

IN THE WORLD

CHINA AND THE U.S.

Deng seeks alliance against Polar Bear

By Haunting Report

AFTER HANGING AROUND about it for months, Deng Xiaoping finally popped the question to the U.S.: how about joining together with India, Japan and Western Europe to oppose the "Soviet polar bear"? The Carter administration blushed at the Chinese advances, nervously glancing at Deng's competing offers from the north. But President Carter and his advisers did not outright reject the proposal during Deng's historic visit to the U.S. Jan. 29 through Feb. 5.

Deng first made his proposal in an interview with *Time* published the day he was welcomed to the White House: "If we really want to be able to place curbs on the polar bear," he said, "the only realistic thing for us is to write."

Deng also told *Time* that he thought the Soviet Union, not the U.S., was "the true hotbed of war" which sought "to control the whole world" through "global hegemonism."

Deng sided with Carter's SALT opponents, saying he agreed with an open letter signed by 178 retired U.S. generals and admirals published last month that charged the Soviets were heading for military superiority, not parity.

Arguing that the U.S. was in "strategic retreat," the Chinese Vice-Premier said that in "seeking world peace and world stability, such agreements [as SALT II] are neither as significant nor as useful as the normalization of relations between China and the U.S. and the peace and cooperation treaty signed between China and Japan."

Deng continued his attacks on "Soviet hegemonism" during his visit to the U.S., although he toned down his remarks on SALT, saying that the agreement "might be necessary," even though it would not restrain the Soviets. Deng also rejected the actual word "alliance" to describe his call for "common efforts" against the Soviets. Nevertheless, Deng pressed his case for the U.S. to join an informal alliance or bloc with China, Japan and Western Europe to encircle and contain the Soviet Union.

