenda of these organizations. During the Cold War, the State Department was convinced that the Soviet Union was planning to dominate the world. In the late 1980s, US media spread the idea that Japan wants to dominate the world. Now, in 2015, there is a similar story about China. Yet, it is the United States which is implementing a containment policy against China, not the opposite.]

Pison (G.) 2010: Evolution de la mortalité infantile dans quelques pays du Sud. [Infant mortality changes in some developing countries.] Population et Sociétés (INED) no 463.

[A graph based on United Nations data gives the evolution of infant mortality from 1950 to 2010 in Brazil, China, Congo-Kinshasa, Ivory Coast and Tunisia. Somewhat surprisingly, it appears that in China the reduction pace slowed after 1990.]

Rebattet (François-Xavier) 1962: The European Movement 1945-1953. A study in national and international non-governmental organisations working for European unity. PhD Thesis, Oxford, St Anthony's College.

[A copy of this thesis is held at the Bodleian Library. Unfortunately it cannot be borrowed through the inter-library loan. According to Worldcat there is no other library holding this thesis.]

Richmond (J.B.), Fein (R.) 2007: The health care mess. Harvard University Press, Cambridge.

[Julius Richmond is a former US Surgeon General that is to say the head of health care in the federal government. Co-author Rashi Fein is an economist.]

Robinson (R.D.) 1947, 1950, 1960: Betrayal of a nation. Unpublished manuscript (329 pages). [In 1946 Richard Robinson (1921-2009) was Chief of the Public Opinion Section of the Department of Information of the US Army Military Government in Korea. Later he was attached as historian to the G-2 Department at the Headquarters of the XXIV Corps. During his stay from early 1946 to mid-1947 he wrote a long account about which he makes the following statement (p.4):

“The original of this book was several times the length of the present volume, nearly every statement being fully documented from indisputable sources. Unfortunately, General Hodge and his detachment of Counter Intelligence Corps agents evidenced such obvious displeasure over this proposed revelation of American mistakes and misdeeds in Korea that the volume was burned to avoid personal incarceration. This present work is a reconstruction of the more complete version. Fortunately, I was able to take with me a file of the *Seoul*

*Times*, an outspoken daily news sheet published in English and a few other documents”.

He wrote the present manuscript (under the pseudonym Will Hamlin) after he left Korea in 1947. As suggested by its title the book was critical of the action of the Military Government. In this respect it is a fairly unique book for 99% of the books written by Civil Service officers follow the lines set by the official historiography of the occupation as established by the History Section of the Military Government.

In his preface the author explains that he made unsuccessful attempts at finding a publisher in 1948 after writing the book and then again 10 years later but with no more success.

Nevertheless, the book can be read in manuscript form in a few libraries. The “WorldCat” (collective catalog of world libraries) gives only two locations in the United States: Harvard-Yenching and Georgetown University. The book has not been made available online so far. Google Books mentions its title and shows its cover but does not provide any part of it, not even the table of contents.

Apart from “Betrayal of a nation”, Robinson wrote several other books, e.g. “The first Turkish Republic” (1963), “International business policy” (1964). This last book caused one reviewer to condemn him as a “traitor to American capitalism”.

The Harvard-Yenching copy (which is the one that I read) was made available to this library by John Merrill with the permission of Richard Robinson. Merrill’s letter dated 19 April and Robinson’s reply dated 25 April 1975 are inserted at the beginning of the volume. Merrill asks Robinson whether the book should be included in the general collection or in the Korean Section’s “vertical file” in which it would be possible to attach restrictions to its use (the librarian of Harvard-Yenching told me in 2011 that the “vertical file” was no longer in existence). Robinson responded: “There is no reason for it not to be included in the general collection.”]

Roehner (B.) 2004: *Cohésion sociale*. Odile Jacob, Paris.

Roehner (B.M.) 2014a: *Relations between US forces and the population of China*. Working Report. LPTHE, University of Paris 6.