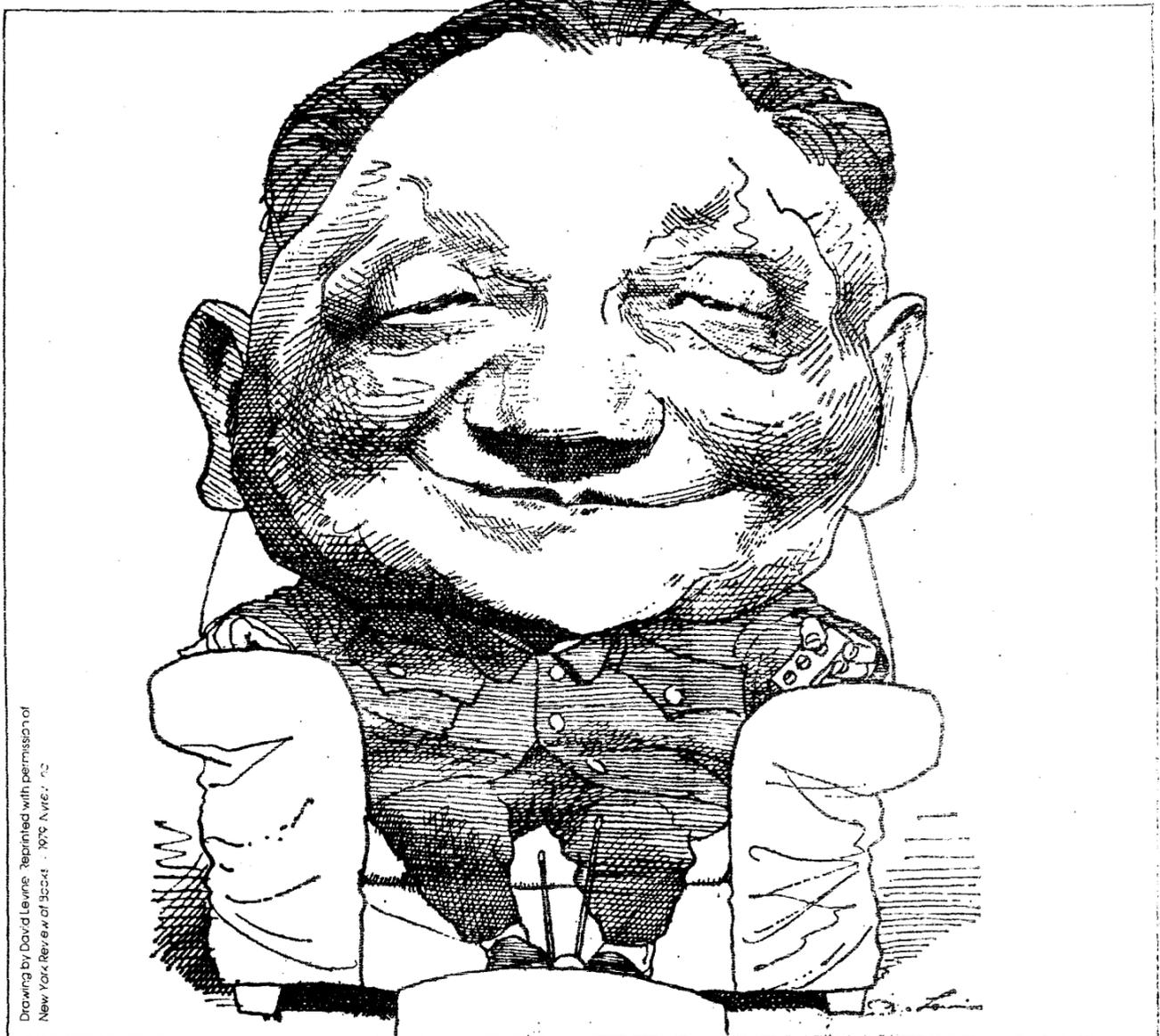
U.S. reaction ambiguous

The U.S. reaction to Deng was ambiguous—perhaps reflecting the White House's desire to move as close as possible to China without decisively antagonizing the Soviets, as well as reflecting differences within the administration. The joint press communique issued at the end of Deng's stay in Washington said the two sides reaffirmed that "they are opposed to efforts by any country or group of countries to establish hegemony or domination over others."

The communique said the two sides "agreed that in many areas they have common interests and share similar points of view," although "they also discussed those areas in which they have differing perspectives."

President Carter said the day before, during a ceremony for the signing of scientific and cultural exchange agreements, that the U.S. and China "have agreed to consult regularly on matters of common global interest [presumably the Soviet Union]." Yet Carter added that "the security concerns of the U.S. do not coincide completely, of course, with those of China. Nor does China share our responsibilities"—suggesting that SALT was an area of "differing perspectives."

Carter did not explicitly reject the Chinese proposal for an informal alliance against Moscow while Deng was in the country, however. This led the Soviet



Drawing by David Levine. Reprinted with permission of New York Review of Books, 1979. NYRB, N.Y.

news agency Tass to call for a "clarification" of the administration's attitude toward the "incendiary statements by the Chinese guest of the White House."

Georgy Arbatov, a close advisor to Soviet President Brezhnev, said in an interview with CBS Feb. 2 that Deng was attempting to "hammer into the minds of Americans an illusion that...an improvement of relations with China can be a sound alternative to detente, to arms control, to development of cooperation in the world, etc."

"This illusion, I think," Arbatov said, "is dangerous even in the era of conventional warfare. It becomes tremendously dangerous in the era of nuclear warfare." He added, however, that he thought the U.S. was "rather far" from an alliance with China, and that he had hopes for the "common sense and political wisdom of Western countries and the American people."

Policy to be "balanced"

The Soviets will have to make their own assessment in coming months as to whether the core element in the new Sino-U.S. relationship is anti-Sovietism. On the official level, the administration is likely to continue the "even-handed" policy that was reaffirmed on the eve of Deng's visit.

"Our policy toward [Peking and Moscow] will be balanced," Secretary of State Vance stated on Jan. 11, "and there will be no tilts one way or the other, and this is an absolutely fundamental principle." According to *Time*, the cabinet-level Policy Preview Committee last month "recommended that the President avoid any steps that could be construed as a 'Tilt' toward China at the expense of the Soviet Union."

On a practical level, however, the U.S. is likely to tilt toward China, moving to

strengthen ties with Peking at Moscow's expense, through:

- Active administration support for a massive transfer of technology to China, from offshore oil rigs and help damming the Yangtze river to building and launching a domestic communications satellite system;

- A de facto administration favoring of China in the transfer of defense-related technology, despite an official policy of even-handedness;

- Acquiescence and perhaps quiet support for Western arms sales to Peking, including the recently announced British sale of Harrier vertical takeoff jet fighters;

- Closer Sino-American consultations and frequent pursuit of parallel policies in Africa, the Middle East and Persian Gulf, Southeast Asia and Northeast Asia;

- Increasing informal defense consultations between China, Japan and NATO, as well as increasing U.S.-Japan defense cooperation and a buildup of Japanese military forces encouraged by both Washington and Peking.

Congress too can be expected to join in the debate over tilting toward China—particularly in regard to trade. Deng assured Sen. Henry Jackson (D-WA), co-author of the 1974 Jackson-Vanik amendment tying trade benefits to emigration policies of communist countries, that China would soon give public assurances of freer emigration.

Jackson said that the Chinese would qualify for Most Favored Nation (MFN) trade status "without question." But despite greatly increased Jewish emigration from the Soviet Union last year, Jackson says that Congress is not going to grant trade concessions to the Soviet Union "in the midst of an enormous Soviet build-up and their disruptive actions on Afghanistan, Vietnam and Iran."

Sen. Adlai Stevenson (D-IL) introduced

legislation Feb. 5 to pave the way for normal trade relations with both China and the Soviet Union. It would relax current restrictions on MFN status and provide up to \$2 billion in credit from the Exim bank for both countries.

Stevenson told the *New York Times* that he was concerned that Deng's visit would touch off an effort in Congress to grant tariff and credit concessions to China without similar moves toward the Soviet Union, which, he said, "would give credibility to the suspicion that the U.S. is playing a China card."

While the "honeymoon" in Sino-American relations is expected to continue for some time, U.S.-Soviet relations are not likely to improve markedly. Even the signing of the SALT II treaty—expected soon by both Soviet and American officials, to be followed by a Carter-Brezhnev summit—may not greatly ease tensions between Moscow and Washington.

The Senate ratification debate—even if the administration wins approval for the treaty—will be bitter and is likely to further exacerbate tensions with Moscow and deepen public suspicion of the Soviets. Moscow will be charged with an excessive buildup of both conventional and nuclear forces, and with unacceptable involvements in the Third World and a general ambition of global domination. U.S.-Soviet competition over the Third World also is likely to continue, with a pronounced tendency to blame the Soviet Union for U.S. "losses" around the world such as Iran, whether or not there is evidence of significant Soviet involvement.

If U.S.-Soviet relations deteriorate further, the alternative of a closer alliance with China to contain the Soviets may gain increasing support in Congress and with the American public.

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OIL

Iran crisis cuts off S. Africa oil flow

By Our Correspondent
in South Africa

NOWHERE HAS THE VIOLENT upheaval in Iran been followed with more concern than in the ruling circles of South Africa. A little-known relationship between the two countries dates back to World War II, when the current Shah's father, Reza, settled here in exile after the British and Soviets forced him out of power for his pro-German sympathies. He died here and is buried in Johannesburg.

But far more than sentiment underlies the apartheid government's concern. Alone among the oil producing nations, Iran has continued to supply South Africa with crude oil, about 90 percent of its needs according to the accepted estimate.

For a country with no oil resources of its own, the connection has been critical. And the worst has come to pass: first, the Ayatollah Khomeini said he favored an end to oil sales to South Africa, then the new moderate prime minister, Shakhpour Bakhtiar, endorsed the embargo and promised a fundamental review of South African-Iranian relations.