Roehner (B.M.) 2014b: *Relations between US forces and the population of South Korea*. Working Report. LPTHE, University of Paris 6.

Roehner (B.M.) 2014c: *How did Europe become an American turf?* Working Report. LPTHE, University of Paris 6.

Roosa (J.) 2006: *Pretext for mass murder: The September 30th movement and Suharto’s coup d’État in Indonesia*. The University of Wisconsin Press, Madison (Wisconsin).

[US Ambassador Marshall Green started his service in Jakarta on 4 June 1965, that is to say three months before the alleged coup which was blamed on the



Communists and then taken as a pretext for the repression against them. Previously he had been chargé d'affaires in South Korea at the time of the 1961 coup d'État that brought Major-General Park Chung Hee to power.

Ross (R.S.) 2012: The problem with the pivot. Obama's new Asia policy is unnecessary and counterproductive. *Foreign Affairs*, Nov-Dec 2012.

[The paper shows that the Obama administration has put great emphasis on the *military aspects* of its containment policy. The author concludes his paper as follows: "A strategy that was meant to check a rising China has sparked its combativeness. As China rises, a policy of restraint, rather than alarmism, will best serve US national security".

Indeed, it seems fairly clear that the military support given to close neighbors of China will increase nationalist sentiment in China in the same way as the inclusion into NATO of former East European Communist countries has increased nationalism in Russia.

This aggressive policy has led to the clashes in Abkhazia (northern part of Georgia) in August 2008 and in south-east Ukraine in 2014. According to the well-known rule that same causes have same effects, one should not be surprised to see similar clashes between US allies and China. The most likely occurrence is probably between China and Vietnam in the South China Sea.

The rise of military stakes and concerns makes Einstein Institute-like domestic subversion more difficult.]

Santolan (J.) 2011: Social inequality and the Yangtze River drought.

World Socialist Website at: <http://www.wsws.org/en/articles/2011/05/chin-m18.html>

Schell (O.) 1988: *Discos and democracy. China in the throes of reform.* Pantheon Books, New York.

[The author observes that Mr. Deng's reformers are caught in the same bind as other reformers in China's past: how to modernize without losing national pride and cultural identity. How to open the door without being swamped by western ways, thoughts, music, sports. According to him, successful reformers in China are in line with Sun Yatsen, Mao Zedong, and Deng Xiaoping, all of whom shared a wariness of cultural annihilation.

In fact, a similar story could be written for almost all countries except the United States. For indeed, what the authors call "western ways" are in fact American ways. In essence, globalization is Americanization.]

Schock (K.) 2005: *Unarmed insurrections. People power movements in nondemocracies.* University of Minnesota Press.

[The study focuses on 6 cases which occurred in the 1980s and 1990s: South Africa and the Philippines where nonviolent action was successful; Burma,

China and Thailand where it was not and Nepal where the struggle was still in progress. The case of South Korea could have been added among the unsuccessful attempts. In the United States there were two senior proponents of such comparative studies: Gene Sharp and Charles Tilly. As Kurt Schock has been in contact with both, his study can be seen as a kind of synthesis.]

Sexton (P.C.) 1991: *The war on labor and the left: understanding America's unique conservatism*. Westview Press, Boulder (Colorado).

[Patricia Sexton, a professor of sociology at New York University, reexamines a key-question, namely: why has the United States, in contrast to other industrialized countries, failed to develop strong unions and a socialist party? Her compelling argument is that this is less the result of the weaknesses of labor than of the fact that companies were able to wage a successful repressive war on labor and leftists. One could add that through clever public relations campaigns they were able to discredit unions and turn public opinion against them. In this respect see also Smith (2005) and Greensboro (2006).]

Sharp (G.) 1959: Research project on totalitarianism and nonviolent resistance. *Journal of Conflict Resolution* 3,2,153-161.

Sharp (G.) 1960: *Gandhi wields the weapon of moral power: three case histories*. Navajivan Publishing House, Ahmedabad, India.

[The main focus is on the 1930-31 salt marches and independence campaign, but the book also covers the peasant struggle in Champaran in 1917-1918, and Gandhi's 1948 fast in Delhi against inter-communal killings linked to partition. The book is mostly a reproduction of articles which appeared in various newspapers such as "Young India", the "Congress Bulletin", the "Manchester Guardian", the "New York Times".

It gives a biased view of the long struggle of India for its independence in the sense that it belittles the suffering of the Indian people. We are told that in 1930-1931 there were between 60,000 and 100,000 undernourished Indians in crowded prisons, but there are no data about the number of people who died in prison. We are told that all over India troops fired into crowds but there are no data about the number of people killed. Thus, at one point we are told that in January 1931 in Bombay crowds assembled for Solapur Day "were fired upon injuring over 300" but the number of deaths is not given. We are told about numerous "lathi" (a stick made of bamboo) charges and beatings but the numbers of people who died as a result are not given. The Bengal famine of 1943 and its 4 million victims is not mentioned, nor is mentioned the "Quit India" mobilization of 1942-1943. Yet, there was a crushing repression. For instance, in September 1942, the Royal Air Force repeatedly used airplane guns against

Indian mobs. (see NYT 26 Sep 1942)

Instead this book upholds the view of a kind of game in which the Indians used Gandhi's non-violent means by offering themselves as targets while the British side responded with lathi charges, mass arrests, even rifle fire, but mostly without any lethal effects<sup>121</sup>.

Little evidence is given that would allow the reader to measure to what extent the civil disobedience movement and the Irwin-Gandhi agreement which ended it in March 1931 has had an impact on the progress of Indian independence. No attempt is made in this book to discuss other possible factors which were instrumental for achieving independence. For instance, there is not a single word about pressure on Britain by the US government in favor of complete independence. (in this respect see NYT 29 Sep 1942).

Finally, it can be observed that the book was already finished in February 1953 (i.e. 7 years before being published) which is why Albert Einstein (who died in 1955) could write a foreword.]

Sharp (G.) 1970: Exploring nonviolent alternatives. Porter Sargent, Boston.

Sharp (G.) 1973: The politics of nonviolent action. Porter Sargent, Boston.

[A partial polish translation (31 p.) was published in Gdank in 1984. Subsequently, the book was translated into many languages.

The book comprises three volumes: (I) Power and struggle. (114 pp.), (II) The Methods of Nonviolent Action. (348 pp.), (III) Dynamics of Nonviolent Action. (466 pp.)]

Sharp (G.) 1980: Social power and political freedom. Porter Sargent, Boston.

Sharp (G.) 1984: Making Europe unconquerable: the potential of civilian-based deterrence and defence. Ballinger, Cambridge, Massachusetts.

[The book was translated into Hebrew in 1993. According to the French Wikipedia article entitled "Gene Sharp" his books on nonviolent defense were used by the governments of Lithuania, Estonia and Latvia when they seceded from the Soviet Union in 1990-1991.]

Sharp (G.) 1990, 1991: Lithuanian "Pilietinis Pasipriesinimas" [Civil resistance]. Lietuvos Aidas [Lithuanian Echo], March 26-28. [Edited translation of the conference paper "A Civilian-based resistance component: a contribution to both deterrence and defense" which was presented in Stockholm in October 1990 and included the participation of Raymondas Rayatskas vice-president of the Lithuanian Academy of Science.

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<sup>121</sup>One exception is the Peshawar massacre of 21 April 1930 in which there were between 20 (official number) and several hundred deaths. Should the fact that the Indian troops accepted to fire on their fellow citizens during several hours not be seen as a failure of the non-violent strategy? In contrast, during the civil war in China entire divisions changed side.

Sharp (G.) 2012: *Sharp's dictionary of power and struggle. Language of civil resistance in conflicts.* Oxford University Press, New York.