South Africa is not unprepared for the crisis. Government supporters talk hopefully of stockpiles held in abandoned gold mines; the amount is a guarded secret, but it is guessed to be a one- to three-year supply (although the military has priority).

Furthermore, South Africa relies on



An oil worker at an Iranian refinery.

oil for only about 25 percent of its energy needs, rather less than most industrialized nations. And the government says it has already started to buy oil surreptitiously on international markets, even though it is paying a premium.

The government is also banking on Sasol-2, an enormous facility which will use advanced technology, some of it supplied by American firms, to extract oil from coal, which South Africa has plenty of. The \$2.8 billion project, which employs some 20,000 construction workers, will begin functioning late this year.

Sasol-3 in the works.

When it reaches full capacity in 1985, together with the smaller Sasol-1, which is already in operation, it will supply 30 percent of the country's oil needs. And the government this year will probably announce plans for a Sasol-3.

Nevertheless, the Iran cutoff will require strict conservation measures, possibly including rationing. The Minister of Economic Affairs has appointed a 40-

member special commission which is deliberating in secret, but said to be considering (1) taxes on autos that waste fuel, (2) a levy to subsidize improved public transport, and (3) reducing the hours during which gas stations will be open and declaring periodic "gasless Sundays." If these measures fail, or do not seem strong enough, the ration coupons printed but not used during the 1973 oil shortages may be put into circulation.

South African motorists (the vast majority, not surprisingly, are whites) are already grumbling over a 10 percent gasoline price increase that became effective Jan. 1. They now pay about \$1.40 (U.S.) per gallon, a price which has quadrupled in the last ten years and will certainly rise even more. Astronomical fines for speeders—in some cases as high as \$150—have also caused complaints.

Crisis in Rhodesia.

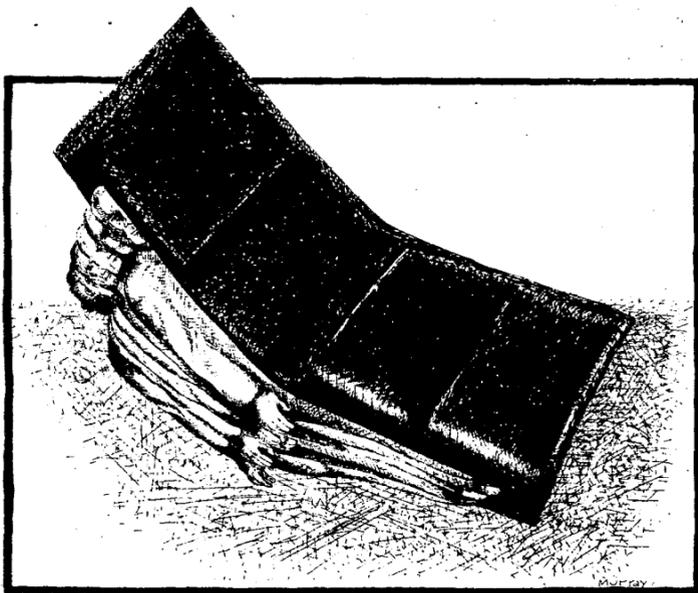
The increased discomfort in South Africa will be paralleled by real crisis in Rhodesia, which has stayed alive thus far due to collusion between Pretoria and

sanctions-breaking oil companies. But now that South Africa has its own shortage to worry about, the Smith regime's needs will take a back seat.

Western leaders have reportedly already decided to use the Iranian move to put added pressure on Rhodesia. The minority regime was not helped by the daring guerrilla raid late last year, which blew up an oil dump on the outskirts of Salisbury that contained an undetermined but clearly significant percentage of the country's precious reserves.

In white South Africa, the fuel crisis is taken as yet another ominous sign that the country is sliding steadily toward a war footing. The national Automobile Association cautioned motorists over the New Year to avoid accidents during their "final fling" before the fuel conservation measures go into effect.

White South Africans are realizing that the good life is slowly drawing to a close. They will increasingly be called upon to sacrifice—and to fight—to defend their privileges. ■



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