Shichtor(Y.) 2004: *The great wall of steel: military and strategy.* in: Starr (S.F.) editor: *Xinjiang, China's Muslim borderland.* Central Asia Caucasus Institute, New York.

[This study gives information about the Sino-Soviet rift in China's west. It describes the support given to Xinjiang separatists by the Soviet Union, the support given by China to the Afghan resistance during the Soviet Occupation and the China-US military cooperation in setting up and maintaining radar and listening stations along the border between Xinjiang and Kazakstan.]

Smith (R.M.) 2003: *From blackjacks to briefcases: a history of commercialized strikebreaking and unionbusting in the United States.* Ohio University Press, Athens (Ohio).

[From the beginning of the Industrial Age and continuing into the twenty-first century, companies faced with militant workers have often turned to agencies that specialized in ending strikes and breaking unions. The Pinkerton agency was the most well known of them. By digging through subpoenaed documents and the testimony of executive officers and rank-and-file strikebreakers, the author is able to unravel the inner workings of the antiunion industry. In this respect, see also Sexton (1991) and Greensboro (2006).]

Steele (J.) 1979: *America puts the flag out for Deng.* *The Guardian* 30 January 1979.

[“To put the flags out” means that one is pleased with something or somebody. It is an expression of pleasant surprise mostly used in the UK.]

Strand (D.) 1993: *Modern Chinese history.* in: DesForges (R.V.), Luo(N.), Wu (Y.) 1993: *Chinese democracy and the crisis of 1989.* State University of New York Press.

[Excerpt (p. 72):

The Stone Corporation did become heavily involved in the pro-democracy movement as an organizer of the attempt to lobby the National People's Congress to rescind the martial law order. In April 1989 a researcher from the company had joined a conference of students calling for political and economic reform. Even prior to the movement of 1989, intellectuals on the staff of the Stone Corporation had played a prominent role in promoting reform.]

Sulick (M.J.) 2007: *As the USSR Collapsed. A CIA officer in Lithuania. Remembering 15 years ago.*

Online:

[https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/csi-studies/studies/vol50no2/html\\_files/CIA\\_Lithuania\\_1.htm](https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/csi-studies/studies/vol50no2/html_files/CIA_Lithuania_1.htm)

[The article is the account by a CIA officer of his stay in Vilnius in early Septem-

ber 1991. After describing his visit of the KGB prison (which has now been made into a Museum) he says: “I felt certain that my career in CIA, dedicated to fighting the kind of brutality that took place in there, was not in vain.”. When he wrote this in 2007 did he really ignore that the CIA had sent prisoners to Lithuania in order to torture them? Probably not.]

Sun (J.), Lancaster (S.) 2013: Chinese globalization. Routledge, New York.

Toosi (N.) 2007: Paper denies representing Falun Gong. Washington Post (Associated Press), 7 February 2007.

Tsuchiya (Y.) 2002: Imagined America in occupied Japan. Re-educational films shown by the US occupation forces to the Japanese 1948-1952. The Japanese Journal of American Studies 13,193-213.

[As an example of “imagined America” the article present “Steel town”, a movie shown in Japan in 1946. It portrays a classless and race struggle free America where native-born and immigrants work side by side and share their leisure time.]

Vigna (A.) 2009: A Tijuana, la mauvaise fortune des “maquiladoras”. [Tijuana is a Mexican city south of San Diego]. Le Monde Diplomatique, November 2009. [The article describes the working conditions in the factories of the *maquiladoras*, the free-tax zone south of the Mexican border with the United States.]

Washburn (D.) 2014: Golf is both banned and booming in China. The Worldpost. [Washburn is the author of “The Forbidden Game: Golf and the Chinese Dream”.]

Wedel (J.R.) 2009: Shadow elite. How the world’s new power brokers undermine democracy, government, and the free market. Basic Books Group, New York.